

SECURITIES AND EXCHANGE COMMISSION
Release No. 34-90130

October 8, 2020

Order Granting Application of Robinhood Financial LLC and Robinhood Securities LLC for a Limited Exemption from Exchange Act Rule 10b-10(a) Pursuant to Rule 10b-10(f)

By letter dated October 1, 2020 (the “Application”), Robinhood Financial LLC and Robinhood Securities LLC (together, “Robinhood”) request a limited exemption from the requirements of Rule 10b-10(a) under the Securities Exchange Act of 1934 (“Exchange Act”) to give or send trade-by-trade confirmations for automatic dividend reinvestments to customers participating in Robinhood’s Dividend Reinvestment Program (“DRP”). For customers who are eligible for and choose to participate in the DRP, Robinhood proposes to confirm dividend reinvestments through regular monthly account statements in lieu of sending separate confirmations following each dividend reinvestment as generally would be required under Rule 10b-10(a) absent this exemption.

The Division pursuant to delegated authority hereby grants an exemption from Rule 10b-10(a) under the Exchange Act subject to the facts and circumstances described in the Application.¹ This exemption from Rule 10b-10(a) is based solely on and is limited strictly to the facts and circumstances described in the Application. In particular, we note

¹ Rule 10b-10(f) provides that:

The Commission may exempt any broker or dealer from the requirements of paragraphs (a) and (b) of this rule with regard to specific transactions or specific classes of transactions for which the broker or dealer will provide alternative procedures to effect the purposes of this rule; any such exemption may be granted subject to compliance with such alternative procedures and upon such other stated terms and conditions as the Commission may impose.

that (1) Robinhood, which offers its customers an application-based trading platform (“App”), conducts its App-based business in accordance with the Electronic Signatures in Global and National Commerce Act² and guidance issued by the U.S. Securities and Exchange Commission (“Commission”) regarding the electronic delivery of documents;³ (2) Robinhood will provide to customers the disclosures described in the Application regarding the operation of the DRP; (3) customers will be given notice and the opportunity to opt out of the DRP prior to incurring any transaction fee or service fee if Robinhood decides to charge any such fees to DRP participants in the future; (4) the monthly account statements to be provided to customers participating in the DRP will include all transaction details and information that, absent this exemption, Rule 10b-10(a) would require Robinhood to provide at or before the completion of each transaction, and customers will be able to obtain the same information through the App immediately following each dividend reinvestment; and (5) for any transaction Robinhood effects for or with a customer outside the DRP, Robinhood will continue to send confirmations in accordance with the requirements of Rule 10b-10.

In the event that a material change occurs with respect to any of the facts or circumstances presented, monthly statements should be discontinued and the use of trade-

² See 15 U.S.C. §§ 7001-7006 (“E-Sign Act”).

³ The Application cites three interpretive releases as examples of such guidance: Release Nos. 33-7856; 34-42728; IC-24426, Use of Electronic Media (Apr. 28, 2000), 65 FR 25843 (May 4, 2000); Release No. 33-7288; 34-37182; IC-21945; IA-1562, Use of Electronic Media by Broker-Dealers, Transfer Agents, and Investment Advisers for Delivery of Information (May 9, 1996), 61 FR 24644 (May 15, 1996); and Release No. 33-7233; 34-36345; IC-21399, Use of Electronic Media for Delivery Purposes (Oct. 6, 1995), 60 FR 53458 (Oct. 13, 1995).

by-trade confirmations should be reinstated for the transactions described above pending presentation of the facts for our consideration. This exemption should not be considered a view with respect to other questions that Robinhood's proposed operation of the DRP may raise, including the applicability of any other federal or state laws or the applicability of self-regulatory organization rules concerning customer account statements or confirmations.

The foregoing exemption is subject to modification or revocation at any time if the Commission determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act.

For the Commission, by the Division of Trading and Markets pursuant to delegated authority.⁴

J. Matthew DeLesDernier
Assistant Secretary

⁴ 17 CFR 200.30-3(a)(32).