

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into by the Attorney General of the State of California (“Attorney General”), on behalf of the People of the State of California, and Robinhood Crypto, LLC (“RHC”). The Attorney General and RHC are hereinafter collectively referred to as the “Parties.”

RECITALS

WHEREAS, the Attorney General, as head of the California Department of Justice, conducted an investigation pursuant to the powers conferred by Article 2 of Chapter 2 of Division 3 of Title 2 of the Government Code of California (Cal. Gov. Code § 11180 et seq.) into the marketing, purchase and sale, and control of cryptocurrencies by RHC;

WHEREAS, the Attorney General, based on his investigation, believes that there is an evidentiary basis for potential legal claims by the Attorney General against RHC for violations of California law in connection with the same conduct; and

WHEREAS, RHC, without admitting or denying any violation of law, enters into this agreement and agrees to abide by the terms and conditions set forth below.

TERMS AND CONDITIONS OF THIS AGREEMENT

In consideration of the mutual promises, covenants, and obligations set forth in this Agreement, and for good and valuable consideration as stated herein, the Parties stipulate and agree as follows:

1. Operation of RHC. RHC agrees as follows:

a. RHC shall continue to permit customers to withdraw their cryptocurrency assets from RHC to cryptocurrency wallets as required by and in accordance with applicable laws, rules, and regulations, including California Corporations Code Section 29520.

b. RHC shall take reasonable steps to ensure that its written representations to customers about its trading and order handling practices materially comport with such practices, including with regard to the routing of customer orders to trading venues and cryptocurrency purchase and sale prices.

c. RHC shall continue to make clear in its Customer Agreement, Section 10(b) (Custody), that “RHC shall act as custodian for Cryptocurrency that [customers] own and is reflected on the Robinhood Platform.” In addition, RHC shall update this section of its Customer Agreement to provide that “RHC may delay the settlement of any of my transactions in a Cryptocurrency in the event that RHC is concerned about the security of the network associated with the Cryptocurrency, including but not limited to in the event of a suspected ‘51% attack’ on the network.” RHC shall disclose to the Attorney General as soon as possible any incident that results in delayed settlement for longer than one week.

2. Payment. RHC agrees to pay a total sum of \$3,900,000 in recognition of the Attorney General’s fees and costs incurred and to be incurred in connection with this investigation, and to be incurred in connection with the monitoring and enforcement of the terms of this Agreement and any litigation related thereto, and in settlement of all potential claims to be released by the Attorney General under this Agreement. Payment shall be made to the Attorney General by electronic funds transfer within thirty (30) days of receiving written payment processing instructions from the Attorney General.

3. Covered Conduct. “Covered Conduct” as used herein is defined as conduct of RHC from January 1, 2018 until April 30, 2022 related to the ability or inability of customers to obtain “actual physical delivery,” or its electronic equivalent, of their cryptocurrency assets under California Corporations Code Sections 29520 and 29505, delayed settlement of certain cryptocurrency during periods of network instability caused by 51% attacks on certain blockchains, and the routing and

order handling of certain cryptocurrency orders. Covered Conduct includes representations, disclosures, or potential omissions to actual or potential customers of RHC made about or in connection with the foregoing.

4. Releases by the Attorney General. Subject to the exceptions in Paragraph 5 (Excluded Claims), and conditioned solely upon RHC's full payment of \$3,900,000 to the Attorney General, in accordance with written payment instructions from the Attorney General, the Attorney General fully and finally releases RHC as well as its current and former subsidiaries and affiliates, and each of their respective successors and assigns, and all their current and former directors, officers, employees, servants and agents (together the "Released Persons") from any and all claims, demands, and/or causes of action relating to, concerning, or arising from the Covered Conduct that the Attorney General has against the Released Persons, including but not limited to claims under the California Commodities Law, the California Securities Law of 1968, the California False Claims Act, common law theories of negligence and unjust enrichment, misrepresentation, deceit, fraud, and any other civil claim under the laws of the State of California. The Attorney General executes this release in his official capacity and releases only claims that the Attorney General has the authority to release for the Covered Conduct.

5. Excluded Claims. The following claims are specifically reserved and not released by this Agreement: (a) any liability based upon obligations created by this Agreement; (b) any liability of any person or entity other than the Released Persons; (c) any liability to the State of California, or its departments or agencies, for any conduct other than the Covered Conduct, including but not limited to liability under California tax laws or California or federal antitrust laws.

6. Releases by RHC. RHC fully and finally releases the Attorney General and the State of California, and their political subdivisions, departments, agencies, and all their directors, officers, employees, servants and agents from any claims, including attorney's fees, costs, and expenses of

every kind and however denominated, that RHC has asserted, could have asserted, or may assert in the future against them related to the Covered Conduct, to the extent released hereunder, and the investigation thereof.

7. Effects of Agreement. This Agreement is intended to be for the benefit of the Attorney General and the Released Persons only. This Agreement is not intended for use by any other third party in any other proceeding and is not intended, and should not be construed, as an admission of liability by the Released Persons in this or any other proceeding. Nothing contained herein shall be construed to create any other third-party rights or private rights of action or to deprive any person of any private right under the law.

8. Good Faith Negotiation. The terms of this Agreement were negotiated in good faith by the Parties and reflect a settlement that was reached voluntarily after full investigation, consultation with experienced legal counsel and arms-length negotiation.

9. Authorization. RHC represents and warrants, through the signatures below, that the terms and conditions of this Agreement are duly approved, and execution of this Agreement is duly authorized.

10. Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of all the Parties.

11. Notice. All notices, reports, requests, and other communications to any party pursuant to this Agreement shall be in writing and shall be directed as follows:

If to RHC, to:

Lucas Moskowitz
General Counsel
Robinhood Crypto, LLC
85 Willow Road
Menlo Park, CA 94025

If to the Attorney General, to:

Kenny V. Nguyen
Deputy Attorney General
Office of the Attorney General
State of California
1300 "I" Street, Suite 925
Sacramento, CA 95814
Kenny.Nguyen@doj.ca.gov

12. **Governing Law.** This Agreement shall be governed by the laws of the State of California without regard to any conflict of laws principles.
13. **Jurisdiction.** In the event of any dispute arising from or relating to this Agreement, the Parties and the Released Persons submit and consent to the exclusive jurisdiction of the Superior Court of California, County of San Francisco.
14. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties, and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Agreement.
15. **Severability.** If any provision of this Agreement or the application thereof to any entity or circumstance, for any reason and to any extent, is adjudicated to be invalid or unenforceable, neither the remainder of this Agreement nor the application of such provision to any other entity or circumstance shall be affected thereby, but rather shall be enforced to the greatest extent permitted by law.
16. **Ambiguities and Uncertainties.** Any ambiguities or uncertainties in this Agreement shall be equally and fairly interpreted and construed without reference to the identity of the party preparing this Agreement, on the understanding that the Parties participated equally in the negotiation and preparation of this Agreement, or have had the opportunity to do so.

17. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

18. Nothing in this agreement affects RHC's (i) testimonial obligations; or (ii) right to take any legal or factual position that may contradict an allegation in this Agreement in litigation or other legal proceedings in which the Attorney General is not a party.

19. This Agreement is intended to be for the benefit of the Attorney General and the Released Persons only. Except in an action by the Attorney General to enforce the obligations of this Agreement, this Agreement (i) may not be deemed or used as an admission of, or evidence of, the validity of any alleged wrongdoing, liability, or lack of any wrongdoing or liability; or (ii) may not be deemed, used, or construed by any other third party as an admission of, or evidence of, any such alleged fault or omission of the Released Persons in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or tribunal. Nothing contained herein shall be construed so as to create any other third-party rights or private rights of action or to deprive any person of any private right under the law.

20. No Disqualification. This Agreement is made without any trial or adjudication or court finding on any issue of fact or law, and is not a final order of any court or governmental authority.

21. This Agreement is not intended to subject the Released Persons to any disqualifications contained in the federal securities laws or the Commodity Exchange Act, the rules and regulations thereunder (including, without limitation, Section 3(a)(39) of the Securities Exchange Act of 1934; or Rules 504(b)(3) and 506(d)(1) of Regulation D, Rule 262(a) of Regulation A and Rule 503(a) of Regulation CF under the Securities Act of 1933), the rules and regulations of any self-regulatory organizations, Section 204(a)(2) of the Uniform Securities Act of 1956 or Section 412(d) of the

Uniform Securities Act of 2002, or various states' securities laws, including any disqualifications from relying upon registration exemptions or safe harbor provisions. In addition, this Agreement is not intended to form the basis for any such disqualifications, and is not of the type described in Section 15(b)(4)(H)(ii) of the Securities Exchange Act of 1934. This Agreement is not a final order of any court and contains no findings of the type described in Rule 803(8) of the Federal Rules of Evidence.

22. This Agreement is not intended to disqualify the Released Persons from any business that they are otherwise qualified, licensed, or permitted to perform under the laws or regulations of California or impose any disqualifications from relying upon California's registration exemptions or safe harbor provisions.

23. **Effectiveness.** This Agreement shall become effective and binding upon execution by the Parties hereto.

Dated: August _____, 2024 August 31, 2024

ROBINHOOD CRYPTO, LLC

By:  _____
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Lucas Moskowitz
General Counsel
Robinhood Crypto, LLC

Dated: August 31, 2024

PEOPLE OF THE STATE OF CALIFORNIA
by and through the Attorney General

By: _____
Kenny V. Nguyen, Deputy Attorney General