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KENNETH P. ZEBROWSKI  
Assemblyman 96<sup>th</sup> District  
Rockland County

January 28, 2021

Honorable Letitia James  
Office of the Attorney General  
New York State Capitol  
Albany, NY 12224

Dear Attorney General James:

I am writing you regarding the actions of Robinhood Financial, LLC on January 28, 2021 with respect to halting trading on certain stocks including but not limited to Gamestop (GME), AMC Entertainment (AMC), Blackberry (BB), Bed, Bath and Beyond (BBBY), Nokia (NOK) and American Airlines Group (AAL).

In response to the recent volatility of certain companies' stock, Robinhood Financial, LLC halted all transactions for the stocks listed above except for position closing (ie. selling). As you may know, there has been volatility caused by increased retail trading on certain stocks based on the reported large short positions that hedge fund investors had on these stocks. Through social media and word of mouth, retail investors flocked to these stocks and invested their funds into them. This caused the value of these stocks to sharply increase while impacting the short positions of institutional investors.

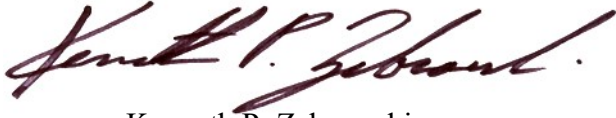
While this volatility can be concerning, the actions of Robinhood Financial, LLC are actually working to manipulate the stock price rather than mitigate the volatility. As they restricted transactions to only position closing, it prevented retail investors (individuals) from purchasing additional shares. This caused panic among retail investors that led to a temporary sell-off. The sell-off drove the market price on these stocks to decline precipitously. These actions appear to have been a coordinated effort to cause fear in retail investors and force them to sell in order to recalibrate the price to the benefit of institutional investors.

This apparent manipulation of the market by Robinhood Financial, LLC is deeply concerning as they have taken a direct action to devalue these stocks to the detriment of retail investors and to the benefit of institutional financial stakeholders. The current state of financial markets and securities is already stacked against retail investors. It is extremely troubling for a brokerage firm to affirmatively manipulate a security in order to benefit some investors and harm others.

I am asking that your office open an investigation into the actions of Robinhood Financial, LLC to determine if any law or regulation was violated. Furthermore, Robinhood Financial LLC's

financial relationships with institutional investors should be investigated to determine if these relationships influenced their unilateral and discriminatory decision. The protection of all New York investors must be paramount and I believe these actions may cause significant harm to our residents.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kenneth P. Zebrowski". The signature is fluid and cursive, with a prominent initial "K" and a long, sweeping underline.

Kenneth P. Zebrowski  
Member of Assembly