Margin Disclosure Statement

Robinhood Financial, LLC (“Robinhood Financial”, “we”, “us”, or “our”) is a fully disclosed broker-dealer and member of FINRA and SIPC. Robinhood Financial is based in Palo Alto, California. For purposes of this Margin Disclosure Statement, the terms “you” and “your” refer to each Robinhood Financial brokerage account owner.

Robinhood Financial provides no investment, legal, or tax advice. Margin is not suitable for everyone. You should examine your investment objectives, financial resources and risk tolerance to determine whether borrowing against securities, and trading on margin in particular, is appropriate for you. The increased leverage that margin provides may heighten the risks of investing.

Robinhood Financial is furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review this Margin Disclosure Statement, the Apex Customer Margin and Short Account Agreement, and the Robinhood Financial Customer Agreement. If you have any questions or concerns, please contact us.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from our clearing firm, Apex Clearing Corporation (“Apex”). If you choose to borrow funds from Apex, you will open a margin account with Apex through us. The securities purchased are used as collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, Robinhood Financial and/or Apex can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with us and/or Apex, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include, without limitation, the following:

- **YOU CAN LOSE MORE FUNDS THAN YOU DEPOSIT IN THE MARGIN ACCOUNT.**
  A decline in the value of securities purchased on margin may require you to provide additional funds to your account to avoid the forced sale of those securities or other securities or assets in your account(s).
- **WE AND/OR APEX CAN FORCE THE LIQUIDATION OR SALE OF SECURITIES OR OTHER ASSETS IN YOUR ACCOUNT(S).**
  If the equity in your account falls below the Self-Regulatory Organization (“SRO”) maintenance margin requirements or Apex’s “house” requirements or our “house” requirements, we and/or Apex can sell the securities or other assets in any of your accounts to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.
- **WE AND/OR APEX CAN SELL YOUR SECURITIES OR OTHER ASSETS WITHOUT CONTACTING YOU.**
  Some investors mistakenly believe that their brokerage firm must contact them for a margin call to be valid, and that their firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Although, we may attempt to notify you of margin calls, we are not required to do so. However, even if we have contacted you and provided a specific date to meet a margin call, we and/or Apex can still take necessary steps to protect our and/or Apex’s financial interests, including immediately selling the securities without notice to you. We and/or Apex may forcibly liquidate all or part of your account without prior notice, regardless of your intent to satisfy a margin call, in order to protect your interests or Apex’s interests or our interests.
- **YOU ARE NOT ENTITLED TO CHOOSE WHICH SECURITIES OR OTHER ASSETS IN YOUR ACCOUNT(S) ARE LIQUIDATED OR SOLD TO MEET A MARGIN CALL.**
Because the securities are collateral for the margin loan, Robinhood Financial and/or Apex have the right to decide which security to sell in order to protect our and/or Apex’s interests.

- **ROBINHOOD FINANCIAL AND/OR APEX CAN INCREASE ITS RESPECTIVE “HOUSE” MAINTENANCE MARGIN REQUIREMENTS AT ANY TIME AND IS NOT REQUIRED TO PROVIDE YOU ADVANCE WRITTEN NOTICE.**
  These changes in policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may require us and/or Apex to liquidate or sell securities in your account(s).

- **YOU ARE NOT ENTITLED TO AN EXTENSION OF TIME ON A MARGIN CALL.**
  While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

- **THE IRS REQUIRES BROKER-DEALERS TO TREAT DIVIDEND PAYMENTS ON LOANED SECURITIES POSITIONS AS A “SUBSTITUTE PAYMENT” IN LIEU OF A DIVIDEND.**
  A substitute payment is not, a “qualified dividend” and is taxed as ordinary income.

- **APEX MAY HYPOTHECATE THE SECURITIES IN YOUR ACCOUNT.**
  All securities now or hereafter held by Apex, or carried by Apex in any account for you (either individually or jointly with others), or deposited to secure same, may from time to time, without any notice, be carried in Apex’s general loans and may be pledged, repledged, hypothecated or re-hypothecated, separately or in common with other securities for the sum due to Apex thereon or for a greater sum and without retaining in Apex’s possession or control for delivery a like amount of similar securities. Any securities in your margin or short account may be borrowed by Apex, or lent to others.

- **INDUSTRY REGULATIONS MAY LIMIT, IN WHOLE OR IN PART, YOUR ABILITY TO EXERCISE VOTING RIGHTS OF SECURITIES THAT HAVE BEEN LENT OR PLEDGED TO OTHERS.**
  You may receive proxy materials indicating voting rights for a fewer number of shares than are in your account, or you may not receive any proxy materials.

You should carefully review this Margin Disclosure Statement, which contains key information about your margin account. Your margin account is subject to all the terms of the Apex Customer Margin and Short Account Agreement and any other agreements which you executed to open and maintain your brokerage account with Apex through Robinhood Financial (including, without limitation, the Robinhood Financial Customer Agreement and Apex Customer Account Agreement).