



## Uber Stock – Citadel and Robinhood CEOs will call for new stock trading rule at GameStop hearing

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Players central to the GameStop market bonanza will call on Congress to shorten the time required for stock trades to settle, according to testimonies released ahead of their appearances at a Congressional hearing on Thursday.

**Why it matters:** A typically obscure part of stock trading is set to be among the issues at the forefront — as Robinhood and others look to deflect the anger that stemmed from the Reddit-fueled stock frenzy.

**What they're saying:** Billionaire Ken Griffin will testify that there should only be one day between when a trade is executed and when it is settled — rather than the two business days it currently takes.

- **Robinhood CEO** Vlad Tenev will go further, calling for trades to be settled in real-time.
- This would have allowed the company “to better react to periods of increased volatility in the markets without restricting the purchasing of securities,” Tenev will claim to lawmakers.

**Flashback:** Tenev has said the sharp jump in the amount of cash required to post while the trades settled caused it to curb trading on its platform — a move that sparked anger from users and lawmakers.

**Griffin, who owns Citadel Securities,** will also defend the firm’s outsized role in carrying out the stock market trades made on Robinhood’s platform and elsewhere.

- “When others were unable or unwilling to handle the heavy volumes, Citadel Securities stepped up,” Griffin will say.
- He will note the company executed 7.4 billion shares at the height of the trading mania on behalf of retail investors in one day — more than the average daily volume for the entire equities market in 2019.

**Of note:** Reddit CEO Steve Huffman, who's also set to testify, will defend r/WallStreetBets — the community that served as ground-zero for “meme stock” posts.

- Huffman says group activity “was well within normal parameters,” and the group was not infiltrated by bots, foreign agents or bad actors.
- Reddit trader Keith Gill will tell Congress the idea he used social media to “promote GameStop stock to unwitting investors is preposterous.”

**Gabe Plotkin**, CEO of Melvin Capital — a hedge fund targeted on r/WallStreetBets for its short position in GameStop — will say he was “personally humbled” by the efforts that drove up the stock price, while emphasizing the antisemitic language directed toward him.

- Per his testimony, Melvin closed out its GameStop short after six years last month. It received a cash infusion from Griffin-led hedge fund Citadel (and Point72) after suffering heavy losses.

**Jennifer Schulp**, a former official at financial regulator FINRA, will testify that the wild trading “did not present a systemic risk to the functioning of our markets.”

- Schulp, who's currently with the Cato Institute, will also say that regulatory changes in response to the episode are likely unnecessary “in light of the minimal impact on the market's function.”