

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 95152 / June 24, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-20171

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In the Matter of	:	ORDER APPROVING APPLICATION
	:	OF FUND ADMINISTRATOR FOR
Robinhood Financial, LLC,	:	PAYMENT OF FEES AND EXPENSES
	:	AND APPROVAL OF FUTURE FEES
Respondent.	:	AND EXPENSES
_____	:	

On December 17, 2020, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceeding Pursuant to Section 8A of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)¹ against Robinhood Financial, LLC (“Robinhood” or the “Respondent”). In the Order, the Commission found that from 2015 through September 2018, Robinhood made material misrepresentations and omissions relating to its revenue sources, specifically its receipt of payment from certain principal trading firms, for routing Robinhood’s customer orders to them and relating to certain statements about the execution quality Robinhood achieved for its customers’ orders. The Commission also found that Robinhood’s customers received inferior execution prices compared to what they would have received from Robinhood’s competitors, caused in large part by the high payments for order flow rates resulting in Robinhood’s failure to satisfy its duty of best execution. The

¹ Securities Act Rel. No. 10906 (Dec. 17, 2020).

Commission ordered the Respondent to pay a \$65,000,000.00 civil money penalty to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty paid can be distributed to harmed investors (the “Fair Fund”).

On April 16, 2021, the Division of Enforcement, pursuant to delegated authority, issued an order appointing JND Legal Administration as the fund administrator of the Fair Fund and set the administrator’s bond amount.²

In accordance with Rule 1105(d) of the Commission’s Rules,³ the Fund Administrator has submitted to the Commission staff an invoice for services rendered from its appointment through October 30, 2021, totaling \$302,683.83. The Commission staff has reviewed the Fund Administrator’s invoice, confirmed that the services have been provided, and finds the fees and expenses of \$302,683.83 to be reasonable. The Commission staff has requested that the Commission authorize the Office of Financial Management (“OFM”) to pay the Fund Administrator’s fees and expenses of \$302,683.83 from the Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules.⁴

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize OFM, at the direction of an Assistant Director of the Office of Distributions, to pay the Fund Administrator’s future fees and expenses from the Fair Fund so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

² Order Appointing Fund Administrator and Set the Administrator’s Bond Amount, Exchange Act Rel. No. 91590 (Apr. 16, 2021).

³ 17 C.F.R. § 201.1105(d).

⁴ 17 C.F.R. § 201.1105(e).

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission's Rules,⁵ that OFM pay the Fund Administrator's fees and expenses of \$302,683.83 from the Fair Fund in accordance with Rule 1105(e) of the Commission's Rules.⁶ Further, OFM is authorized to pay, at the direction of an Assistant Director of the Office of Distributions, any future fees and expenses of the Fund Administrator from the Fair Fund in accordance with Rule 1105(e) of the Commission's Rules,⁷ so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁸

Vanessa A. Countryman
Secretary

⁵ 17 C.F.R. § 201.1105(d).

⁶ 17 C.F.R. § 201.1105(e).

⁷ 17 C.F.R. § 201.1105(e).

⁸ 17 C.F.R. § 200.30-4(a)(21)(vi).