The expulsion of Jewish market makers from the Dutch stock exchange on May 1, 1941 significantly affected market liquidity. In a differences-in-difference framework, we find that the trading frequency and volume of affected securities dropped, while order book imbalances and price impact increased. At the same time, return reversals were unaffected. We interpret this as evidence that market maker expertise was critical in reducing adverse selection. Liquidity was restored after a period of approximately six to eight weeks, suggesting that it took substantial time for other market makers to acquire security-specific expertise.