Twitter Thread by Tyler Winklevoss

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Robinhood sells your orders to Citadel. This controversial practice is known as "payment for order flow."

Like true scumbags, Citadel actually urged the SEC to ban this in 2004.

"Citadel Group urges the Commission to ban payment for order

"This practice distorts order routing decisions, is anti-competitive, and creates an obvious and substantial conflict of interest between broker-dealers and their customers."

"Broker-dealers accepting payment for order flow have a strong incentive to route orders based on the amount of order flow payments, which benefit these broker-dealers, rather than on the basis of execution quality, which benefits their customers."

"Furthermore, the parties making such payments (either voluntarily or through an exchange-mandated program) are forced to find other ways to recoup the amounts of such payments..."

"...whether through wider spreads or a reduction in other benefits that otherwise could, and should, be provided to customers."

"Payment for order flow is a practice that on its face is at odds with a broker-dealer's obligations to its customers. A broker-dealer has a fiduciary obligation to obtain the best execution reasonably available for its customers' orders under prevailing market conditions."

"We do not believe that a broker-dealer that accepts payment for order flow and does not pass such payments on to its customers (either directly or through reduced execution fees or commissions) can consistently fulfill its best execution obligations."

...."Because payment for order flow creates fundamental conflicts of interest that cannot be cured by disclosure, the Commission should ban payment for order flow altogether."

"It is crucial that this ban include not only exchange-sponsored programs, but also payment for order flow arrangements entered into privately between order flow providers and market centers."