

Title: Criminals
Author: disoriented_llama
Created 2021-08-09 20:04:59 UTC
Permalink: /r/TheGloryHodl/comments/p19b58/criminals/
Url: <https://www.reddit.com/gallery/p19b58>

11:20



wallstreetonparade.com

All 3 are owned by Ken Griffin?

Let me get this straight, the company shorting the stock also directs the order and fills it

Definition of "conflict of interest"

Other commenters raised similar questions about Griffin's operations.

In a 2014 article by the international business wire service, Reuters, Citadel Connect was repeatedly referred to as a Dark Pool. It's been more than seven years since that article was published and Citadel Connect has not gotten a retraction – and Ken Griffin is certainly not timid about asking for retractions.

If Citadel Connect *is* a Dark Pool, the SEC has not made it file the required paperwork.

The SEC prefers the quaint name of "Alternative Trading System (ATS)" for trading platforms operating as Dark Pools. Those entities must file a form ATS-N with the SEC to operate legally. According to the most recent list of filers at the SEC, Citadel Connect is not a duly-recognized Dark Pool.

Citadel Connect was created around the same time that Citadel Securities LLC shuttered its Dark Pool that was listed with the SEC. That Dark Pool was called Apogee. On August 1, 2014, Wall Street On Parade filed a Freedom of Information Act (FOIA) request with the SEC to find out the details about how Apogee operated. The SEC responded on August 12, advising that it had "determined to withhold records responsive to your request." The SEC didn't withhold just some of the records responsive to our request; it withheld *all* records responsive to our request. (See the SEC's [response letter here](#).)

According to Citadel Connect's website, this is what it says it does:

"As managing risk via off-exchange trading has become more important, institutional investors must connect to alternative sources of liquidity. Citadel Connect, our innovative Immediate-or-Cancel order (IOC) platform, is one of the fastest growing sources of off-exchange liquidity in the U.S. equities market, providing access to our principal liquidity for 8,000 exchange-listed securities. Citadel Connect enables us to provide investors, through their executing brokers, with efficient, reliable, and cost-effective access to our deep unique principal liquidity."

More recently, on July 16, 2020, Citadel Securities agreed to a \$700,000 fine by Wall Street's self-regulator, FINRA, for executing customer orders at prices worse than it traded for its own account. Citadel Securities was allowed to neither admit nor deny the charges. The activities occurred over a period of years.

On November 13, 2020, FINRA fined Citadel Securities \$180,000 for failing to mark 6.5 million equity trades as short sales. Citadel did not admit or deny the allegations but paid the fine. The activity occurred between September 14, 2015 and July 21, 2016, according to FINRA.

Let's hope that Gensler keeps his Twitter page open and let's also hope that traders continue to post to Gensler's Twitter page what they are observing happening in real time at the Dark Pools.



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← **Trading Unit of 5-Count Felon
JPMorgan Chase Gave 550
Customer Passwords and User
Names to an "Active Customer"
for More than a Decade; SEC
Fines It a Paltry \$2.75 Million**

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The market-maker side of Griffin's operations, Citadel Securities, has an astonishing regulatory history, with 60 disclosures of fines and violations. A sampling includes the following:

On June 25, 2014, Citadel Securities was fined a total of \$800,000 by its various regulators for serious trading misconduct. Citadel paid the fines in the typical manner, without admitting or denying the charges. The New York Stock Exchange alleged that the following had occurred:

"The firm sent multiple, periodic bursts of order messages, at 10,000 orders per second, to the exchanges. This excessive messaging activity, which involved hundreds of thousands of orders for more than 19 million shares, occurred two to three times per day."

In addition, according to the York Stock Exchange, Citadel "erroneously sold short, on a proprietary basis, 2.75 million shares of an entity causing the share price of the entity to fall by 77 percent during an eleven-minute period." In another instance, according to the New York Stock Exchange, Citadel's trading resulted in "an immediate increase in the price of the security of 132 percent."

On January 9, 2014, the New York Stock Exchange charged Citadel Securities LLC with engaging in wash sales 502,243 times using its computer algorithms. A wash sale is where the buyer and the seller are the same entity and no change in beneficial ownership occurs. (Wash sales are illegal because they can manipulate stock prices up or down.) Citadel Securities paid a \$115,000 fine for these 502,243 violations and walked away. That's less than 23 cents per violation.

On January 13, 2017 the SEC settled a case against Citadel Securities for \$22.6 million in fines and disgorgements, alleging the following had occurred:

"...two algorithms used by Citadel Securities did not internalize retail orders at the best price observed nor sought to obtain the best price in the marketplace. These algorithms were triggered when they identified differences in the best prices on market feeds, comparing the SIP feeds to the direct feeds from exchanges. One strategy, known as FastFill, immediately internalized an order at a price that was not the best price for the order that Citadel Securities observed. The other strategy, known as SmartProvide, routed an order to the market that was not priced to obtain immediately the best price that Citadel Securities observed."

Allegation that Ken Griffin Is Running Citadel Connect as a Dark Pool Is Posted on SEC Chair Gensler's Twitter Page

By [Pam Martens and Russ Martens](#): August 9, 2021 ~

On August 4, the Chairman of the Securities and Exchange Commission, Gary Gensler, sat for an interview on CNBC. During that interview, Gensler mentioned that [his Twitter followers](#) were posting comments on his Twitter page about Dark Pools. Specifically, this is what Gensler said:



Gary Gensler

"We are taking a *real* close look at market structure and I recently started, you know, engaging on Twitter and to some of those Twitter followers that are writing about Dark Pools, we are looking very closely at this market structure that so many of our orders, retail public orders are not going to the lit markets but are going to internalizers, going to wholesalers, were taking the retail public's trades rather than sending them to the stock exchanges."

Dark Pools are opaque, thinly regulated trading platforms that function much like private stock exchanges operating inside the mega banks on Wall Street and at other entities. Instead of sending their stock trades to the New York Stock Exchange or another independent stock exchange, the Dark Pools execute the trades in unlit markets – raising the potential for enormous conflicts of interests. Wall Street On Parade has repeatedly questioned the legality of what is going on in these Dark Pools, including the highly doubtful legality of Wall Street mega banks being allowed to [trade shares of their own bank stock in their own unlit Dark Pool](#).

In the days before and after Gensler made it official that the SEC is reviewing market structure, including Dark Pools, a number of posters to Gensler's Twitter page had specifically called out billionaire Ken Griffin's trifecta of trading operations. On August 7, [@jpollitto](#) posted this:

Citadel LLC (Hedge Fund)

Citadel Securities (Market Maker)

Citadel Connect (**NONREGISTERED Dark Pool**)