

Title: Melvin gets bailed out by Citadel gets bailed out by Sequoia

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MSM are all copy-pasting Citadel's press release about how they got their "first external investment ever" while doing the usual shitting on RC and GME.

My speculation is that there's a silent crisis going on within Citadel Securities (and/or LLC, not sure) and that they just got bailed-out by Sequoia and Paradigm.

My "scientific" Wikipedia research led me to this chapter under private equity:

Distressed and special situations

Main article: [*Distressed securities*](https://en.wikipedia.org/wiki/Distressed_securities)

[*Distressed*](https://en.wikipedia.org/wiki/Distressed_securities) *or* ***Special Situations*** *is a broad category referring to investments in equity or debt securities of financially stressed companies.*[*\35*](https://en.wikipedia.org/wiki/Private_equity#cite_note-35)[*\36*](https://en.wikipedia.org/wiki/Private_equity#cite_note-36)[*\37*](https://en.wikipedia.org/wiki/Private_equity#cite_note-37) *The "distressed" category encompasses two broad sub-strategies including:*

* *"Distressed-to-Control" or "Loan-to-Own" strategies where the investor acquires debt securities in the hopes of emerging from a* [*corporate restructuring*](https://en.wikipedia.org/wiki/Corporate_restructuring) *in control of the company's equity;[*\38*](https://en.wikipedia.org/wiki/Private_equity#cite_note-38)

* *"Special Situations" or "Turnaround" strategies where an investor will provide debt and equity investments, often "rescue financing" to companies undergoing operational or financial challenges.*[*\39*](https://en.wikipedia.org/wiki/Private_equity#cite_note-39)

In addition to these private-equity strategies, [*hedge funds*](https://en.wikipedia.org/wiki/Hedge_fund) *employ a variety of distressed investment strategies including the active trading of loans and bonds issued by distressed companies.*[*\40*](https://en.wikipedia.org/wiki/Private_equity#cite_note-40)

I'm surprised this "investment" (bailout) into Citadel isn't being talked about more. Did my tin-foil-hat just get struck by lightning or does my reasoning make sense?