
Robinhood Acquires BitStamp for \$200 Million Despite Potential SEC Lawsuit

Description

Robinhood announced its plans to acquire crypto exchange BitStamp for \$200 million in cash, aiming to expand its crypto business globally. BitStamp, founded in Slovenia in 2011, holds over 50 active licenses to operate worldwide, with most of its revenue coming from Europe.

Johann Kerbrat, general manager of Robinhood Crypto, highlighted the significance of the acquisition, stating that BitStamp's trusted global exchange has demonstrated resilience across market cycles. However, amidst these expansion plans, Robinhood faces regulatory challenges at home. The Securities and Exchange Commission (SEC) issued a Wells Notice to the company, indicating a potential lawsuit for alleged violations of securities law. Despite this, Robinhood remains optimistic and is prepared to engage with the SEC to defend its position.

Robinhood's acquisition of BitStamp marks its entry into the institutional business and expands its services to include staking and lending internationally. The SEC, under chairman Gary Gensler, has been active in regulating the crypto industry, achieving some legal victories but also facing setbacks.

Despite regulatory hurdles, Robinhood's push into crypto has proven fruitful, with first-quarter revenue from crypto transactions reaching \$126 million, a significant increase from the previous year. With crypto trading becoming a key revenue driver for the company, Robinhood's stock saw a 1.45% increase following the acquisition announcement.

Vocabulary List:

1. **acquire** // (verb): To obtain or get possession of something.
2. **expand** // (verb): To make larger or more extensive.
3. **resilience** // (noun): The ability to recover quickly from difficulties.
4. **regulatory** // (adjective): Relating to or making regulations.
5. **defend** // (verb): To protect against an attack or challenge.
6. **institutional** // (adjective): Related to or characteristic of an institution.

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)



1. What is the process of obtaining or buying something?

- Option: Expand
- Option: Resilience
- Option: Acquire
- Option: Regulatory

2. Which term means to protect or guard against an attack or criticism?

- Option: Institutional
- Option: Dependable
- Option: Defend
- Option: Scandal

3. What process confirms that a product or service meets certain requirements or standards?

- Option: Importation
- Option: Forced Labor
- Option: Allegations
- Option: Certification

4. Which economic factor represents the percentage charged for borrowing money?

- Option: Inflation Target
- Option: Policy
- Option: Unemployment
- Option: Interest Rate

5. What term refers to the act of bringing in goods from another country?

- Option: Components
- Option: Importation
- Option: Forced Labor
- Option: Denouncing

6. Which economic concept describes a general increase in prices and fall in the purchasing value of money?

- Option: Accuser
- Option: Clarify
- Option: Inflation
- Option: Economists

7. What term is used to describe assertions or accusations that someone has done something illegal or wrong without proof?

- Option: Criticizing
- Option: Innocence
- Option: Bouquet

Option: Allegations

8. What term refers to a course of action adopted or proposed by an organization or individual?

Option: Accusing

Option: Inflation Target

Option: Policy

Option: Viral

9. Who is a person or thing that influences someone or something?

Option: Accusations

Option: Influencer

Option: Forced Labor

Option: Denouncing

10. What term describes the ability to withstand or recover from difficult conditions?

Option: Regulatory

Option: Resilience

Option: Acquire

Option: Expand

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. The _____ industry deals with the design development manufacturing marketing and selling of motor vehicles.

12. The company issued a statement _____ the use of forced labor in their supply chain.

13. The article was harsh in _____ the government's handling of the crisis.

14. The suspect maintained his _____ throughout the investigation and trial.

15. The new product release created a _____ among consumers leading to long queues at stores.

16. It is important to consider the _____ in which a statement was made to fully understand its meaning.

17. The authorities received numerous _____ regarding the company's environmental

practices.

18. The political _____ rocked the nation and led to several resignations.

19. The company was accused of using _____ in its overseas factories.

20. The opposition party kept _____ the government of corruption.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. Customers value products that are trustworthy and reliable.

22. Government agencies play a crucial role in setting and enforcing industry standards.

23. The meme spread rapidly across social media platforms and became a sensation overnight.

24. The spokesperson held a press conference to explain the company's position and clear up any confusion.

25. The engineers focused on testing each of the individual parts that make up the final product.

26. Experts in the field of economics analyze trends and forecast future developments.

27. The revelation of financial misconduct led to a public outcry and tarnished the company's reputation.

28. The witness pointed at the defendant in the courtroom and made serious allegations.

29. The government introduced a new set of guidelines to address environmental concerns.

30. As the central bank raised the borrowing costs increased for consumers and businesses.

Answer

Multiple Choice: 1. Acquire 2. Defend 3. Certification 4. Interest Rate 5. Importation 6. Inflation 7. Allegations 8. Policy 9. Influencer 10. Resilience

Gap-Fill: 11. automotive 12. denouncing 13. criticizing 14. innocence 15. frenzy 16. context 17. inquiries 18. scandal 19. forced labor 20. accusing

Matching sentence: 1. dependable 2. regulatory 3. viral 4. clarify 5. components 6. economists 7. scandal 8. accusing 9. policy 10. interest rate

CATEGORY



1. Business - LEVEL4

Date Created

2024/06/07

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