

IMPORTANT NOTICE FROM THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

You may be a class member in a proposed class action settlement, if your Robinhood account was accessed by an unauthorized user.

*A federal court authorized this Notice. This is not a solicitation from a lawyer.
This Notice relates to Siddharth Mehta, Kevin Qian, and Michael Furtado v. Robinhood Financial LLC and Robinhood Securities, LLC, Case No.: 5:21-cv-01013-SVK (N.D. Cal.)*

A Settlement has been reached in a putative class action lawsuit against Robinhood Financial LLC and Robinhood Securities, LLC (“Robinhood” or “Defendants”). Plaintiffs allege that Robinhood failed to use adequate security practices in connection with its trading platform, making customer accounts vulnerable to account takeovers. There is no evidence that unauthorized access to customer accounts was caused by a breach of Robinhood’s computer network.

For every class member who submits a claim, the Settlement provides up to \$100 for out-of-pocket expenses resulting from unauthorized access, up to \$100 in reimbursement for credit monitoring or identity theft protection services that were purchased based on the unauthorized access, up to \$60 as a payment for time spent responding to the unauthorized access, and credit monitoring services for two years.

Also as part of the Settlement, Robinhood will agree to maintain certain security policies and practices, including two-factor authentication; screening for, and prompting users to update, potentially compromised passwords; proactive monitoring for account takeovers; customer awareness campaigns that provide information and tools for better cybersecurity hygiene; and real-time voice support.

Robinhood denies all charges of wrongdoing and liability.

Your legal rights are affected whether you act or don’t act. This Notice contains information about the Settlement and the lawsuit. Read this entire Notice carefully.

QUESTIONS? VISIT WWW.ROBINHOODACCOUNTTAKEOVERSETTLEMENT.COM

YOUR LEGAL RIGHTS AND OPTIONS		
		<u>DUE DATE</u>
SUBMIT A CLAIM FORM	<p>You can submit a Claim Form electing one or more of the payments and benefits described in this Notice.</p> <p><u>YOU MUST SUBMIT A CLAIM FORM TO RECEIVE A PAYMENT.</u></p> <p>If you submit a claim, you give up your rights to sue the Defendants over the claims released in the Settlement.</p>	January 17, 2023
EXCLUDE YOURSELF	<p>If you exclude yourself (“opt out”), you will not be included in the Settlement. You will receive no benefits and you will keep any rights you currently have to sue the Defendants.</p>	November 3, 2022
OBJECT	<p>If you do not exclude yourself, and if you disagree with the Settlement, you can write to the Court to explain your objection.</p>	November 3, 2022
DO NOTHING	<p>You will not receive any payment or credit monitoring services and you give up your right to sue Defendants about the claims in the case.</p>	No Deadline

These rights and options—**and the deadlines to exercise them**—are explained in this Notice.

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BASIC INFORMATION

1. Why did I get this Notice?

You are receiving this Notice because of a potential unauthorized access incident to your Robinhood account between January 1, 2020, and April 27, 2022, that either (i) you reported to Robinhood, or (ii) Robinhood reported to you.

This Notice is to inform you about the lawsuit, the proposed Settlement, and your legal rights.

2. What is this lawsuit about?

A lawsuit was filed alleging that Robinhood failed to use adequate security practices in connection with its trading platform, making customer accounts vulnerable to account takeovers. Plaintiffs' lawsuit alleges that many Robinhood accounts were in fact taken over by unauthorized users.

Many customers who had an account takeover or who notified Robinhood about a possible account takeover did not experience unauthorized transactions or lose any funds. For those who did, Robinhood provided reimbursement upon confirming the claims of unauthorized account activity. Additionally, there is no evidence that unauthorized access to customer accounts was caused by a breach of Robinhood's computer network.

Plaintiffs allege that customers were nevertheless harmed because they spent time and money responding to the possible unauthorized access incidents.

3. Why is this a class action? Why is there a proposed Settlement?

In a class action, one or more plaintiffs (called "class representatives") sue on behalf of themselves and other people with similar claims. This group of people is called the "class" and the people in the class are called "class members." One court resolves the issues for all class members, except for those who exclude themselves from the class.

This lawsuit is *Siddharth Mehta, Kevin Qian, and Michael Furtado v. Robinhood Financial LLC and Robinhood Securities, LLC*, Case No.: 5:21-cv-01013-SVK (N.D. Cal.). The judge is the Honorable Susan van Keulen of the United States District Court for the Northern District of California. The Court has not decided in favor of Plaintiffs or Defendants. Instead, both sides have agreed to a settlement to avoid the costs and risks of trial and appeals. The class representatives and their attorneys think the Settlement is best for the class. The Court still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals are resolved.

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4. What does the Settlement provide?

For those Class Members who submit a valid claim, the Settlement provides up to \$100 for out-of-pocket expenses resulting from unauthorized access, up to \$100 in reimbursement for credit monitoring or identity theft protection services that were purchased based on the unauthorized access, up to \$60 as a payment for time spent responding to the unauthorized access, and three-bureau credit monitoring services for two years.

Those Settlement Class Members whose claims of unauthorized account access were denied by Robinhood or who did not respond to Robinhood's requests for information concerning their claim) can re-submit their claim of unauthorized access to Robinhood and request reimbursement. Instructions for how to do so are available at www.robinhoodaccounttakeoversettlement.com. If, upon additional review, Robinhood determines there was unauthorized account activity in a customer's account, Robinhood will provide the customer the same remedy as if the report been accepted in the first instance. If Robinhood again determines that no unauthorized account activity occurred, that determination is final. Settlement Class Members will still be eligible for all other benefits of the Settlement described below, regardless of whether they choose to re-submit their report and regardless of the outcome of a re-submitted report.

As part of the Settlement, Robinhood will maintain certain security policies and practices, including two-factor authentication; screening for, and prompting users to update, potentially compromised passwords; proactive monitoring of account takeovers; customer awareness campaigns that provide information and tools for better cybersecurity hygiene; and real-time voice support.

Robinhood will separately pay for the costs of notifying Class Members and administering the Settlement, any service awards to Settlement Class Representatives, and any Court-approved award for attorneys' fees and reimbursement for litigation expenses. (See Section 11 below).

More details about the Settlement are in the Settlement Agreement and other documents available at www.robinhoodaccounttakeoversettlement.com.

5. How can I get a payment from the Settlement?

To receive a payment from the Settlement, you MUST submit a Claim Form. How much you get will depend on the information you provide with your Claim Form.

The details are as follows:

- (1) Upto\$100forout-of-pocketexpenses. Submit a Claim Form stating that you suffered at least \$100 in qualifying out-of-pocket expenses, or, if less than \$100, state the amount of qualifying out-of-pocket expenses you actually incurred. Qualifying out-of-pocket expenses include unreimbursed actual account losses (such as a transfer from an account linked with a Robinhood account), unreimbursed bank fees, unreimbursed long-distance

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telephone charges, unreimbursed mobile telephone charges, unreimbursed cell phone data charges, unreimbursed local travel charges, or unreimbursed credit monitoring or identity theft protection products or services that you purchased themselves as a result of alleged unauthorized access to your Robinhood account. Qualifying out-of-pocket expenses do not include alleged trading losses or lost opportunity damages, such as diminution in the value of portfolios or lost opportunity to trade equity or cryptocurrency positions. If you are reimbursed for credit monitoring or identity theft protection products or services under Option 2 below, your costs for such products or services do not count as unreimbursed credit monitoring or identity theft protection products or services for purposes of calculating your qualifying out-of-pocket expenses under this Option 1. No additional supporting documentation is required.

- (2) Upto\$100ifyoupurchasedcreditmonitoringoridentitytheftproducts/services. Submit a Claim Form stating that you purchased credit monitoring or identity theft products/services based on possible unauthorized access to your Robinhood account and provide documentation showing the amount paid. You will be reimbursed up to \$100.
- (3) Upto\$60forLostTime. Submit a Claim Form stating that you incurred at least three hours of lost time, or, if less than three hours, stating the amount of lost time actually incurred. Lost time includes, but is not limited to, time spent investigating, reviewing, or responding to possible unauthorized access to your account. This reimbursement will be paid at \$20 per hour for a maximum of three (3) hours (for maximum payment of \$60). No additional supporting documentation is required.

On the Claim Form, you can apply for one or more of the cash payments, as described above.

In addition, the Notice you received by email or postcard provided an activation code and instructions for initiating the credit monitoring and identity theft protection provided under the Settlement. If you are unable to locate your activation code, please contact the Settlement Administrator.

If the total cash payments for all claims made by Settlement Class Members under the Settlement would exceed \$500,000, the claims will be decreased *pro rata* (by the same percentage) until \$500,000 is reached.

6. How can I submit a Claim Form?

You can submit a Claim Form through the Settlement Website.

To do this, visit www.robinhoodaccounttakeoversettlement.com, click “Submit a Claim Form” at the top of the homepage, and follow the instructions. You can also submit a hard copy of a Claim Form by printing one from the Settlement Website or requesting one by U.S. Mail from the Settlement Administrator. Hard copy Claim Forms can be uploaded to the Settlement Website or mailed to:

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Mehta v. Robinhood Settlement
c/o Administrator
1650 Arch Street, Suite 2210
Philadelphia, PA 19103

For your claim to be valid and timely, your Claim Form must be received by the Settlement Administrator via the Settlement Website or postmarked by mail **no later than January 17, 2023**.

7. Who decides my Settlement claim and how do they do it?

The Settlement Administrator will decide whether a Claim Form is complete and valid and includes all required documentation. The Settlement Administrator may require additional information from any claimant. Failure to timely provide all required information will invalidate a claim and it will not be paid.

8. When would I get my payment(s) from the Settlement?

Payments will not be sent until the Court grants final approval of the Settlement and any objections or appeals are resolved. Updates will be provided on the Settlement Website, www.robinhoodaccounttakeoversettlement.com.

9. What am I giving up to get payment and stay in the Settlement?

If you remain in the class and the Settlement is approved, you will give up your right to take legal action against the Defendants on your own for the claims described in the Settlement Agreement. The Settlement Agreement describes the released claims in further detail and is available at www.robinhoodaccounttakeoversettlement.com. You will also be bound by any decisions by the Court relating to the Settlement.

As described in Section 4 above, if you are a Settlement Class Member whose claim of unauthorized account access was initially denied by Robinhood or you failed to respond to requests for more information from Robinhood, you can re-submit your claim for Robinhood to review again. If Robinhood determines that no unauthorized account activity occurred, that determination is final. If you do not want to be bound by this process and instead want to challenge Robinhood's initial determination through separate legal action, you must exclude yourself from of the Settlement, as explained in Section 10 below.

If you have any questions, you can talk with Class Counsel free of charge or you may talk with your own lawyer (at your own expense).

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If you have a pending legal action against Robinhood, speak to your lawyer as soon as possible; you may need to exclude yourself from this Settlement to continue your own case.

10. How do I get out of the Settlement?

If you want to keep the right to take legal action against Defendants, then you must take steps to exclude yourself from the Settlement. This is also called “opting out” of the Settlement. If you exclude yourself from the Settlement, you will not receive any payment from the Settlement.

To exclude yourself from the Settlement, you must send a letter to the Settlement Administrator with the following information:

Your full name, address, email address, and telephone number;

The following statement:

I want to be excluded from the Settlement Class in *Siddharth Mehta, Kevin Qian, and Michael Furtado v. Robinhood Financial LLC and Robinhood Securities, LLC*, Case No.: 5:21-cv-01013-SVK (N.D. Cal.). I understand that by excluding myself, I will not receive any money or benefits from the Settlement.

Your signature.

You must mail your written exclusion request, postmarked **no later than November 3, 2022**, to:

Class Action Opt Outs
Attn: Mehta v. Robinhood Settlement
P.O. Box 58220
Philadelphia, PA 19102

11. Do I have a lawyer in this case? How will they be paid?

The Court has appointed the following lawyers, known as Class Counsel, to represent the Settlement Class Members in connection with the Settlement:

Julie Erickson (julie@eko.law) Elizabeth
Kramer (elizabeth@eko.law) Kevin
Osborne (kevin@eko.law) **ERICKSON**
KRAMER OSBORNE LLP
44 Tehama Street
San Francisco, CA 94105
Phone: 415-635-0631
Fax: 415-599-8088

You will not be charged for contacting these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

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In connection with seeking approval of the Settlement, Class Counsel will ask the Court for payment of attorneys' fees and incurred expenses up to \$500,000 to compensate them for their services in this litigation. Any payment to the attorneys will be subject to Court approval, and the Court may award less than the amount requested. Any attorneys' fees and expenses that the Court approves will be paid by Defendants.

Class Counsel will also request approval of service awards of \$5,000 each to the Class Representatives, Kevin Qian and Michael Furtado. Robinhood is responsible for paying the service awards, if the Court approves such awards.

When Class Counsel's motion for attorneys' fees and expenses is filed, it will be posted at www.robinhoodaccounttakeoversettlement.com. You will have an opportunity to comment on or object to the motion.

12. How do I tell the Court that I don't like the Settlement?

You can ask the Court to deny approval by filing an objection. You can't ask the Court to order a different settlement—the Court can only approve or reject the Settlement the parties have reached. If the Court denies approval, no Settlement payments will be sent out and the lawsuit will continue.

If you wish to object to the Settlement, you must do so in writing. If you file a timely written objection, you may, but are not required to, appear at the final approval hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney.

All written objections must: (a) list the objecting Settlement Class Member's name, address, email address, and telephone number; (b) identify the case name and number (*Siddharth Mehta, Kevin Qian, and Michael Furtado v. Robinhood Financial LLC and Robinhood Securities, LLC*, Case No.: 5:21-cv-01013-SVK (N.D. Cal.)); (c) state with specificity the grounds for the objection; (d) state whether the objecting Settlement Class Member intends to personally appear at the final approval hearing; (e) include the name and contact information of all attorneys representing or assisting the objecting Settlement Class Member; (f) state whether any attorney will appear on the objecting class member's behalf at the final approval hearing, and if so, the identity of that attorney; (g) be submitted to the Court either by mailing to the Clerk, United States District Court for the Northern District of California, 280 South 1st Street, San Jose, CA 95113, or by filing in person at any location of the United States District Court for the Northern District of California; and (h) be filed or postmarked **on or before November 3, 2022**.

13. When and where will the Court decide whether to approve the Settlement?

The Court will hold its Final Approval Hearing on **May 16, 2023 at 10:00 a.m.** at the United States District Court, Northern District of California, San Jose Courthouse, Courtroom 6 – 4th Floor, 280 South 1st Street, San Jose, CA 95113.

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The hearing may be moved to a different date or time without additional direct notice to you. You can check the Settlement Website, www.robinhoodaccounttakeoversettlement.com, call 1-844-511-1424 or email the Settlement Administrator at info@robinhoodaccounttakeoversettlement.com to confirm the date of the hearing.

At the Final Approval Hearing, the Court will consider whether the proposed Settlement is fair, reasonable, and adequate. If there are objections or comments, the Court will consider them at that time and may listen to people who have asked to speak at the hearing. The Court will decide whether to approve the Settlement at or after the hearing.

14. What happens at the Final Approval Hearing? Do I need to attend?

You do not have to come to the Final Approval Hearing, but you may attend at your own expense should you wish. Class Counsel will answer any questions the Court may have. If you submit a timely objection or comment regarding the Settlement, the Court will consider it—you do not have to come to the hearing. You may also hire your own lawyer at your own expense to attend the hearing on your behalf, but you are not required to do so. If you send an objection or comment on the Settlement, you may be able to speak at the Final Approval Hearing, subject to the Court's discretion. You cannot speak at the Final Approval Hearing if you exclude yourself from the Settlement.

If the Court approves the Settlement and no appeal is taken, the Settlement Administrator will send payments to Settlement Class Members who submitted timely and valid claims within 30 days of the Effective Date. Robinhood will pay any Class Counsel's Fees and Expense Award and any service awards to Class Representative.

If any appeal is taken, it is possible the Settlement could be disapproved on appeal. If the Court does not approve the Settlement, there will be no settlement payments to Settlement Class Members, Class Counsel or the Class Representatives, and the case will proceed as if no Settlement had been attempted.

15. How do I get more information?

This Notice summarizes the Settlement. More details are contained in the Settlement Agreement. Key documents and more information about the Settlement are on the Settlement Website: www.robinhoodaccounttakeoversettlement.com. You also may also contact the Settlement Administrator by email at info@robinhoodaccounttakeoversettlement.com or by phone toll-free at 1-844-511-1424.

**PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO
INQUIRE ABOUT THE SETTLEMENT OR THE CLAIM PROCESS**

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