

Title: In 2012, Citadel sat on the CDDC, the secretive board that determined if Greece defaulted. In 2022, they still sit on the same board, alongside other banks/SHFs who decide just WHEN credit default swaps actually pay out.

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**\*\*TL;DR:\*\***

\* \*\*Citadel sits on the CDDC alongside big banks (Goldman, UBS) and other hedge funds (Cyrus Capital, Elliott Management). The CDDC, or Credit Derivatives Determinations Committee, is the group that determines whether credit default swaps pay out.\*\*

\* \*\*Many of the same members on the CDDC NOW were present on the CDDC nearly 10 years ago, during the Eurozone crisis. In previous DDs, I mentioned that during the Eurozone crisis, rampant naked credit default swaps were opened on countries like Greece that then, in turn, increased its chances of defaulting. This CDDC info is also relevant to a recent post by u/ -einfachman, who detailed Citadel and even BCG's presence in Greece during the Eurozone crisis.\*\*

\* \*\*CDDC members have a history of an abuse of power. Elliott Management is perhaps the most famous, whom had been on the board that determined whether Argentina's debt default happened and even repo'd one of their Navy ships. Some big bank members used their position to perhaps edge a court case in their favor over the VodafoneZiggo court case on credit default swaps transferring and not being "orphaned", all over a single lowercase "o". Cyrus Capital is a current CDDC member, who also had open credit default swaps on Sears.\*\*

\* \*\*More light needs to be shed on the CDDC and their antics, especially as the CFTC has hidden swap info until Oct. 2023 (including perhaps then for sovereign credit default swaps like those against Russian debt right now), as well as any CDS that may exist for corporate companies like Sunac, an Evergrande-adjacent Chinese real estate developer that the CDDC decides whether their "failure-to-pay" is actually on the books and means credit default swaps will pay.\*\*

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For the culture: [<https://www.wsj.com/articles/russian-credit-default-swaps-wont-necessarily-be-triggered-by-debt-payments-in-rubles-11647039461>](<https://www.wsj.com/articles/russian-credit-default-swaps-wont-necessarily-be-triggered-by-debt-payments-in-rubles-11647039461>)

## # 0. Preface

With Russia's invasion of Ukraine, Putin's country immediately became a social--and economic--pariah. The Russian economy buckled under the weight of sanctions, the cancellation of large-scale projects (such as Germany's Nord Stream 2), hyperinflation, and more.

<https://preview.redd.it/2hk7tft7qiy81.png?width=1256&format;=png&auto;=webp&s;=7d349e682d210aa156bb9154c150b2de86ce755a>

For the stock market, this all signaled 1 very bad thing: that the nation risked defaulting on its debt.

## # 1. When a Nation's Debt and a Credit Default Swap Love Each Other Very Much

In "The Big Short", we learned about credit default swaps.

[thanks to bubbles, bubbly, and Margot Robbie](<https://preview.redd.it/mn7v95sjqiy81.png?width=768&format;=png&auto;=webp&s;=1382b4654813b6c2556410c2e1bd261738d23d24>)

Credit default swaps are insurance against something you own...normally.

When you walk into your favorite store in the world and the awesome staff says "Hey, do you want to buy a Product Replacement Plan on that sweet sweet Elden Ring you just bought?", you are sorta buying a credit default swap. It's something to protect what you own.

In "Sovereign Debts & Ransom Notes Pt.1", I mentioned that you can also buy credit default swaps on entire COUNTRIES, or even their debt. It's no longer just the housing market, and hasn't been for some time.

So what happens if Russia defaults on its debt? Then the credit default swap pays out.

<https://preview.redd.it/jq38sz20riy81.png?width=225&format;=png&auto;=webp&s;=a3a6f0f802f42a327b5ddde650351feb4922c394>

Think of it as when you buy 1-yr. insurance on a video game, and the game stops (tee hee) playing within that year, you get a replacement. You are effectively getting "money back" on your bet.

**\*\*When it comes to credit default swaps (called sovereign credit default swaps) on entire countries, you get money when the country's debt can't be paid and the country goes tits up.\*\***

## # 2. Tick Tock

Russia has been inching closer and closer to defaulting on its debt.

<https://preview.redd.it/60cujjf5riy81.png?width=788&format=png&auto=webp&s=14e6dcbabbf5c42c900aca2b54c9f6508c563741>

The US Treasury told Jamie Dimon's JP Morgan Chase, which had been the middleman receiving Russia's interest payments on its debt to then send off to bondholders, to stop receiving those payments. Bondholders don't get paid and Russia gets closer to not paying off the interest it needs to (same as if someone said fuck you, you can't pay off the interest on your credit card. Then you can't pay all of what you owe, your credit score shits the bed, and you make ends meet by making your end meet randos behind the Wendy's).

**\*\*But this isn't the only consequence as we saw. If Russia defaults, then credit default swaps (bets that Russia will not be able to pay its debt) on the country pay out.\*\***

<https://preview.redd.it/wrxbntm6riy81.png?width=1280&format=png&auto=webp&s=989789bc3b6d7018be5f602f815182f568d9ddfd>

### # 3. US Dolla Dolla Bill Y'all

The US Treasury's recent move forced Russia's hand in a specific way. **\*\*And this is because the bonds/debt that Russia owes MUST be paid in US dollars\*\***.

\\*\\*\\*

Let's say Russia only has \$100 of US dollars on hand to pay off that debt (let's say that debt that's soon due is worth \$95) or fund its war effort (\$5 currently, for sake of argument). In this simplified take, Russia has to start making hard choices, and might dip into its other currencies to pay things off. (This is what happened; the US Treasury forced Russia to debate paying its debt in roubles).

This is problematic for Russia because (1) they look to sustain their war and (\*\*2) that is not the ONLY debt that they need to pay off in dollars.

**\*\*f Russia tries to pay off their debt in roubles, this might signal a debt no-no. In finance terms, this is called a "failure-to-pay event".\*\***

**\*\*It's like if you and me go out to a bar and you pay my \$5000 tab and as I'm being dragged out the bar with my pants around my ankles and my breath with the ample scent of Appletinis as I beg you like "I totally owe you bro". You trust me, for me to only come back and say "thoughts on these 69 tastefully bedazzled although lightly used buttplugs and we're even?" or "hey fam, here's 50 bread makers we cool bro" you would tell me to go fuck myself.\*\***

[but to be fair, it has 3 speeds](<https://preview.redd.it/cryhfrkgriy81.png?width=1280&format=png&auto=webp&s=d8ff43715e184b7c7f6d3dca8b8bec179e39ae93>)

That \$5000 tab was for \$5000 in CASH. **\*\*Regardless if all that could sell on fucking Etsy for \$5000, you**

wanted cold hard cash.\*\*

#### # 4. CDDC

A few weeks back on April 20th, the CDDC met.

<https://preview.redd.it/3153pm3mriy81.png?width=197&format;=png&auto;=webp&s;=9551d40e0c5ae91d0dce8a71dd6d97ec217d0525>

\*\*CDDC stands for Credit Derivatives Determinations Committee. They decide whether a finance no-no actually happened, especially on sovereign debt. And when that finance no-no officially happens (per their decision), then the credit default swap (bet that the country will fail) pays out.\*\*

On that day, the CDDC argued that there was a chance that the attempt at a debt payment in roubles COULD constitute a "failure-to-pay" event. This was timely as those debt payments had their grace period run out last Wednesday, on May 4th.

#### # 5. At the Buzzer

Russia narrowly avoided default last week and I mean BARELY. By the thinnest pube possible on my eew eew llams.

<https://preview.redd.it/3kjr0wworiy81.png?width=444&format;=png&auto;=webp&s;=a46903c76a20017ac46c0d965fe0eaa9692d90c2>

The US was able to confirm that Russia managed to pay:

>"Russia has made their debt payment using funds located outside the US or other partner jurisdictions. These valuable reserves have permanently left Russia and can longer go towards funding their invasion of Ukraine," the \[US\] official continued.

Even though they made the shot, they're still a few quarters of last minute buzzer-beaters in the post-season series left before they go the way of the Brooklyn Nets or \[insert more timely team here, I'm too lazy rn and falling behind on the post-season\] and get swept out to sea.

Russia is not out the woods yet. \*\*They have another set of debt/bond payments due on May 25th.\*\*

And what did CDDC say about this? They said it's cool bro, that Russia is good for now and that CDDC is "monitoring the situation" going forward.

[SEC has a PhD in monitoring the situation](<https://preview.redd.it/y7riv31sriy81.png?width=480&format;=png&auto;=webp&s;=4565db3e8936360f9e347d86426d09bc4fba02c0>)

But before we're a few weeks out from our next last gasp--and potential default--for Russian debt--which has not happened since 1998--let's look again at who is actually "monitoring the situation".

#### # 6. The Gang's All Here

Back in \*\*Sovereign Debts & Ransom Notes Pt. 2\*\* ("[<https://www.reddit.com/r/Superstonk/comments/tf43>

zo/sovereign\_debts\_ransom\_notes\_pt\_2\_elliott/](https://www.reddit.com/r/Superstonk/comments/tf43zo/sovereign\_debts\_ransom\_notes\_pt\_2\_elliott/)), I mentioned that there was a shit ton of fuckery on the CDDC back after the 2008 crash.

<https://preview.redd.it/whby9ds0siy81.png?width=1180&format=png&auto=webp&s=a380bda6a9d017f12787a5cc10b4197c72c77c20>

Why was that? Let's just look at who was on the committee around the time of the 2008 crash going into the post-great financial crash Eurozone crisis:

>\*\*However, as we discuss later, the sector for sovereign CDS seems to have become more active in recent years.\*\* Initially, insurance companies were the main CDS protection sellers while commercial banks were the main buyers.

>

>\*\*However, hedge funds have increased their participation in the market. Several hedge funds...use \[credit default swaps\] as their main strategy...Some hedge funds (e.g., BlueMountain Capital Management, D.E.Shaw, Citadel, and Elliott Management) are even represented in the ISDA Determination Committee\*\*

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>\*\*The voting members of the EMEA DC (EMEA–Europe, Middle East, Africa–Credit Derivatives Determinations Committee that determines how credit default swaps run or get paid out) at the time were as follows: Bank of America Merrill Lynch, Barclays, BlueMountain Capital, BNP Paribas, Citadel Investment Group, Credit Suisse, D.E. Shaw Group, Deutsche Bank, Elliott Management Corporation, Goldman Sachs, JPMorgan Chase Bank, Morgan Stanley, PIMCO, Societe Generale, and UBS.\*\*

<https://preview.redd.it/44rtpcw5siy81.png?width=2560&format=png&auto=webp&s=71cb8980d07e5de32b17c6a2f5aa27cd9a42dab4>

\*\*Oh wait, so back during the Euro crash, all the big bank fuckers, INCLUDING fucking Citadel were the ones who determined whether credit default swaps paid out correctly?\*\* So the ones who said whether bets that countries would fail or default on their debts are the same crime fuckers that exist now and prob have open bets?

Well, let's just hope...that ISDA learned from its mistakes right?...

## # 7. ISDA Never Fucking Learns

<https://preview.redd.it/vk1gn3rdsiy81.png?width=928&format=png&auto=webp&s=59fe8581fdc568dee403b14021e2f68682d32038>

They fucking didn't.

That puts us at:

>\*\*Voting Dealers (Big Banks):\*\* Bank of America, Barclays, BNP Paribas, Credit Suisse, Deutsche Bank, Goldman Sachs, JP Morgan Chase, Mizuho

>

>\*\*CPP Members (Non-voting members):\*\* ICE Clear Credit LLC, LCH S.A.

>

>\*\*Non-Dealers:\*\* Alliance Bernstein, Elliot Management, Citadel (Kenny G), Pacific Investment Management Company (PIMCO), and Cyrus Capital Partners

Citadel is still a non-dealer present on the board of figuring out who pays out these credit default swaps whether for Russia or otherwise.

And if you're wondering whether this is a situation ripe for abuse, then let's revisit one perfect case of this.

#### # 8. Elliott Management & How It Fucked Argentina

In "Sovereign Debt & Ransom Notes Pt. 2", I also mentioned that Elliott Management was a hedge fund run by the puckered sphincter known as Paul Singer who--alongside his team including Elliott cocksuckers like Jay Newman--effectively forced Argentina into default and even fucking repo'd one of their navy warships.

<https://preview.redd.it/4id67yxosiy81.png?width=1172&format=png&auto=webp&s=7d58aa06ae0ed44e74224f715389a278dda234a3>

If Argentina defaulted, it would trigger a "failure-to-pay event" like what we see above with Russia. BUT not only was Paul Singer trying to drag the weight of his distended testicles around to make them crash out, but this all happened WHILE he and Elliott Management sat on the board of the CDDC. The same fucking hedge fund who wanted to see whether Argentina was officially considered default was sitting on the SAME FUCKING BOARD with its finger over the trigger to say "yep they defaulted".

#### # 9. Lowercase o

And that's just ONE case of abuse of power in the case of sovereign nations.

Members of the CDDC committee have been privy to MORE cases of greasing their own ballsacks with their lovely committee seats.

<https://preview.redd.it/zsba9trusiy81.png?width=1200&format=png&auto=webp&s=d80bc4363bd375a465897c492200ed5467c388a8>

In Jan. 2019, VodafoneZiggo underwent an issue called "orphaning a credit default swap" that I talked about in "Sovereign Debts & Ransom Notes Pt. 1": [[https://www.reddit.com/r/Superstonk/comments/t35rdi/sovereign\\_debts\\_ransom\\_notes\\_pt\\_1\\_the\\_importance/](https://www.reddit.com/r/Superstonk/comments/t35rdi/sovereign_debts_ransom_notes_pt_1_the_importance/)]([https://www.reddit.com/r/Superstonk/comments/t35rdi/sovereign\\_debts\\_ransom\\_notes\\_pt\\_1\\_the\\_importance/](https://www.reddit.com/r/Superstonk/comments/t35rdi/sovereign_debts_ransom_notes_pt_1_the_importance/))

>[In 2018]...hat wasn't the ONLY fuckery they reported on. In one case, hedge funds approached Spanish company Matalan. They sold insurance in the form of credit default swaps on debt/money that Matalan owed. \*\*But these undisclosed hedgefucks--the report never said who they were--struck a deal themselves: "offer new bonds (raise money by selling more debt) under a different company name".\*\*

>

>\*\*This means that IF you held an insurance policy (or credit default swap) on that debt it had immediately become worthless: if you insured \$1000 of Matalan debt through "Matalan ABC", you lost your insurance policy and all that money since that debt was now covered under Matalan "DEF", a cOmPleTeLy dIfFeReNt nAmE. This fucked up process is called "orphaning" a CDS.\*\*

Hedge fuckers pulled THE SAME SHIT the very next year with VodafoneZiggo in an attempt to orphan credit default swaps on Dutch company VodafoneZiggo. 100s of millions of dollars were lost on now an insurance policy that became worthless.

But it wasn't over a VodafoneZiggo ABC to VodafoneZiggo DEF move.

It was bEcUz the document that determined a payout had a phrase that said the new company "assumes all of the **\*\*Obligations\*\***" of the old credit default swap/insurance actually spelled the new forms with "assumes all of the **\*\*obligations\*\***" instead.

And thus, the fact that obligations was spelled with a lowercase "o" instead of the original uppercase "O" suddenly meant that the insurance was worthless. Yes, 15 lawyers really fucking fought over that.

[little did you know, this octopus is teaching you \$600 million worth of credit default swap lawyering info](<https://preview.redd.it/44f5o2ozsiy81.png?width=1000&format;=png&auto;=webp&s;=0aaa2c9c4b99050faffd4600a66addc2abc6e2b2>)

**\*\*And guess who those lawyers were representing? Banks that just happened to hold the credit default swaps that they wanted transferred to the new company.\*\***

**\*\*And guess what the CDDC ruled? That the CDS/insurance should be transferred this one time.\*\***

**\*\*BUT GUESS WHO SAT ON THE FUCKING CDDC? THE VERY SAME BANKS WHO WANTED TO MAKE SURE THEY GOT THEIR MONEY DESPITE THE LOWERCASE O CHANGE. Just like Elliott, the same fuckers who make a market on these swaps then get to fucking rule when they fucking win.\*\***

#### # 10. Cyrus Capital & Sears

Remember that list of current CDDC members? Alongside non-dealer members like Citadel, you also see a little known company called Cyrus Capital. Who now currently sits on the board of the CDDC.

<https://preview.redd.it/ca5hnhmctiy81.png?width=362&format;=png&auto;=webp&s;=d212c87113bc4ad84738ea4bbe111c7a624c7de2>

They also happened to hold credit default swaps on a company that the CDDC adjudicated on.

And guess what that defunct retailer was? Perhaps a hint: it was shorted into fucking oblivion (alongside Sears Hometown & Outdoors Stores) while suffering amidst Eddie Lampert's shitty fucking leadership?

<https://preview.redd.it/fdrb0vxgtiy81.png?width=1280&format;=png&auto;=webp&s;=dc3a12b54e4c9f8a181a6af2a72872dab2ec5386>

**\*\*Yes, Cyrus Capital who had open credit default swaps on Sears, now ALSO sits on the CDDC committee.\*\*** And they haven't only gotten grief over that, current circle of cunts and CDDC member Cyrus has also been subpoenaed (long with Blackstone) by Norske Skog, a Norwegian paper company that was part of a credit default swap deal in 2016.

#### # 11. CFTC & Rostin Behnam Have Entered the Chat

Swap dealers (SDs) have been considered exempt from reporting swaps until Oct. 2023, thanks to Rostin Behnam & the crime fucktards at the CFTC.

[constipated from all the swaps he's hiding...in his ass probably](https://preview.redd.it/eol7kfamtiy81.png?width=1550&format;=png&auto;=webp&s;=95f7fc03a6dab90c184f746c0afab22e209b3cbf)

A swap dealer can make markets for swaps, including for sovereign credit default swaps.

\*\*Here's one such example of a swap dealer: Swiss financial terrorist aficionados UBS AG, who registered to be a swaps dealer with the US at the end of 2012. (UBS had also been a member of the CDDC through the Greek crisis in early 2012, alongside Citadel. In Mar. 2012, they were also one of the members pressing to ask whether Greece had defaulted already.)\*\*

>UBS AG registered as a swap dealer in the US at the end of 2012 enabling the continuation of swaps business with US persons. Regulations issued by the Commodity Futures Trading Commission (CFTC) impose substantial new requirements on registered swap dealers for clearing, trade execution, transaction reporting, recordkeeping, risk management and business conduct.

If UBS AG decides to make a market on sovereign credit default swaps like Russia, then we might also have no idea who is on the other side of the trade. T\*\*his also goes for many of the other swap dealers who (surprise surprise) also sit on the CDDC board and can determine just when these sovereign credit default swaps pay out.\*\*

# 11. Lights Camera Action

https://preview.redd.it/zfst9sirtiy81.png?width=1280&format;=png&auto;=webp&s;=c0404fb6eca0a72bc1b9483e5c53cd467cfb5562

As the global market crash gets closer and closer, the CDDC will be in a peculiar spot. Sometimes called the Gang of 16, \*\*this coterie of cunts of banks (Goldman, UBS, etc.) and hedge funds (Citadel, Eliott, and Cyrus) are the ones holding their finger over the payout button for the metric shit ton of credit default swaps that have been put out not just on fucking COUNTRIES (like we saw with Argentina), but even companies.\*\*

[stellar tracking of bond payment issues for Chinese developers by u/lafiammaster](https://preview.redd.it/nbk7jdt2uiy81.png?width=1154&format;=png&auto;=webp&s;=2869ea3a0c6d813402c4ca7491cbe5e586bb4206)

In the weeks and weeks of Evergrande edging, this sub saw Sunac as one of the firms to go under and risk crashing out as the Chinese real estate market goes tits up.

And just like always, guess who gets to decide when they actually fail?

>\*\*The Credit Derivatives Determinations Committee agreed to consider whether a failure-to-pay credit event occurred with respect to Sunac China Holdings Ltd., according to a statement on its website.\*\*

>

>The committee will meet on May 6 to discuss whether credit-default swaps can be triggered.

It's not unlikely to say not only do these banks (as swap dealers themselves) or non-dealer SHFs (buying or positioning themselves with respect to the coming crash) will abuse their position of power at the CDDC



as they have always done so.

Sure enough, as the global market goes to shit, many of these credit default swaps will all pay out soon.

**\*\*And you better believe these fuckers on the CDDC board--Kenny G included--are waiting with bated breath to make sure the jackpot tilts in their favor.\*\***

EDIT 1: words, pics

EDIT 2: short summary of who the CDDC is

**\*\*CDDC = the bookie who decides that if you bet "that company or country is going tits up" whether you actually get to collect your chips at the casino\*\***