

Robinhood officially files to go public on Wall Street

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Robinhood officially filed papers to go public on the Nasdaq.

High-flying online investment service Robinhood officially filed paperwork Thursday to take the company public, submitting plans to US

securities authorities to trade on Nasdaq under the ticker "HOOD".

The service, which is especially popular with younger investors, has seen phenomenal growth during Covid-19, but has faced controversy as well.

Robinhood's revenues surged 245 percent in 2020 to \$959 million. As of March 31, the company had \$81 billion in assets under custody.

"Our mission is to democratize finance for all," Robinhood Markets said at the outset of the Form S-1, the official prospectus to the Securities and Exchange Commission.

The size of the offering has not been determined. Goldman Sachs and JPMorgan Chase are leading the equity offering.

The company was cofounded in 2013 by Vladimir Tenev and Baiju Bhatt, who met as undergraduates at Stanford University.

Robinhood's growing population of individual investors have played a role in the so-called "Reddit Rebellion" in which [retail investors](#) have coalesced on the Reddit social network in 2021 to support beaten-down stocks such as GameStop and BlackBerry.

Many longtime investors and financial commentators have been baffled by the outsized movements in these stocks and warned that individual investors face potential losses from such strategies.

But Robinhood rebutted its naysayers, noting its "proud to serve this next generation of investors, and it's painful to see them continually lambasted in the [news reports](#)," according to the filing, which contains testimonials from mostly young investors about the service.

"Anecdotes of people winning (and losing) large amounts of money

garner more attention than the more pedestrian truths—the majority of our customers prefer to buy and hold," said the filing.

Robinhood has also come in for heavy criticism from regulators. The head of the SEC has criticized the firm over its disclosures and pointed to a December \$65 million settlement with Robinhood.

The company also agreed to pay \$70 million in penalties to settle charges it harmed thousands of consumers through "false and misleading" communications and other lapses, according to a settlement announced Wednesday.

Regulatory body FINRA, which announced the settlement Wednesday, said following rules to protect investors "is not optional and cannot be sacrificed for the sake of innovation or a willingness to 'break things' and fix them later."

Robinhood said it has improved its service since the period covered by the FINRA settlement, hiring thousands of customer support staff among other measures to protect investors.

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