

Title: Apex Legal Proceedings Reveal DTCC Colluded With Hedge Funds [The Pressure is Real]
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Is_self: False

There's an Apex merger that disclosed its legal proceedings recently:

<https://www.sec.gov/Archives/edgar/data/0001834518/000119312521183297/d121216ds4a.htm>

You can find it on pg. 186

Legal Proceedings:

"Plaintiffs allege that Apex, along with over 30 other brokerages, trading firms and/or clearing firms, including Morgan Stanley, E*Trade, Interactive Brokers, Charles Schwab, Robinhood, Barclays, Citadel and DTCC engaged in a coordinated conspiracy in violation of anti-trust laws to prevent retail customers from operating and trading freely in a conspiracy to allow certain of the other defendants, primarily hedge funds, to stop losing money on short sale positions in GameStop, AMC and certain other securities."

DTCC is alleged to have colluded with hedge funds in market manipulation. With the Global Head of Operations at Citadel, David Inggs, being a member on the DTCC Board of Directors, it's no surprise there was collusion.

The legal pressure regulatory agencies, such as the DTCC, are facing from the SEC and public will likely lead to NSCC-002 being approved June 21, and if so, I expect DTC-005 to also be approved around the end of June as well.

Edit: I also found something of critical importance to us on pg. 43:

"While we have implemented risk management procedures and contractual protections in agreements with our clients to avoid and respond to these risks, there can be no assurance that our risk management procedures or contractual protections will be adequate. We also carry liability insurance, but there can be no assurance that the losses or liabilities to which we may become subject as a result of errors in performing settlement functions will not exceed the coverage of such insurance significantly. Any liability arising from our clearing and execution operations could have a material adverse effect on our business, financial condition, results of operations, cash flows and future prospects"

TL;DR Apex acknowledges that whatever is coming (i.e. likely incoming MOASS) may be so large that risk management and liability insurance won't be able to contain it lol.