

Title: Dark Pool. Definitely not Dead Pool.

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Permalink: /r/TheGloryHodl/comments/pgfkq2/dark\_pool\_definitely\_not\_dead\_pool/

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**\*\*WARNING:\*\*** Complete this form truthfully. False statements or OMISSIONS may result in denial of your application, revocation of your registration, or **\*\*CRIMINAL PROSECUTION\*\***.

CITADEL ADVISORS LLC, **\*\*AKA:\*\***

ASHLER CAPITAL LLC (RELYING ADVISER),

CITADEL ADVISORS II LLC (RELYING ADVISER),

CITADEL ASIA LIMITED (F/K/A CITADEL (HONG KONG) LIMITED) (RELYING ADVISER),

CITADEL EUROPE LLP (RELYING ADVISER),

CITADEL HOLDINGS I LP (RELYING ADVISER),

CITADEL INVESTMENT CONSULTING (SHENZHEN) COMPANY LIMITED (RELYING ADVISER),

CITADEL STRUCTURED FINANCE ADVISORY LLC (RELYING ADVISER)

[<https://reports.adviserinfo.sec.gov/reports/ADV/148826/PDF/148826.pdf>](<https://reports.adviserinfo.sec.gov/reports/ADV/148826/PDF/148826.pdf>)

[<https://reports.adviserinfo.sec.gov/reports/ADV/148826/PDF/148826.pdf>](<https://preview.redd.it/1xdibndcjk71.png?width=1277&format=png&auto=webp&s=7c4aea315249e23fe4cac0a9027f6cb48fd077db>)

The excerpt below is from: [<https://www.thsh.com/publications/sec-proposed-rules-aim-at-removing-confusion-about-the-registration-of-affiliated-investment-advisers-umbrella-registrations1>](<https://www.thsh.com/publications/sec-proposed-rules-aim-at-removing-confusion-about-the-registration-of-affiliated-investment-advisers-umbrella-registrations1>)

..the SEC will continue to treat two or more affiliated advisers that are separate legal entities but are operationally integrated as a single adviser, but it plans to revise Form ADV to accommodate these organizational structures and add a new Schedule R for affiliate advisers. The proposal is geared towards US investment advisers; however, treatment of non-US investment advisers is also addressed in this article.

#### Key Definitions

Three key definitions in understanding the Umbrella Registration rules set out in the Release:

1. "Umbrella Registration": a single registration by a Filing Adviser and one or more Relying Advisers who collectively conduct a single advisory business and meet the conditions set forth in the Release.
2. "Filing Adviser": an investment adviser eligible to register with the SEC that files a single umbrella registration on behalf of itself and each of its Relying Advisers.
3. "Relying Adviser": an investment adviser eligible to register with the SEC that relies on a Filing Adviser to file a single Umbrella Registration on its behalf. The Relying Adviser would continue to be required to register in its own right.

Citadel Advisors LLC has **\*\*OMITTED\*\*** the name of its Chief Compliance Officer, and in the absence of one, the Additional Regulatory Contact Person field must be completed. [<https://reports.adviserinfo.sec.gov/reports/ADV/148826/PDF/148826.pdf>]

v/reports/ADV/148826/PDF/148826.pdf](https://reports.adviserinfo.sec.gov/reports/ADV/148826/PDF/148826.pdf)

[Citadel Advisors LLC has OMITTED the name of its Chief Compliance Officer, and in the absence of one, the Additional Regulatory Contact Person field must be completed. https://reports.adviserinfo.sec.gov/reports/ADV/148826/PDF/148826.pdf](https://preview.redd.it/z7810ophjtk71.png?width=1281&format=png&auto=webp&s=3c2ff4218fff50a2379990ddc49dae474602219f)

Here he is, Michael Loughney, Chief Compliance Officer for Ashler Capital, AKA Citadel Advisors LLC.. How come you left your name out of the umbrella Form ADV for Citadel Advisors LLC, Michael?

[Michael Loughney, Chief Compliance Officer for Ashler Capital, AKA Citadel Advisors LLC.. How come you left your name out of the umbrella Form ADV for Citadel Advisors LLC, Michael?](https://preview.redd.it/y9qsg3mjtk71.png?width=794&format=png&auto=webp&s=54b2d5c10e22ade3b80a6fd29f8f5a16eb2fdca5)

The text below is copied from "Part 2 - Brochures", found at:  
[https://adviserinfo.sec.gov/firm/summary/148826](https://adviserinfo.sec.gov/firm/summary/148826)

..In this Brochure, each of the private investment funds managed by the Advisers, and the sub-funds in which they invest, are generally referred to as a "Fund," and are generally referred to collectively as the "Funds."

As of December 31, 2020, the Advisers had approximately \$33,097,091,000 of assets under management, all of which was managed on a discretionary basis.

**\*\*Citadel Advisors is wholly owned by Citadel Advisors Holdings LP.\*\*** Citadel Europe is principally-owned by Citadel Management (Europe) Limited. Citadel Asia, Citadel Sweden, Citadel France and Citadel Singapore are each wholly owned by Citadel Americas LLC. The Advisers are indirectly controlled by Citadel GP LLC or its related persons and use the investment personnel, infrastructure and support provided by Citadel Americas LLC and its affiliates. Citadel GP LLC and Citadel Americas LLC are controlled by **\*\*Kenneth Griffin, their Founder and Chief Executive Officer.\*\***

The Advisers are members of a group of affiliated entities that together comprise a leading global financial institution with a diverse business platform (collectively, "Citadel Group"), which includes two separate and distinct units: (i) a global investment firm ("Citadel") and (ii) a global market maker ("Citadel Securities").

**\*\*As of the latest form ADV, May 27 2021, Citadel Advisors LLC reported Assets Under Management of \$244,269,595,218\*\***

**\*\*Kenny is paid a percentage of assets under his management.. he is financially motivated to report grossly inflated levels of assets under management.\*\***

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[Page 28 from: https://reports.adviserinfo.sec.gov/reports/ADV/148826/PDF/148826.pdf](https://preview.redd.it/6yuh8iyqjtk71.png?width=1120&format=png&auto=webp&s=49806774bb2067e23f18f287a078a210e2922328)

..Continued..

[https://reports.adviserinfo.sec.gov/reports/ADV/148826/PDF/148826.pdf](https://preview.redd.it/iajfi4jzjtk71.png?width=1278&format=png&auto=webp&s=0e8e5f44fd62b749e59474f8fc79d42634239654)

[https://adviserinfo.sec.gov/firm/summary/148826](https://adviserinfo.sec.gov/firm/summary/148826) \- Under the tab, Accountant Surprise Examination Report, this text can be found, as well as **\*\*the absence of ANY OF THE REQUIRED ANNUAL FORM ADV-E SUBMISSIONS!!\*\***

"Investment advisers that have custody of (the authority to access) client funds or securities are required to undergo an annual surprise examination by an independent public accountant to verify the clients' funds and securities (see Investment Advisers Act rule 206(4)-2 for more information). Form ADV-E also must be filed when the accountant resigns, is dismissed, or is otherwise terminated from the engagement, or if the accountant removes itself or is removed from consideration for reappointment. These filings are available at the Form ADV-E cover page and report links below."

[<https://adviserinfo.sec.gov/firm/summary/148826> Where Form ADV-E, Kenny? You are required to file these annually. Better get on it, bitch!](<https://preview.redd.it/cij2sc86k71.png?width=1679&format=png&auto=webp&s=8b2b8d92905013946e4de735b0407c4fa09dce5d>)

Who should we call to report this? Probably the Secret Service and the FBI will be inclined to act more than the SEC, given their inherent revolving-door relationship with the CFTC..

[Citadel is able to pay an ex-employee through this particular loophole, payable through the fund described on page 7 - [https://www.sec.gov/Archives/edgar/data/1255158/000090514820001113/efc20-778\\_406ba.htm](https://www.sec.gov/Archives/edgar/data/1255158/000090514820001113/efc20-778_406ba.htm)](<https://preview.redd.it/i08n8u2ak71.png?width=1440&format=png&auto=webp&s=a67cb74a3804780d62348a9a17a89b841a5e0424>)

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#### **\*\*Eligible Employees\*\***

Interests will be issued without registration in transactions under a claim of exemption pursuant to Section 4(a)(2) of the 1933 Act, Regulation D and/or Regulation S3 and may be acquired only by (i) Eligible Employees or (ii) at the request of Eligible Employees and in the discretion of the Managing Member of an ESC Fund, by Qualified Participants of such Eligible Employees. Prior to issuing Interests to an Eligible Employee or a Qualified Investment Vehicle or prior to permitting an Eligible Employee or a Qualified Investment Vehicle to make an additional capital contribution, the Managing Member must reasonably believe that each Eligible Employee (or the Eligible Employee relating to the Qualified Investment Vehicle) is a sophisticated investor capable of understanding and evaluating the risks of participating in such ESC Fund or Class without the benefit of regulatory safeguards. The Managing Member may impose more restrictive suitability standards in its sole discretion.

In order to qualify as an "Eligible Employee," an individual must (i) be a current or former employee, officer or partner of Citadel or a director of Citadel that is an "interested person" (as defined in Section 2(a)(19) of the 1940 Act) of Citadel and (ii) meet the standards of an "accredited investor" under Rule 501(a)(5) or (6) of Regulation D. Eligible Employees and/or their Qualified Investment Vehicles that are not accredited investors will not be permitted to invest in an ESC Fund.

Let's not forget about the man who is supposedly fighting for US, Gary Gensler, prior to his current post at the SEC, served as Chair of CFTC..

[<https://www.cftc.gov/About/Commissioners/FormerCommissioners/ggensler.html>](<https://www.cftc.gov/About/Commissioners/FormerCommissioners/ggensler.html>)

[Gary Gensler, prior to his current post at the SEC, served as Chair of CFTC.. <https://www.cftc.gov/About/Commissioners/FormerCommissioners/ggensler.html>](<https://preview.redd.it/p6ycj1bek71.png?width=1088&format=png&auto=webp&s=f77c6b8313e4ea2ee40b17c2b340ab7818382934>)

[hmmm....](https://preview.redd.it/fcncp0arktk71.png?width=1288&format=png&auto=webp&s=c94cc7d32e8d8f115ad972c929c8c423a5582d21)

(https://www.law.cornell.edu/cfr/text/17/275.206(4)-2)(https://www.law.cornell.edu/cfr/text/17/275.206(4)-2)

§ 275.206(4)-2 Custody of funds or securities of clients by investment advisers.

(a) Safekeeping required. If you are an investment adviser registered or required to be registered under section 203 of the Act ([15 U.S.C. 80b-3](https://www.law.cornell.edu/uscode/text/15/80b-3)), it is a fraudulent, deceptive, or manipulative act, practice or course of business within the meaning of section 206(4) of the Act ([15 U.S.C. 80b-6(4)](https://www.law.cornell.edu/uscode/text/15/80b-6#4)) for you to have custody of client funds or securities unless:

(1) Qualified custodian. A qualified custodian maintains those funds and securities:

(i) In a separate account for each client under that client's name; or

(ii) In accounts that contain only your clients' funds and securities, under your name as agent or trustee for the clients.

(2) Notice to clients. If you open an account with a qualified custodian on your client's behalf, either under the client's name or under your name as agent, you notify the client in writing of the qualified custodian's name, address, and the manner in which the funds or securities are maintained, promptly when the account is opened and following any changes to this information. If you send account statements to a client to which you are required to provide this notice, include in the notification provided to that client and in any subsequent account statement you send that client a statement urging the client to compare the account statements from the custodian with those from the adviser.

(3) Account statements to clients. You have a reasonable basis, after due inquiry, for believing that the qualified custodian sends an account statement, at least quarterly, to each of your clients for which it maintains funds or securities, identifying the [amount](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def\_id=b527a1155426d08294578009601bb7cc&term;\_occur=999&term;\_src=Title:17:Chapter:II:Part:275:275.206(4)-2) of funds and of each security in the account at the end of the period and setting forth all transactions in the account during that period.

(4) Independent verification. The client funds and securities of which you have custody are verified by actual examination at least once during each calendar year, except as provided below, by an independent public accountant, pursuant to a written agreement between you and the accountant, at a time that is chosen by the accountant without prior notice or announcement to you and that is irregular from year to year. The written agreement must provide for the first examination to occur within six months of becoming subject to this paragraph, except that, if you maintain client funds or securities pursuant to this section as a qualified custodian, the agreement must provide for the first examination to occur no later than six months after obtaining the internal control report. The written agreement must require the accountant to:

(i) File a certificate on Form ADV-E ([17 CFR 279.8](https://www.law.cornell.edu/cfr/text/17/279.8)) with the Commission within 120 days of the time chosen by the accountant in [paragraph (a)(4)](https://www.law.cornell.edu/cfr/text/17/275.206(4)-2#a\_4) of this section, stating that it has examined the funds and securities and describing the nature and extent of the examination;

(ii) Upon finding any [material](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def\_id=acb6182e29bd7ed2ff96fc4128b95cd9&term;\_occur=999&term;\_src=Title:17:Chapter:II:Part:275:275.206(4)-2) discrepancies during the course of the examination, notify the Commission within one [business day](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def\_id=4b54bb946f7c072dab2e644980305fb7&term;\_occur=999&term;\_src=Title:17:Chapter:II:Part:275:275.206(4)-2) of the finding, by means of a facsimile transmission or electronic mail, followed by first class mail, directed to the attention of the Director of the Office of Compliance Inspections and Examinations; and

(iii) Upon resignation or dismissal from, or other termination of, the engagement, or upon removing itself or being removed from consideration for being reappointed, file within four [business days]([https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def;\\_id=4b54bb946f7c072dab2e644980305fb7&term;\\_occur=999&term;\\_src=Title:17:Chapter:II:Part:275:275.206\(4\)-2](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def;_id=4b54bb946f7c072dab2e644980305fb7&term;_occur=999&term;_src=Title:17:Chapter:II:Part:275:275.206(4)-2)) Form ADV-E accompanied by a statement that includes:

(A) The date of such resignation, dismissal, removal, or other termination, and the name, address, and contact information of the accountant; and

(B) An explanation of any problems relating to examination scope or procedure that contributed to such resignation, dismissal, removal, or other termination.

(<https://www.investopedia.com/terms/s/swaption.asp>)(<https://www.investopedia.com/terms/s/swaption.asp>)

## ## What is a Swaption - Swap Option?

A swaption, also known as a swap option, refers to an option to enter into an interest rate [swap](<https://www.investopedia.com/terms/s/swap.asp>) or some other type of swap. In exchange for an [options premium](<https://www.investopedia.com/terms/o/option-premium.asp>), the buyer gains the right but not the obligation to enter into a specified swap agreement with the issuer on a specified future date.

## ## What Does a Swaption - Swap Option Tell You?

Swaptions come in two main types: a payer swaption and a receiver swaption. In a payer swaption, the purchaser has the right but not the obligation to enter into a swap contract where they become the [fixed-rate](<https://www.investopedia.com/terms/f/fixedinterestrate.asp>) payer and the [floating-rate](<https://www.investopedia.com/terms/f/floatinginterestrate.asp>) receiver. A receiver swaption is the opposite i.e. the purchaser has the option to enter into a swap contract where they will receive the fixed rate and pay the floating rate.

Swaptions are [over-the-counter](<https://www.investopedia.com/terms/o/otc.asp>) contracts and are not standardized, like equity options or futures contracts. Thus, the buyer and seller need to both agree to the price of the swaption, the time until expiration of the swaption, the [notional amount](<https://www.investopedia.com/terms/n/notionalvalue.asp>) and the fixed/floating rates.

Beyond these terms, the buyer and seller must also agree whether the swaption style will be Bermudan, European or American. These style names have nothing to do with geography; instead referring to the methodology in which the swaption will be executed.

Hey Secret Service/FBI, are you interested in the sexiest case you have ever been a part of? The global counterfeiting racket involving USA treasury bonds and notes, corporate securities and financial instruments? The investigation will make the Panama Papers look like the relative size of the country that it is when compared with the USA Papers!