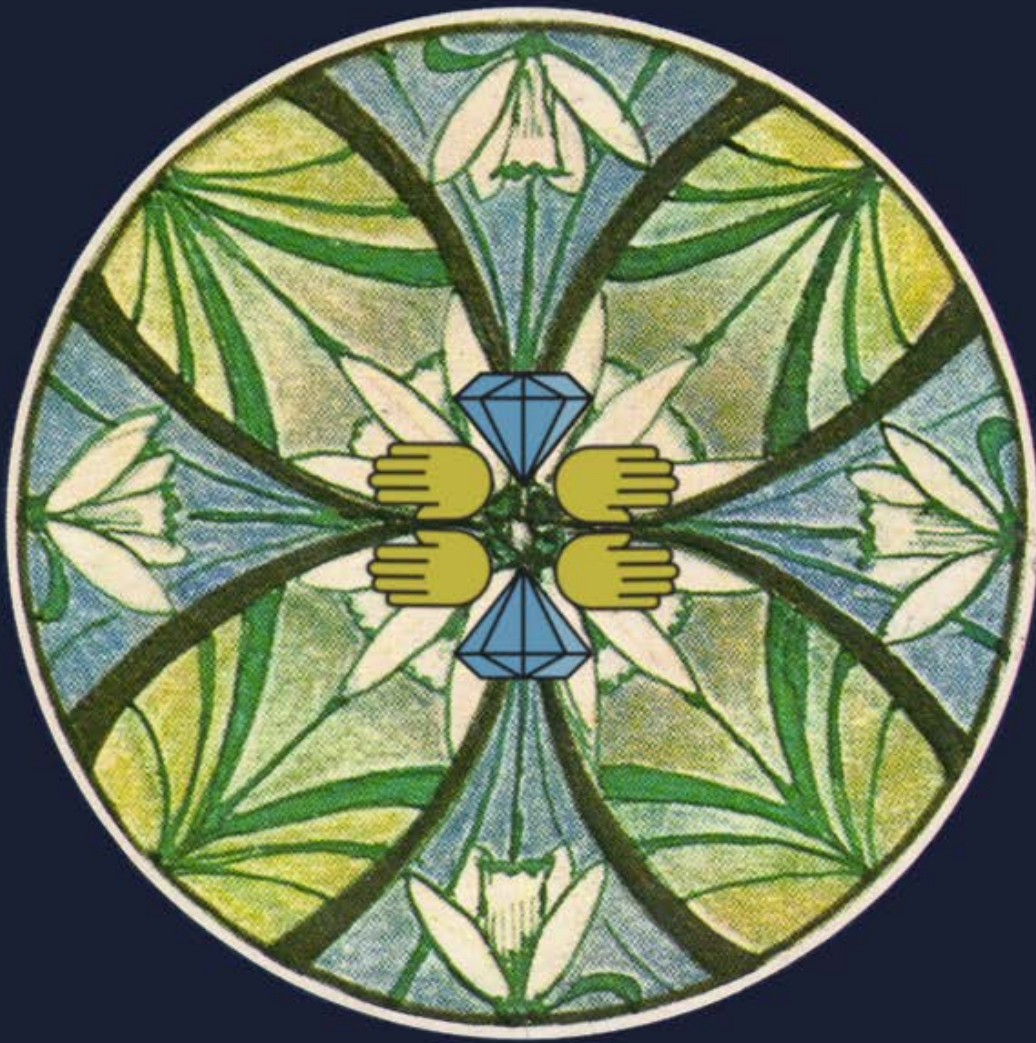


# Are Citadel Clients Leaving?



U/EINFACHMAN



# Are Citadel Client's Leaving? Is This Why Citadel Is Losing It? - Oct. 1, 2021

Possible DD

I've recently been doing digging after hearing from an Ape that a corporate lawyer he knows told him that a HF's client's contract can become null and void if the client believes the HF managing their funds will be investigated (meaning clients can request withdrawal of their money, and although the process takes time, it could be opening the door to early withdrawals). This would explain why Citadel came out of the rabbit hole with all the tweets and threats of litigation for flying banners.

I couldn't verify this information myself, as not all contracts are the same, but I took a few law classes in the past, and I know that a contract becomes null and void when one party is engaging in criminal acts under the contract.

In this instance, there could be a clause in the contract that allows the investor the right to get back his funds (declare the contract null and void) if he/she has reason to believe the HF in question is under criminal investigation.

However, Ape [u/87CSD](#) said something that I wanted to highlight:

A larger excerpt of his comment:

---

"Contract specialist here...

Contracts can be found to be completely null and void for a few reasons. Examples - It is not enforceable, or within it there's a mistake, misrepresentation, or fraud (i'll get to this in a second), OR if one party had undue influence or experienced duress vs the other party, or if one party was not legally fit to form a contract aka lacked capacity (underage, not mentally fit).

Back to the fraud part above - This would only be applicable if the HF and client's contract explicitly state that the HF was going to make the client money by committing a particular fraud (ie Ima make you \$10mill this year by creating a fake company to bilk others out of money) OR if in the case of shitadel they are found to have been conducting fraudulent activities which is most likely the case, BUT... It would have to be proven in court. These clients can't just be like "Well I saw an airplane banner or superstonk said you're a crook Kenny! I'm out". It's not that easy (yet) and could easily get messy considering Ken seems to be threatening to sue anyone and everyone for anything lately.

OK so Ken's clients can't just pull their money out so easily yet, so what other options do they have if they want his money before he ends up in jail and loses every penny to us apes?

Exit clauses within a legally binding contract. It all depends on the wording within the contract in regards to exit clauses or terms / lengths. There's most likely several different clauses within their contracts to allow for the SHF (Ken) and the client to part ways. Examples - there may be a certain time frame notice required to leave (with or without penalty), there may be a mutually beneficial clause (if both agree it's in both their best interest to cut ties), there may be a performance clause (where if you don't make me \$x or don't at least track with the Dow, I can leave), etc.

So what clauses are most likely to exist in these contracts? **It would all depend on the relationship between Ken and these clients - who has the bargaining power? If it's a fucking massive whale with billions? Most likely them. If Ken wants their money badly enough he'll allow for any # of client exit clauses (still most likely will have some time element in there though (ie 30 days notice)).** If it's a small fish with a couple milly, most likely Ken. He'll be able to lock these people in for as long as he wants."

The part in bold made me think. Look at all the attention we've brought against Citadel recently:



Reports of SEC investigations into Citadel, #1 trending on social media, plane banners with "Citadel Scandal" written on them flying around the SEC building, Kenny perjuring himself in front of Congress, with all those representatives being alerted by Apes.

Imagine you were a wealthy aristocrat with a billion or two, or even a few hundred million in Citadel Securities, and you're seeing a massive movement exposing corruption against Citadel trending worldwide? You might also look into recent Citadel activity and see how overleveraged and close to bankruptcy Citadel is when they get margin called and liquidated

like Melvin. What would you do? Well, you'd probably start acting a little like the investors at Evergrande wanting their money back before the ship sinks, wouldn't you?

And if Kenny boy really wanted your money in the past, so much so that he left you a bunch of exit clauses in the contract, as the contract specialist Ape mentioned, well, it would be relatively easy to pull out your \$500 million or \$1 billion or so, especially since you have the money to hire the lawyers to do so.

You get a few of those guys pulling out, what happens? Kenny loses collateral on the other side, too. So, not only is he getting fucked with DRS, but now his own investors are pulling out and he's losing the leverage required to continue to create synthetics and sustain his short positions.

This could very well explain why he's panicking, and now, 9 months since Citadel last tweeted, they're bombarding their Twitter with tweets all of a sudden.

This is also a sign that people want out. If everything was normal over there, they wouldn't have been making 7 tweets in 10 minutes, deflecting blame, and taking the time to have lawyers write letters threatening to sue Apes.

It looks to me that people are jumping the sinking ship, and with the float getting closer and closer to getting locked up via ComputerShare, along with these recent revelations, it's safe to say that shit is getting real spicy going forward.

TL;DR: Some whales with lenient exit clauses in their contracts may be pulling out of Citadel, and now Kenny is panicking like you've never seen before, losing money from not just Apes, but some of his own whale investors that are coming to realize they don't want to be known as the blokes that lost their investments to a criminal hedge fund that sunk into insolvency.

TA;DR: Hedgies = mega fucked. Stinky banana getting shoved through both holes of Hedgie. Hedgie can't cope.

