

Robinhood raises \$3.4 bn to meet needs amid GameStop saga

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Trading platform Robinhood has struggled to cope amid a social media-driven surge in popularity for GameStop stock

Online trading platform Robinhood, which has seen demand surge amid

a social media campaign targeting GameStop and other companies, said on Monday it had raised \$3.4 billion to finance its needs.

That includes \$1 billion raised last week, then another \$2.4 billion "to continue to invest in record customer growth," Robinhood said in a blog.

The funds represent more than the total amount raised by the [company](#) since its inception, The Wall Street Journal reported.

The new funding round was led by Ribbit Capital and existing investors like ICONIQ Capital, Andreessen Horowitz, Sequoia, Index Ventures, and NEA participated, Robinhood said.

"This funding is a strong sign of confidence from investors and will help us build for the future and continue to serve people through the [exponential growth](#) we've seen this year," Robinhood said.

Traders who banded together over Reddit and other [social media platforms](#) have used Robinhood to make massive share purchases of GameStop, AMC Entertainment and other struggling companies that wealthy investors had bet against.

The campaign, intended to make [hedge funds](#) and other large investors suffer, has caused the share prices of these companies to soar, and American and British securities regulators have said they were watching the volatile markets.

It's also upped the strain on Robinhood, which needs to maintain a certain amount of funds in the financial institutions that facilitate orders made on its platform. When it sees increased demand, that liquidity needs to increase as well.

An app popular among [retail investors](#) whose stated goal is to "democratize finance for all," Robinhood last Thursday decided to limit trades on the most volatile stocks, before reversing course the next day.

In a Sunday interview with Tesla boss Elon Musk, Robinhood CEO Vlad Tenev said his company had to put down a \$3 billion security deposit with its clearing houses amid the trading frenzy.

However GameStop appeared to have lost some of its momentum, with the stock dropping 27.6 percent around 1830 on Monday. AMC was up by 5.7 percent.

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