

# Robinhood Markets

**Robinhood Markets Inc.** is a U.S. based financial services company founded in 2013 and headquartered in Palo Alto, California.<sup>[1]</sup> The Robinhood smartphone app allows individuals to invest in publicly traded companies and exchange-traded funds listed on U.S. exchanges without paying a commission.<sup>[2][3]</sup>

## History

The firm was founded by Vladimir Tenev and Baiju Bhatt<sup>[4]</sup> who had previously built high-frequency trading platforms for financial institutions in New York City.<sup>[4][5]</sup> Tenev and Bhatt realized that high-frequency traders and electronic trading firms pay effectively nothing to place trades on the market. This inspired Tenev and Bhatt to bring existing technology to the retail brokerage market with Robinhood, a commission free stock brokerage.<sup>[6]</sup> As of March 2016, it has nearly one million customers.<sup>[7]</sup>

## Products

Robinhood is a mobile-first stock brokerage for iPhone,<sup>[8]</sup> Apple Watch,<sup>[9]</sup> and Android,<sup>[10]</sup> allowing customers to buy and sell stocks on U.S. exchanges with zero commissions.

As of May 2015, the firm is the only major brokerage to offer \$0 trading commissions for U.S. listed stocks as well as \$0 account minimums.<sup>[11]</sup>

The firm is a FINRA-approved broker-dealer,<sup>[1]</sup> registered with the U.S. Securities and Exchange Commission, and is a member of the Securities Investor Protection Corporation (SIPC).<sup>[12]</sup>

## Product launch

Robinhood launched out of stealth on the crowdsourced technology news website Hacker News, leading to articles about the company in TechCrunch, PandoDaily, VentureBeat, TheStreet and others.<sup>[2][5][13][14]</sup> Initially the firm had a waiting list, and in under 30 days there were 100,000 signups.<sup>[15]</sup> In mid-to-late February 2014, co-founders Baiju Bhatt and Vladimir Tenev were on CNBC and Bloomberg TV.<sup>[16][17]</sup>

By September 2014, the waiting list had reached 500,000 people.<sup>[18]</sup> In March 2015, the company announced those still on the waitlist could create accounts and any U.S. residents, 18 and older, could apply for an account.<sup>[19]</sup>

### Robinhood Markets Inc.



**Headquarters** Palo Alto, California

**Key people** Baiju Bhatt (Co-Founder)  
Vladimir Tenev (Co-Founder)  
Nate Rodland (COO)

**Industry** Technology

**Website** [www.robinhood.com](http://www.robinhood.com)

**Launched** April 18, 2013 in Palo Alto, California

Eighty percent of the firm's current customers belong to the demographic "millennials" (people between the ages 18 and 29), and the current average customer age is 26.<sup>[20]</sup> Fifty percent of users who have made a trade use the app daily and 90 percent come back to the app weekly.<sup>[21]</sup>

## Funding

Robinhood has raised a total of \$66 million in venture capital funding.

It received \$3 million in seed capital from Google Ventures, Andreessen Horowitz, Index Ventures, IT Ventures, Social Leverage, and Elefund with several angels.<sup>[22]</sup> It announced it had raised an additional \$13 million in Series A funding in September 2014.<sup>[23]</sup> Jan Hammer of Index Ventures led the round and joined the Robinhood board.<sup>[23]</sup> Also joining the round were Ribbit Capital; Howard Lindzon, co-founder of StockTwits and general partner at Social Leverage; Aaron Levie, founder of Box; Dave Morin, founder of Path; Jared Leto; Snoop Dogg; and Nasir Jones of QueensBridge Venture Partners.<sup>[23]</sup>

It raised an additional \$50 million in Series B funding in May 2015, led by New Enterprise Associates (NEA). Existing investors Index Ventures, Ribbit Capital and Social Leverage joined the round, along with new investor Vaizra Investments. As part of the financing, NEA General Partner Kittu Kolluri joined the Board of Directors.<sup>[24]</sup>

## See also

- Comparison of online brokerages

## References

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23. 1 2 3 Constine, Josh (23 September 2014). "Robinhood Raises \$13M To Democratize Stock Market With Zero-Commission Trading App". *TechCrunch.com*. TechCrunch. Retrieved 26 September 2014.
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## External links

- Official website
- Vladimir Tenev interview with Jason Calacanis at the LAUNCH Festival
- Robinhood on Crunchbase

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