

Title: Cellar Boxing, CME, Citadel, Citi, Apex, Apollo and the High Frequency Friends - the wild rabbit goose hole chase

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Created 2021-09-12 14:56:21 UTC

Permalink: /r/Autisticats/comments/pmu5pb/cellar_boxing_cme_citadel_citi_apex_apollo_and/

Url: /r/Superstonk/comments/pmtqig/cellar_boxing_cme_citadel_citi_apex_apollo_and/

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Body:

In light of the recent [Cellar Boxing revelations](https://www.reddit.com/r/Superstonk/comments/pmj9yk/i_found_the_entire_naked_shorting_game_plan/), I think it's best if I post some connections I've made so we can potentially uncover what other games are being played behind the scenes.

Especially after u/Criand [edited his comment](https://www.reddit.com/r/Superstonk/comments/plvnx9/float_increased_again_on_yahoo_finance_from_126m/hce5nwu?utm_source=share&utm_medium=web2x&context=3) and left this:

[wut mean, wut mean?](https://preview.redd.it/jel7hw3c03n71.png?width=814&format=png&auto=webp&s=12983abf19cdec84eb4a6cc7a826188ba69f10)

I'm too smooth brained to understand that comment, but I'm pretty sure I've come across futures+swaps in here. We'll cover a big chunk of the network of bankers, high-frequency traders, legislations, ownerships and where it all points to. Feel free to correct anything and note that none of this is financial advice, I'll probably add lots of edits so stay tuned. Also lots of speculation (duh).

Citigroup, Glass-Steagall, crisis of '08, naked shorting and Robinhood

Travelers Citicorp mega-merger

* **[**Stitched together in the 1990s**]** (https://www.economist.com/leaders/2012/08/18/sticking-together) by CEO and Chairman [Sandy Weill] (https://en.wikipedia.org/wiki/Sanford_I._Weill) and in the process of more than [100 acquisitions (mergers)] (https://www.washingtonpost.com/wp-dyn/content/article/2008/11/24/AR2008112400745.html?hpid=topnews&sid=ST2008112403290) ****helped bury the Glass-Steagall act****

* The ****'98 merger of Weill's**** **[**Travelers**

Group]** (https://en.wikipedia.org/wiki/The_Travelers_Companies#History) ****and John S. Reed's****

[Citicorp**]** (https://en.wikipedia.org/wiki/Citigroup#Citicorp) ([First Bank of New

York](http://www.fundinguniverse.com/company-histories/citigroup-inc-history/)) would enable Travelers to market mutual funds and insurance to Citicorp's retail customers while giving the banking divisions access to an expanded client base of investors and insurance buyers

* One of the mergers ended up as ****Salomon Smith Barney, who was**** **[**the lead**

underwriter]** (https://money.cnn.com/2002/02/13/ipo/gamestop/) ****or a**** **[**book-running**

manager]** (https://www.barrons.com/articles/SB1013215867124482760?tesla=y) ([same thing](https://www.investopedia.com/terms/u/underwriter.asp#:~:text=A%20book%20runner%20is%20another%20name%20for%20a%20lead%20underwriter.)) ****for Gamestop IPO in 2002**** but we'll get into Blackstone and Silverstein in another post..

"Glass-Steagall Shatterer"

* Sandy Weill was regarded as **[**"The Shatterer of Glass-Steagall"**] (https://en.wikipedia.org/wiki/Sanford_I._Weill#:~:text=To%20speed%20up,recent%20financial%20crisis.)

* **[**Glass-Steagall**]** (https://en.wikipedia.org/wiki/Glass%E2%80%93Steagall_Act) made sure ****banking and insurance businesses had been kept separate****. Basically separates retail banking (i.e. your personal savings account type stuff) from commercial/investment banking.

* ****Glass-Steagall was a problem for Travelers Citi merger**** ****so**** Weill and Reed got both [Republicans] (https://en.wikipedia.org/wiki/Sanford_I._Weill#:~:text=Weill%20and%20John,than%20two%20years.) and [Democrats] (https://en.wikipedia.org/wiki/Robert_Rubin#:~:text=As%20Treasury%20Secretary%2C%20Robert,for%20newly%20created%20Citigroup.) on their side and ****the law was taken**** down in less than

two years **when Clinton signed the** **[Gramm-Leach-Bliley Act]**(https://en.wikipedia.org/wiki/Gramm-Leach-Bliley_Act) in Nov 1999

* [Robert Rubin and Charles Prince were said to be influential](<https://en.wikipedia.org/wiki/Citigroup#:~:text=Rubin%20and%20Charles%20Prince%20were%20said%20to%20be%20influential%20in%20pushing%20the%20company%20towards%20MBS%20and%20CDOs%20in%20the%20subprime%20mortgage%20market.>) in pushing the company towards [MBS](https://en.wikipedia.org/wiki/Mortgage-backed_security) and CDOs in the subprime mortgage market.

Weill loses grip on Citi and watches it dive deep into CDOs

* In **2003**, Weill remained chairman but was replaced as CEO by [Charles Prince](https://en.wikipedia.org/wiki/Charles_Prince), who was one of the people at the [heart of 2008 financial meltdown](https://en.wikipedia.org/wiki/Charles_Prince#:~:text=In%202008%2C%20Fortune,financial%20meltdown.%5B1%5D)

* In **2006/2007**, Citi was directly involved with Wing Chau, the smug CDO guy(<https://www.propublica.org/article/banks-self-dealing-super-charged-financial-crisis#:~:text=Chau%20named%20the,Lynch%27s%20CDO%20machine.>) in the restaurant near the end of the movie The Big Short.

* Merrill Lynch and Citigroup, **the biggest perpetrators of the self-dealing**(<https://www.propublica.org/article/banks-self-dealing-super-charged-financial-crisis#:~:text=Merrill%20Lynch%20and%20Citigroup%2C%20the%20biggest%20perpetrators%20of%20the%20self-dealing%2C%20were%20among%20the%20biggest%20losers.%20Merrill%20lost%20about%20%2426%20billion%20on%20mortgage%20CDOs%20and%20Citigroup%20about%20%2434%20billion.>), were among the biggest losers. Merrill lost about \$26 billion on mortgage CDOs and **Citigroup about \$34 billion.**

* 3rd November, **2007**, Bowen emailed Citigroup Chairman Robert Rubin(<https://en.wikipedia.org/wiki/Citigroup#:~:text=November%203%2C%202007,his%20business%20unit.>) and the bank's chief financial officer, head auditor, and the chief risk management officer **to again expose the risk and potential losses**

* Bowen was ignored, even though withholding such information from shareholders **violated the** **[Sarbanes–Oxley Act]**(https://en.wikipedia.org/wiki/Sarbanes%E2%80%93Oxley_Act) **(SOX)**, which he had pointed out.

* Charles [Prince signed a certification that the bank was in compliance with SOX despite Bowe](<https://en.wikipedia.org/wiki/Citigroup#:~:text=Citigroup%20CEO%20Charles%20Prince%20signed%20a%20certification%20that%20the%20bank%20was%20in%20compliance%20with%20SOX%20despite%20Bowen%20revealing%20this%20wasn%27t%20so.>) revealing this wasn't so.

* 4th November[2007, Prince resigned from his post as CEO of Citigroup due to the failing mortgage industry](https://en.wikipedia.org/wiki/Charles_Prince#:~:text=November%202007%2C%20Prince%20resigned%20from%20his%20post%20as%20CEO%20of%20Citigroup%20due%20to%20the%20failing%20mortgage%20industry.%20He%20was%20replaced%20by%20Vikram%20Pandit%20as%20the%20CEO%20of%20Citigroup%2C%5B8%5D%20and%20by%20Robert%20Rubin%20as%20its%20chairman.) He was replaced by [Vikram Pandit](https://en.wikipedia.org/wiki/Vikram_Pandit) as the CEO of Citigroup, and by Robert Rubin as its chairman.

* By November **2008**, Citigroup was insolvent, despite its \$25 billion bailout in taxpayer-funded federal [Troubled Asset Relief Program](https://en.wikipedia.org/wiki/Troubled_Asset_Relief_Program) funds.

* November **24, 2008**, the U.S. government announced a massive bailout for Citigroup(<https://en.wikipedia.org/wiki/Citigroup#:~:text=U.S.%20government%20announced%20a%20massive%20bailout%20for%20Citigroup%20designed%20to%20rescue%20the%20company%20from%20bankruptcy%20while%20giving%20the%20government%20a%20major%20say%20in%20its%20operations.>) designed to rescue the company from bankruptcy while **giving the government a major say in its operations.**

* The bailout called for the government to back about **\$306 billion** in loans and securities and directly invest about \$20 billion in the company

* According to [The Wall Street Journal](https://en.wikipedia.org/wiki/The_Wall_Street_Journal), if Citigroup was allowed to unravel into bankruptcy, "100 governments around the world would be trying to figure out how to pay their employees"

Citi naked on GME for over a decade, still naked with Robinhood

* In April **2006**, **everyone but Weill got nominated for chairman of board**(<https://s3.documentcloud.org/documents/30155/citigroup-2006-proxy-statement.pdf>) because of

his contract, so he retired as a chairman

* In April 2006, [**2 members of Gamestop board sell 6.5 million shares to Citigroup**](<https://www.bizjournals.com/dallas/stories/2006/04/10/daily9.html>)

* In there it says [**Citigroup can naked short the shares off-the-counter**](<https://news.gamestop.com/node/11011/html>)

<https://preview.redd.it/n7276t9d03n71.png?width=1894&format=png&auto=webp&s=b6c66a77b24808b5da8a8caeb1276ce3f184370f>

<https://preview.redd.it/anva8vsd03n71.png?width=1852&format=png&auto=webp&s=9fc42fd34a8bb8c6cef2593268c91b0ea4d13439>

Citigroup, Robinhood's underwriter can create naked short positions

* Here's the list of [underwriters from their IPO July 1st 2021](<https://www.sec.gov/Archives/edgar/data/1783879/000162828021013318/robinhoods-1.htm>)

<https://preview.redd.it/83plrige03n71.png?width=608&format=png&auto=webp&s=86ba26ced789fd56b7724d6411b4b407f7182a25>

* [Same document](<https://www.sec.gov/Archives/edgar/data/1783879/000162828021013318/robinhoods-1.htm>) lists **Citigroup Global Markets as an underwriter**

* **At the very bottom there is mention of a rule 424**: *For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to **Rule 424(b)(1) or (4)** *or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.*

* Here's the [**424B4**](<https://www.sec.gov/Archives/edgar/data/0001783879/000162828021015076/robinhood424.htm>) saying: **The underwriters may also sell shares in excess of their option to purchase additional shares, solely to cover over-allotments, creating a naked short position.** The underwriters must close out any naked short position by purchasing shares in the open market.

So maybe Citi naked shorts, and Citadel handles the risk, but is there more?

* [That same IPO document](<https://www.sec.gov/Archives/edgar/data/1783879/000162828021013318/robinhoods-1.htm>) lists the market makers who take on the risks under **ROBINHOOD MARKETS, INC. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

* If we take a look at concentration of credit risk, there's Citadel, but not much else:

<https://preview.redd.it/mbu63nff03n71.png?width=755&format=png&auto=webp&s=1ce38ea9cfd42077ad0122557cc7f9cf5ae033f4>

* However, there is an *unaudited* version of the same note: **ROBINHOOD MARKETS, INC. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

<https://preview.redd.it/mosyt17g03n71.png?width=749&format=png&auto=webp&s=43451166960fcef7d4aa8f256abb04d8b6c568d3>

We'll come back to Jump Trading Group and the other members of PTG, let's see what Apex has to say - Robinhood's clearinghouse

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[Apex](<https://www.sec.gov/Archives/edgar/data/0001834518/000119312521183297/d121216ds4a.htm>), tastyworks, CME, trading halt lawsuit and Citi

What is Apex Fintech Solutions LLC?

* a **clearinghouse** (<https://www.investopedia.com/terms/c/clearinghouse.asp>), an intermediary between a buyer and a seller that validates and finalizes the transaction

* **futures commission merchant (FCM)** (<https://www.investopedia.com/terms/f/fcm.asp>) - that solicits (requests) or accepts orders to buy or sell futures contracts, options on futures, retail off-exchange forex contracts or swaps

* **broker-dealer** (<https://www.investopedia.com/terms/b/broker-dealer.asp>), broker (or agent) when trading securities on behalf of its clients and dealer (or principal) when it trades for itself

Apex and Citi role in halting trades

* **21 Jan 2021, Citi starts to provide integrated custody** (<https://www.nsbanking.com/news/apex-group-citi-custodian/>) services and streamline the operational processes **to Apex**

* **Apex is currently** **being sued** (https://securities.stanford.edu/filings-documents/1077/ACC00107729/2021430_f01c_21CV21665.pdf) **for halting trading in January 2021**, Apex had collateral but restricted purchasing of stocks for their own self serving purposes

* **28 Jan Apex, allegedly** (<https://www.sec.gov/Archives/edgar/data/0001834518/000119312521183297/d121216ds4a.htm#:~:text=Apex%20is%20a,fair%20dealing.%20These>), **“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, (MOVIE STOCK AUTOMOD CMON) and certain other securities.”**

Apex going public with Ether Futures

* **Feb 2021, Apex starts offering Ether Futures** (<https://www.coindesk.com/tech/2021/02/17/valid-point-s-how-cme-ether-futures-work-and-why-they-matter/>)

* **Feb 2021, Apex went public on NYSE** (<https://www.nasdaq.com/articles/apex-clearing-to-go-public-via-244.7-bln-deal-with-ledeckys-spac-2021-02-22>)

* The IPO was done **via** **reverse merger with Northern Star Investment Corp II (NSIC II)** (<https://www.businesswire.com/news/home/20210428006100/en/Northern-Star-Investment-Corp.-II-and-Apex-Fintech-Solutions-Announce-Apex%E2%80%99s-First-Quarter-2021-Results>), who was already listed on NYSE

* **NSIC II is a SPAC, or a** **blank-check company** (<https://www.investopedia.com/terms/b/blankcheckcompany.asp>) which is essentially a large pool of cash listed on a public exchange with the sole purpose of completing an acquisition (merger). **It's a backdoor IPO.**

* **Sole book-running manager for the NSIC II IPO was Citigroup** (<https://www.financialbuzz.com/northern-star-investment-corp-ii-announces-separate-trading-of-its-class-a-common-stock-and-warrants-commencing-february-11-2021/#:~:text=Citigroup%20Global%20Markets%20Inc.%20acted%20as%20the%20sole%20book%20running%20manager%20for%20the%20Company%E2%80%99s%20initial%20public%20offering%20which%20was%20consummated%20in%20January%202021.>), with statements filed with the SEC which became effective on 25 Jan 2021

* **Financial advisor for the merger, in NSIC II's case was Citigroup, and J.P. Morgan Securities for Apex** (https://www.northernstaric2.com/author/sdev_bveqf9c3/)

Tastyworks, Apex trading halt and CME

* **tastyworks, a broker under Apex custody, halted trading** in January 2021

* in their **Futures & Exchange-Traded Options Risk Disclosure Statement** (https://assets.tastyworks.com/production/documents/futures_exchange_traded_options_risk_disclosure_agreement/versions/1.pdf) there is a Notice Regarding Average price System (APS)

* **You should be aware that certain US and non-US exchanges, including the CME and CBOT, may now or in the future allow a futures commission merchant (“FCM”) such as [Name of Clearing Firm] to confirm trades executed on such exchanges to some or all of their customers on an average price basis regardless of whether the exchanges have average price systems of their own.**

* **Average prices that are not calculated by an exchange system will be calculated by your FCM.** In either case, trades that are confirmed to you at average prices will be designated as such on your daily

and monthly statements.*

* APS may produce prices that do not conform to whole cent increments. In such cases, * any amounts less than one cent may be retained by the clearing member****. For example, * if the total residual to be paid to a customer on a rounded average price for 10 contracts is \$83.333333, the clearing member may pay \$83.33 to the customer.***

* [CBOT is a contract maker for CME Group, they merged in 07](https://en.wikipedia.org/wiki/Chicago_Board_of_Trade#:~:text=The%20Chicago%20Board,CME%20Group.%5B2%5D)

* So **CME and CBOT (they're the same) are exchanges that** (at least in tastyworks case) **allow** ***futures commission merchant*** ** (Apex) to confirm trades to all customers**, and without an Average Price System (APS) of their own, **Apex sets the prices**.

And that just looks like theft - if the rounded average price for 10 contracts is \$83.333333, Apex pays \$83.33 to the customer, and what? Keeps the 0.00333? Wut mean? Wer moni? Too Smooth Brained.

So let's go back to Jump Trading Group

The High-Frequency Friends, [Principal Traders Group (PTG)]([https://www.marketswiki.com/wiki/FIA_Principal_Traders_Group#:~:text=Principal%20Traders%20Group%20\(PTG\)%20is,May%206%2C%202010%20%22flash%20crash.%22](https://www.marketswiki.com/wiki/FIA_Principal_Traders_Group#:~:text=Principal%20Traders%20Group%20(PTG)%20is,May%206%2C%202010%20%22flash%20crash.%22))

Lobby group made of independent proprietary trading firms that trade only on their own accounts, or criminals from the Chicago pits

* Check out the PTG

[members](https://www.marketswiki.com/wiki/FIA_Principal_Traders_Group#Membership):

<https://preview.redd.it/j17qs9h03n71.png?width=312&format=png&auto=webp&s=8071fdc4bfd595d393bc817e0283f795f4a4bb2>

Members details

* Most member firms are **based in Chicago**

* Almost all are somehow either **founded in the pits of Chicago Mercantile Exchange (CME)**, involved in OTC trading, scrutinized for illegal activity or involved in a scandal.

* Almost **all operating on CME Globex platform**

* [According to BusinessInsider](<https://www.businessinsider.com/citadel-securities-jump-invest-in-small-exchange-2019-4?r=US&IR;=T#:~:text=Arguably%20more%20important%20than%20the%20investment%20is%20both%20firms%27%20involvement%20in%20the%20exchange%20as%20strategic%20partners.%20Jump%20Trading%20and%20Citadel%20Securities%20are%20two%20of%20the%20largest%20market%20makers%20in%20the%20world.>), ** Jump Trading Group and Citadel Securities are the two largest market makers in the world**

* Citadel

* [fined \$70000 by CME for messing with Globex](<https://www.cmegroup.com/tools-information/lookups/advisories/disciplinary/CME-13-9526-BC-CITADEL-SECURITIES-LLC.html#:~:text=Pursuant%20to%20an,P%20Futures%20market.>)

* [**Jump Trading Group**](https://www.marketswiki.com/wiki/Jump_Trading_LLC) ** (JTG)**

* high-frequency trading firm

* founded in 1999 by two former pit traders, Paul Gurinas and Bill Disomma, who met in the Deutsche Mark pit at the **CME**

* [**also messing with Globex**](<https://frontmonth.substack.com/p/the-usain-bolt-of-electronic-trading#:~:text=Not%20unlike%20many,futures%20trading%20platform.>)

* Allston Trading LLC

* founded by former [CME traders](https://www.marketswiki.com/wiki/Allston_Trading_LLC#:~:text=Founded%20in%202002%20by%20former%20CME%20floor%20traders%2C)

* caught cheating on [CME trading platform Globex](<https://www.reuters.com/article/cme-violations-automated/cme-group-fines-three-firms-for-automated-trading-violations-idUKL1N0U31HF20141219#:~:text=CM E%20Group%20ordered%20303%20Proprietary%20Trading%20to%20pay%20%2475%2C000%20after%20an%20algorithmic%20trading%20group%20employed%20by%20the%20firm%20sent%20more%20t han%2027%2C000%20messages%20in%20less%20than%20two%20seconds%20on%20the%20exchan>)

ge%20operator%E2%80%99s%20electronic%20trading%20platform%2C%20known%20as%20Globex%2C%20according%20to%20a%20disciplinary%20notice.)

- * Cognitive Capital LLC

- * founded by [ex Goldman Sachs managing

- director](https://www.marketswiki.com/wiki/Cognitive_Capital,_LLC)

- * their [portfolio manager has experience with Globex](<https://www.linkedin.com/in/charles-shi-cheng-02a3b391#:~:text=Founding%20partner%20of%20a%20trading%20group%20within%20BUDO%2C%20specializing%20in%20algorithmic%20arbitrage%20strategies%20in%20the%20CME%20GLOBEX%20futures%20space.>)

- * DRW Trading

- * named as [Lead Market Maker for Eurodollar Options on

- GLOBEX](<http://investor.cmegroup.com/static-files/cde1419e-20fb-4ca5-bd7a-67ca7fb82be8>)

- * DV Trading

- * was a [subsidiary of Rosenthal Collins Group](https://www.marketswiki.com/wiki/DV_Trading#:~:text=From%202007%20to%202016%2C%20DV%20Trading%20was%20a%20wholly%20owned%20subsidiary%20of%20Rosenthal%20Collins%20Group%2C%20a%20Chicago-based%20futures%20commission%20merchant.), Scott Gordon, former chairman of the [Chicago Mercantile Exchange](https://www.marketswiki.com/wiki/Chicago_Mercantile_Exchange), was appointed president and CEO of RCG in 2004. He was elevated to chairman and CEO in 2007.

- * also[cheating on Globex](<https://www.cmegroup.com/notices/market-regulation/2021/01/CBOT-DQA-20-0524-DV-TRADING-LLC.html#:~:text=During%20the%20period%20of%20July%20%2020%20to%20September%2030%2C%202020%2C%20DV%20Trading%2C%20LLC%20violated%20Rule%20536.B.1%20by%20failing%20to%20accurately%20input%20the%20Operator%20ID%20for%20the%20specific%20person%20who%20entered%20manual%20messages.>)

- * Eagle Seven Trading

- * ties [to Globex and CME](<https://www.linkedin.com/in/jeffswaters>)

- * also [violating rules](<https://www.cmegroup.com/notices/disciplinary/2020/05/NYMEX-18-1038-BC-EAGLE-SEVEN-LLC.html#:~:text=Pursuant%20to%20an,minimize%20self-matches.>)

- * Geneva Trading

- * founded by [CBOT traders](https://www.marketswiki.com/wiki/Geneva_Trading_USA,_LLC#:~:text=Geneva%20was%20founded,in%20Dublin%2C%20Ireland.)

- * [fined by CME](<https://www.cmegroup.com/notices/disciplinary/2018/09/cme-16-0455-bc-2-geneva-trading-usa-llc.html#:~:text=Pursuant%20to%20an,book%20were%20executed.>)

- * Hard Eight Futures

- * [ties to Globex](<https://www.cftc.gov/PressRoom/PressReleases/8024-19#:~:text=The%20orders%20state,bid%20or%20offer.>)

- * HTG Capital Partners

- * [fined for messing with Globex]([https://www.cmegroup.com/notices/disciplinary/2016/11/NYMEX-15-0183-BC-HTG-CAPITAL-PARTNERS-LLC.html#:~:text=Pursuant%20to%20an,at%20Settlement%20\(%E2%80%99CTAS%E2%80%9D\).](https://www.cmegroup.com/notices/disciplinary/2016/11/NYMEX-15-0183-BC-HTG-CAPITAL-PARTNERS-LLC.html#:~:text=Pursuant%20to%20an,at%20Settlement%20(%E2%80%99CTAS%E2%80%9D).))

- * [does OTC ETFs](https://www.marketswiki.com/wiki/HTG_Capital_Partners,_LLC#:~:text=HTG%20Capital%20Partners%20has,multiple%20global%20carrying%20brokers.)

- * KCG Holdings

- * [owned by Global Electronic Trading Company (GETCO)]([https://www.marketswiki.com/wiki/KCG_Holdings_Inc._\(KCG\)#:~:text=KCG%20Holdings%20Inc.%20\(KCG\)%20is,fund%20manager%20Deephaven%20Holdings.%5B2%5D](https://www.marketswiki.com/wiki/KCG_Holdings_Inc._(KCG)#:~:text=KCG%20Holdings%20Inc.%20(KCG)%20is,fund%20manager%20Deephaven%20Holdings.%5B2%5D))

- * GETCO is a [market maker which operates a dark pool]([https://www.marketswiki.com/wiki/Global_Electronic_Trading_Company_\(GETCO\)#:~:text=GETCO%20is%20a,February%202008.%5B1%5D](https://www.marketswiki.com/wiki/Global_Electronic_Trading_Company_(GETCO)#:~:text=GETCO%20is%20a,February%202008.%5B1%5D))

- * Ketchum Trading

- * [provided co-location for CME](https://www.marketswiki.com/wiki/Ketchum_Trading,_LLC#:~:text=Ketchum%20Trading%2C%20LLC%20was,CME%2C%20ICE%2C%20and%20NASDAQ.)

- * [partnered with Hehmeyer](<http://www.ketchumtrading.com/#:~:text=Ketchum%20Trading%2C%20LLC,keel%40hehmeyer.com.>), a market maker that [deals on OTC markets](<https://www.linkedin.com/company/hehmeyerllc#:~:text=Hehmeyer%20is%20a%20market%20maker%20in%20digital%20assets.%20We,through%20digital%20transactions%20and%20the%20future%20digital%20assets%20promise.>)

- * Marquette Partners LP

- * [deals with CME](https://www.marketswiki.com/wiki/Marquette_Partners_LP#:~:text=Marquette%20Partners%20LP%20is%20a%20proprietary%20trading%20firm%2C%20with%20offices%20in%20Chicago%2C%20Minneapolis%20and%20London.%20Marquette%20trades%20in%20the%20major%20electronic%20

markets%2C%20including%20CME%20Group%2C%20Dubai%20Mercantile%20Exchange%2C%20Eurex%2C%20NYSE%20Euronext%2C%20Borsa%20Italiana%20and%20Intercontinental%20Exchange.)

* fined by [CME for Globex](<https://www.cmegroup.com/notices/disciplinary/2018/10/CME-CBOT-DQA-18-9743-Marquette-Partners-LP.html#:~:text=Each%20Globex%20terminal,unique%20user%20ID.>)

* Optiver

* [deals OTC options and ETFs]([https://www.marketswiki.com/wiki/Optiver#:~:text=Products%20traded%20by,funds%20\(ETFs\).%5B5%5D](https://www.marketswiki.com/wiki/Optiver#:~:text=Products%20traded%20by,funds%20(ETFs).%5B5%5D))

* [market bully](<https://www.marketswiki.com/wiki/Optiver#:~:text=In%20July%202008,firm.%5B11%5D%5B12%5D>)

* [effective June 6 Globex](<https://www.institutionalassetmanager.co.uk/2021/06/03/301351/optiver-welcomes-sp-e-mini-block-trade-eligibility#:~:text=Effective%206%20June,Index%20Futures%20contracts.%C2%A0>)

* Quantlab Financial

* [mentioned on investopedia regarding "CME loophole"](<https://www.investopedia.com/news/high-speed-traders-feast-stock-markets-woes/#:~:text=The%20CME%20%22loophole,told%20the%20Journal.>)

* RGM Advisors

* [in bed with CME, Reuters, Citadel, big banks, etc](https://www.cmegroup.com/media-room/press-releases/2006/7/17/reuters_and_cme_announceparticipantsinfxmarketspaceearlyadopter.html#:~:text=LONDON%20and%20CHICAGO,RGM%20Advisors%20LLC.)

* [makes big profits after 2008 crisis but loses money when lacking volatility?](https://www.marketswiki.com/wiki/RGM_Advisors,_LLC#:~:text=In%20August%20of,a%20buyer.%5B9%5D)

* Teza Technologies

* [sold its HFT business to Quantlab Financial](<https://www.ft.com/content/a6ac732e-0e4b-11e7-a88c-50ba212dce4d#:~:text=Teza%20Technologies%2C%20a%20pioneer%20of%20electronic%20markets%2C%20has%20sold%20its%20high-speed%20trading%20business%20to%20Quantlab%20Financial%20after%20conditions%20soured%20in%20the%20once-lucrative%20sector.>)

* Tower Research Capital

* [fined by CME for messing with Globex](<https://www.cmegroup.com/notices/disciplinary/2017/11/CME-13-9693-BC-1-TOWER-RESEARCH-CAPITAL-LLC.html#:~:text=In%20accordance%20with,allocated%20to%20CME.>)

* TradeForecaster Global Markets LLC

* founder came from [CME pits and GLOBEX!](<https://relationshipscience.com/person/bob-hebel-jr-211613561#:~:text=Mr.%20Hebel%20began,and%20treasuries%20futures.>)

* WH Trading

* started hedging with [Globex in the early days](<https://www.watertechnology.com/trading-tools/2441344/eternally-internal-wh-trading-cto-mike-madigan#:~:text=The%20technology%20was,off%20the%20floor.>)

* XR Trading

* fined by [CME for Globex](<https://www.cmegroup.com/notices/disciplinary/2019/10/NYMEX-19-1164-BC-XR-TRADING-LLC.html#:~:text=Pursuant%20to%20an,July%2029%2C%202019.>)

Funny how [Reuters and CME have a successful track record](https://www.cmegroup.com/media-room/press-releases/2006/7/17/reuters_and_cme_announceparticipantsinfxmarketspaceearlyadopter.html#:~:text=%22We%20think%20that,via%20this%20venture.%22)

Just like Jeff Bezos and Washington Post do.

[Reuters shilling for CME](<https://www.reuters.com/business/cme-denies-media-report-16-bln-takeover-bid-rival-cboe-2021-08-18/>)

London based[trader causes futures market crash?]([https://www.reuters.com/article/us-flashcrash-trader-cme-idUSKBN0ND2FR20150422#:~:text=SAN%20FRANCISCO%20\(Reuters\)%20-%20CME%20Group%20Inc%20on%20Wednesday%20denied%20allegations%20that%20the%20futures%20markets%2C%20which%20prosecutors%20are%20accusing%20a%20London-based%20trader%20of%20having%20illegally%20manipulated%2C%20caused%20the%20May%202010%20Wall%20Street%20%E2%80%9Cflash%20crash.%E2%80%9D](https://www.reuters.com/article/us-flashcrash-trader-cme-idUSKBN0ND2FR20150422#:~:text=SAN%20FRANCISCO%20(Reuters)%20-%20CME%20Group%20Inc%20on%20Wednesday%20denied%20allegations%20that%20the%20futures%20markets%2C%20which%20prosecutors%20are%20accusing%20a%20London-based%20trader%20of%20having%20illegally%20manipulated%2C%20caused%20the%20May%202010%20Wall%20Street%20%E2%80%9Cflash%20crash.%E2%80%9D)) or reuters shilling?

[Mr. Robot?](<https://www.cnbc.com/2020/01/29/flash-crash-trader-navinder-singh-sarao-sentenced-to-home-detention.html>)

Tinfoil save position, what about CME Globex?

[Globex](https://www.investopedia.com/terms/g/globex.asp)

CME's money machine

* Trading platform for derivatives [**launched in 1992, running on Reuters network**](https://www.investopedia.com/terms/g/globex.asp#:~:text=The%20platform%20finally%20launched%20on%20June%2025%2C%201992%2C%20running%20off%20of%20technology%20and%20network%20infrastructure%20used%20by%20the%20news%20and%20wire%20service%20Reuters.)

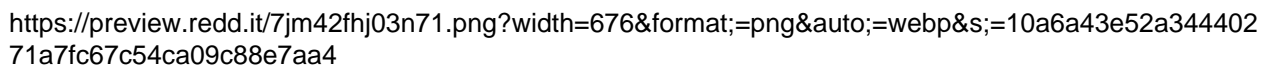
* **Developed for the Chicago Mercantile Exchange and officially known as CME Globex, operating almost 24 hours a day**

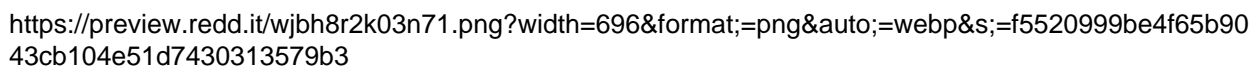
* **Globex trades constitute 90% of CME Group's total volume**](https://www.investopedia.com/terms/g/globex.asp#:~:text=Globex%20trades%20constitute%2090%25%20of%20CME%20Group%27s%20total%20volume%2E%80%94nine%20out%20of%20every%2010%20trades%2C%20in%20other%20words.%20The%20platform%20offers%20access%20from%20more%20than%20150%20countries%20and%20foreign%20territories.)—nine out of every 10 trades, in other words. The platform offers access from more than 150 countries and foreign territories.

* [Offers E-mini S&P; 500 futures with quantities of 2000, and 5000 for spreads](https://www.scribd.com/document/31546905/CME-Group-Report-on-the-Flash-Crash#:~:text=While%20traders%20may,5%2C000%20for%20spreads.)

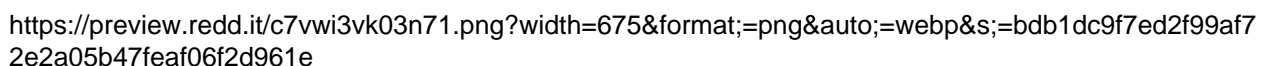
Globex and the 2010 flash crash

* **Was directly involved in may 6 flash crash 2010**, according to [this document](https://www.govinfo.gov/content/pkg/CHRG-111shrg62513/html/CHRG-111shrg62513.htm) (Examining the causes and lessons of the May 6th Market Plunge)

https://preview.redd.it/7jm42fhj03n71.png?width=676&format=png&auto=webp&s=10a6a43e52a34440271a7fc67c54ca09c88e7aa4

https://preview.redd.it/wjbh8r2k03n71.png?width=696&format=png&auto=webp&s=f5520999be4f65b9043cb104e51d7430313579b3

* Here's what Gensler has to say lol:

https://preview.redd.it/c7vwi3vk03n71.png?width=675&format=png&auto=webp&s=bdb1dc9f7ed2f99af72e2a05b47feaf06f2d961e

* **"it wasn't us, we helped"**](https://en.wikipedia.org/wiki/2010_flash_crash#:~:text=At%20first%2C%20while,the%20crash.%5B20%5D) **- CME**

Basically, there's CME Globex, and then there's Citadel

CME and Citadel

* CME [offers futures, options on futures and OTC trading](https://www.marketswiki.com/wiki/CME_Group,_Inc.#:~:text=offers%20futures%2C%20options%20on%20futures%20and%20OTC%20trading%20product%20lines%20on%20interest%20rates%2C%20equity%20indexes%2C%20energies%2C%20agricultural%20products%2C%20metals%2C%20foreign%20exchange%20and%20cryptocurrencies.) product lines on interest rates, equity indexes, energies, agricultural products, metals, foreign exchange and cryptocurrencies

* It's already known from u/atobitt's [Walkin' Like a Duck. Talkin' Like A Duck DD](https://www.reddit.com/r/Superstonk/comments/ml48ov/walkin_like_a_duck_talkin_like_a_duck/) that Citadel has a tendency to commit securities fraud, but what about CME?

Chicago Mercantile Exchange (CME) summarized history with Citadel, [amazing post](https://www.reddit.com/r/Autisticats/comments/ojrh8x/chicago_mercantile_exchange_cme_group_and_citadel/) by

u/Lunarnautics

* **Before the 2008 financial crisis, banks were setting their own prices for Credit Default Swaps** (CDS). They essentially dictate the spread.

* Then when **Obama signed the Dodd-Frank Act in 2009** (https://en.wikipedia.org/wiki/Dodd%E2%80%93Frank_Wall_Street_Reform_and_Consumer_Protection_Act), which said that a **clearinghouse** was now needed for trading and pricing swaps, Citadel wanted a piece of the action.

* So **Citadel and Chicago Mercantile Exchange (CME Group)** **tried to create a platform for trading swaps** (https://www.cmegroup.com/media-room/press-releases/2008/10/07/cme_group_and_citadel_toward_the_first_integrated_credit_default_swap.html) where the swaps would be priced by Citadel.

* **Top nine of the world's largest banks** that were most affected by the 2008 crisis (Goldman Sachs, Bank of America, **Citi**, Credit Suisse, Deutsche Bank, JPMorgan, Merrill Lynch, Morgan Stanley and UBS) **didn't like Citadel's idea for swaps so they paired up with InterContinental Exchange (ICE) clearinghouse** (<https://archive.ph/k5TDi>)

* The **banks made a deal that ICE provide market data exclusively to Markit** (https://archive.ph/k5TDi#:~:text=The%20banks%20also%20required%20ICE%20to%20provide%20market%20data%20exclusively%20to%20Markit%2C%20a%20little-known%20company%20that%20plays%20a%20pivotal%20role%20in%20derivatives.%20Backed%20by%20Goldman%2C%20JPMorgan%20and%20several%20other%20banks%2C%20Markit%20provides%20crucial%20information%20about%20derivatives%2C%20like%20prices.)), a company that Citadel couldn't do without because they own certain derivative indexes, **so Kenny and his friends sued the banks saying that the banks rigged the swaps prices**

* **Citadel was part of a group of investors** (<https://archive.triblive.com/business/local-stories/12-major-banks-close-to-1-9b-settlement-in-price-fixing-case/>) and market participants that in Sep 2015 **won a \$1.9 billion settlement** after alleging that the banks had conspired to limit competition in the credit-default swaps market and **sabotage a CDS exchange planned by Citadel and CME** (<https://www.bloombergquint.com/markets/ken-griffin-has-another-money-machine-to-rival-his-hedge-fund#:~:text=The%20banks%20were%20accused%20of%20agreeing%20to%20boycott%20the%20exchange%20as%20long%20as%20Citadel%20was%20involved.>)

* **This settlement secured Citadel's seat at the table with the banks?**

Then there's Citadel, Northern Trust and Blackrock

Citadel v Blackrock, [amazing post] (https://www.reddit.com/r/Superstonk/comments/ows1a2/will_the_real_gme_bbemg_please_stand_up_cont_part/) by u/Slyver12, I've copied a part of their post that elaborates this connection

Start of quote

* [This is a sheet for CITADEL ADVISORS LLC] (<https://reports.adviserinfo.sec.gov/reports/ADV/148826/PDF/148826.pdf>) that details funds that they manage. There are numerous funds here. OP picks one of the larger ones to illustrate some connections (page 156 in the linked document). This is one of many similar funds in this document.

* Fund name: [CITADEL MULTI-STRATEGY EQUITIES MASTER FUND LTD] (<https://privatefunddata.com/private-funds/citadel-multi-strategy-equities-master-fund-ltd/>)

* Type: Hedge Fund

* Size of private fund: \$66.7 billion.

* Approximate owned by Citadel: 1%

* Approximate owned by US citizens: 79%

* [Prime Brokers] (<https://www.investopedia.com/articles/professionals/110415/role-prime-broker.asp>) of the private fund (a prime broker manages the fund):

■(image go check out the OP)

* Custodians of the private fund (custodian holds the assets)

■(image)

* Administrator of the fund (other than Citadel)

<https://preview.redd.it/bni2cd2m03n71.png?width=520&format;=png&auto;=webp&s;=c5f0764e1b4d1e7898c8b8aaa607495f1aac72a1>

End of quote

Before we get into Northern Trust, Citadel and Omnium, here's something just as relevant, from a different, also must read post - [It's almost like Blackrock and Citadel have this arrangement ... Blackrock buys and holds the shares then lends them to Citadel so they can short them, rehypothecate them, do all kinds of fuckery in options, etc. to fuck over retail investors. Blackrock has Citadel by the balls, Citadel has retail investors by the balls, ya-da-ya-da-ya-da.](https://www.reddit.com/r/Superstonk/comments/ns7k6q/could_gamestops_liftoff_unravel_corporate_junk/)

Okay, Northern Trust, now where else have I seen that? Oh, that's right!

Northern Trust

* [Allies with Blackrock](<https://www.swfinstitute.org/news/80012/northern-trust-and-blackrock-form-strategic-alliance-on-data-and-aladdin#:~:text=At%20the%20end,and%20asset%20servicer.>)

* [Was involved in Enron scandal](<https://www.chron.com/business/energy/article/Judge-approves-37-5-million-Enron-401-k-1850254.php#:~:text=Northern%20Trust%20was,denies%20the%20allegations.>)

* [\$1.5 trillion in assets under management and \$15.7 trillion in assets under custody as of June 2021](https://en.wikipedia.org/wiki/Northern_Trust#:~:text=%241.5%20trillion%20in%20assets%20under%20management%20and%20%20%2415.7%20trillion%20in%20assets%20under%20custody)

* [Bailed out in 2008](https://en.wikipedia.org/wiki/Northern_Trust#:~:text=In%20November%202008,government%20funds.%5B25%5D)

* [northern trust buys omnium hedge fund admin business 2011](<https://www.nasdaq.com/articles/northern-trust-acquires-citadels-omnium-technology-platform-2018-07-02#:~:text=in%202011%2C%20Northern%20Trust%20had%20acquired%20Citadel%27s%20Omnium%20Hedge%20Fund%20administration%20business.>)

* [northern trust buys citadels omnium Jan 2018](<https://www.nasdaq.com/articles/northern-trust-acquires-citadels-omnium-technology-platform-2018-07-02>)

* [Everyone Thinks It's Really Weird That Citadel Just Sold Omnium (For \$100 Million)](<https://www.businessinsider.com/everyone-thinks-its-really-weird-that-citadel-just-sold-omnium-2011-5?r=US&IR;=T>)

[Remember the GME float change on Yahoo?](https://www.reddit.com/r/Superstonk/comments/pmgpnk/anomaly_no_more_gme_float_keeps_going_up_its_not/)

<https://preview.redd.it/mrnn2qsn03n71.png?width=645&format;=png&auto;=webp&s;=472da2169adb6549f63e34d140c3536a7313786c>

[Who owns verizon?](<https://stockzoa.com/ticker/vz/>)

* Top 5 shareholders:

* Vanguard Group

* Blackrock

* State Street Corp

* Berkshire Hathaway

* Geode Capital Management [(hedge fund business shut down in February 2021)](https://www.wsj.com/articles/geode-fidelitys-index-fund-manager-closes-hedge-fund-business-after-derivatives-bets-implode-11614524401?mod=hp_lead_pos6#:~:text=Huge%20losses%20on%20derivative%20trades%20at%20Geode%20Capital%20Management%20have%20forced%20the%20giant%20investment%20firm%20to%20close%20down%20its%20hedge-fund%20business.) \- i wonder why

* Other notable ones:

* Bank of America

* **Northern Trust - wut doing?*

* Charles Schwab Investment Management

* Morgan Stanley

* Jpmorgan Chase & Co

* Goldman Sachs Group
* Susquehanna International
* **Citadel Advisors**
* **D.E. Shaw** [(Bezos?)](https://www.reddit.com/r/Superstonk/comments/pgxn0v/bezos_while_employed_at_de_shaw_was_tasked_with/)
* **Citigroup**

Thanks stockzoa, but who really owns Yahoo?

Apollo Global Management

* **[**bought Yahoo in September**]**(<https://www.apollo.com/stockholders/press-releases/2021/09-01-2021-161530593>)
* **[bought Michaels in April]**(<https://en.wikipedia.org/wiki/Michaels#:~:text=As%20of%20January%202021%2C%20there,Apollo%20Global%20Management.%5B26%5D%5B27%5D>)
* **[bought a **game development studio** Fortress Front Interactive in May]**(https://en.wikipedia.org/wiki/Apollo_Global_Management#:~:text=In%20May%20of%202021%2C%20it%20was%20announced%20that%20Apollo%20had%20purchased%20a%20majority%20stake%20of%20video%20game%20development%20studio%20Fortress%20Front%20Interactive%20for%20a%20deal%20of%20%2412%20million%2C%20making%20it%20Apollo%27s%20first%20development%20studio.)
* **[charged by SEC in 2016]**(<https://www.sec.gov/news/pressrelease/2016-165.html>)
* **[founded by Leon Black, Epstein's buddy]**(<https://marketrealist.com/p/who-owns-apollo-global-management/#:~:text=If%20you%20aren%E2%80%99t%20familiar%20with%20Apollo%2C%20there%20is%20a%20good%20chance%20you%20are%20more%20familiar%20with%20its%20founders%2C%20especially%20Black%2C%20who%20recently%20stepped%20down%20from%20his%20role%20as%20CEO%20after%20news%20came%20out%20about%20his%20ties%20with%20convicted%20sex%20offender%20Jeffery%20Epstein.%C2%A0%20who%20bribed%20both%20parties>)
* **[bribed both parties]**(<https://www.forbes.com/sites/lisettevoytko/2020/10/26/leaders-in-both-parties-received-money-from-leon-black-billionaire-caught-up-in-epstein-scandal/?sh=718bd5674328>)
* Since the beginning of 2008, Apollo has been a significant acquirer of [senior secured loans](https://en.wikipedia.org/wiki/Secured_loan) from [investment banks](https://en.wikipedia.org/wiki/Investment_bank) and other financial institutions. In April 2008, Apollo, [TPG Capital](https://en.wikipedia.org/wiki/TPG_Capital), and [The Blackstone Group](https://en.wikipedia.org/wiki/The_Blackstone_Group) completed the acquisition of \$12.5 billion of bank loans from [Citigroup](<https://en.wikipedia.org/wiki/Citigroup>). (this paragraph could be a DD itself these bastards bought everything!)
* In late 2008, it was reported that Apollo had received margin calls associated with the financing of its purchase of certain loan portfolios as the price of the loans decreased.

So Apollo is bad but at this point things are getting too complicated, so I'll be happy if other apes can take over and dig out whatever else there is about these crooks. My guess is that Apollo is linked to Bain Capital and the Bustout business that is [detailed in this god-tier DD](https://www.reddit.com/r/Superstonk/comments/np33hr/amazon_bain_capital_and_citadel_bust_out_the/) by u/jumpster81

<https://preview.redd.it/wipmiduo03n71.png?width=834&format=png&auto=webp&s=779758105160b4929f5f0185e70dfd24fe4b1855>

It's also very likely that [Citi had something to do with zombie stocks](<https://en.wikipedia.org/wiki/Citibank>):

<https://preview.redd.it/xr5au5hp03n71.png?width=852&format=png&auto=webp&s=b9a2cbcd4eaf800ec34e71fe95271ecf9f0a6b6>

Here are some other interesting links I found.

[Scene Last Night: Ken Griffin, Sandy Weill, John McEnroe](<https://www.bloomberg.com/news/articles/2011-10-06/scene-last-night-ken-griffin-fitz-the-tantrums-sandy-weill-gergiev>)

[**hedge funds like Millennium, Point72, BlueCrest, and Citadel are continuing to poach banks' London staff** (Citadel has also been poaching people for its new Paris office.) ***Hedge funds are draining banks of talent**," says the headhunter. "It used to be that they would only look at banks' traders for senior roles, but now they're hiring people into sub- PM positions too."](<https://www.efinancialcareers.co.uk/news/2021/06/brexit-talent-shortages-london#:~:text=In%20the%20circumstances,PM%20positions%20too.%22%C2%A0>)