Stock trading app company Robinhood files plan to go public

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This Dec. 17, 2020, file photo shows the logo for the Robinhood app on a smartphone in New York. Stock trading app company Robinhood said Tuesday, March 23, 2021 that it has submitted a confidential plan to go public later this year. The company based in Menlo Park, Calif., filed the paperwork with the Securities and Exchange Commission while at the center of a battle between online activist retail investors and institutional investors over companies such as GameStop and AMC Entertainment. (AP Photo/Patrick Sison, File)

Stock trading app company Robinhood said Tuesday that it has submitted a confidential plan to go public later this year.

The company based in Menlo Park, California, filed the paperwork with the Securities and Exchange Commission while at the center of a battle between online activist retail investors and institutional investors over companies such as GameStop and AMC Entertainment. Robinhood had to restrict trading of those companies earlier in the year, and has been subject to congressional investigations.

Robinhood did not disclose the size of its initial public offering, or where it plans to trade its stock. CNBC reported earlier this year that the company was planning on listing on Nasdaq and that Goldman Sachs is the lead investment bank advising it on its plan to go public.

Robinhood found success—as well as significant criticism—for its business model making stock trading easier for retail investors. The company's app allows investors to buy fractions of a share in a company, and turns stock trading into almost a game.

It's this ease of use that got the company into hot water earlier this year, when activity surged on its app as online retail investors started buying up shares of beaten-down companies to bet against Wall Street's short sellers, who are investors trying to make money betting a stock will go down.

Robinhood had to seek emergency funding from venture capitalists in order to meet its regulatory requirements and had to restrict trading in those stocks.

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