

SUBMITTED THIS DD TO THE SEC

CTC

CHICAGO TRADING COMPANY



U/WETDIRTKURT

I've held onto this DD for months because I submitted it to the SEC. Fuck em. I present, CTC. - Dec. 17, 2021

Due Diligence

CTC, LLC. Chicago Trading Company - Hedge Fund

I was looking at this company a few weeks ago before the 6/30/2021 13F filings were posted on the SEC website. Originally, I thought I wasn't reading it correctly or someone had made a minor mistake. Nonetheless, I still found it kind of weird because the difference between the filing format of the 12/31/2020 13F and the 3/31/2021 13F was noticeably different.

December's 13 F filing was very neat, clean, and gave you all the information without needing to dig for it. The font was all the same color right at the top they gave you the compliance officers name and displayed the portfolio value (probably proudly, like fuq yuh check dis big dick energy out, we return more than your dad does when he said he is going to the gas station for cigarettes). Below the portfolio value total, you have a Holdings Table that shows all of their positions, and again it was really easy to look at and read and interpret. They were holding such stocks as Apple, Amazon, SPY - you know your typical blue-chip powerhouse stocks. But there were also some stocks that you would probably consider to be "Reddit stocks" such as NIO, Palantir, and Tesla. A+ folio in my book, Cathie Wood vibe almost. Whatya know, they were holding the ARK ETF TR :).

Recap:

Reporting Period: 12/31/2020

Portfolio Value: \$3,114,929,000

Filing Format: Normal, not weird

So moving on to the March 13 F filing - Immediately upon opening it, I thought I was looking at a different form type than the one I was previously looking at a few minutes ago. So I went back to the December form and double-checked.

December: SEC FORM 13F-HR

March: SEC FORM 13F-HR

Ok, same form. Why does March look like someone made this with a computer running a crayon-based operating system, printed it, faxed it over to themselves, scanned it as a PDF and finally uploaded it to the SEC website (compared to December)? Maybe it is not the same company?

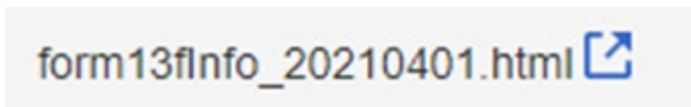
December: Form 13F File Number: 028-13225

March: Form 13F File Number: 028-13225

No, it is the same one... well what the frick then. Now there is a blue font, the formatting is all over the place and I don't see where their Holding Table is. Oh wait, I found it. A tiny little button marked as "form13fInfo_20210401.html" hyperlinks you to a separate window.

<https://preview.redd.it/654wcf5mj5681.png?>

[width=344&format=png&auto=webp&s=13007c6a162887c617aca3a6f4b679668f0f1aa1](#)



Again, blue font and is not formatted well. Then, I'm looking... And looking... Where is the portfolio value? Oh, it is on the page we were previously on. In really small print compared to December...

[https://preview.redd.it/ekq6g8qmj5681.png?](https://preview.redd.it/ekq6g8qmj5681.png?width=975&format=png&auto=webp&s=5024d5f8836f1c010aa8db3a35b22d47f4afed42)

[width=975&format=png&auto=webp&s=5024d5f8836f1c010aa8db3a35b22d47f4afed42](#)

ings of this reporting manager are reported in this report.)

Form 13F Summary Page

Report Summary:

Number of Other Included Managers:
Form 13F Information Table Entry Total:
Form 13F Information Table Value Total:

0
98
381,875

(thousands)

And for reference here is December:

[https://preview.redd.it/k43czpdnj5681.png?](https://preview.redd.it/k43czpdnj5681.png?width=975&format=png&auto=webp&s=2452b3d6f34273fe5fdce8661d40d365f7f61e0b)

[width=975&format=png&auto=webp&s=2452b3d6f34273fe5fdce8661d40d365f7f61e0b](#)

13F-HR Report	
Institutional holdings report for CTC LLC. As of 2020-09-30, the fund was valued at \$3,516,538,000. Holdings reported below.	
Reporting Period	2020-09-30
Reporting Calendar Quarter	2020-09-30
Filed and Signed	Matthew Abraham Chief Compliance Officer 3128638018 CTC LLC Chicago, IL
Distinct Holdings Reported	66
Portfolio Value Total	\$3,516,538,000

Form 13F Information Table Value Total: 381,875 (in thousands)

Maybe I am just paranoid but man, the difference in format between the two is obvious.

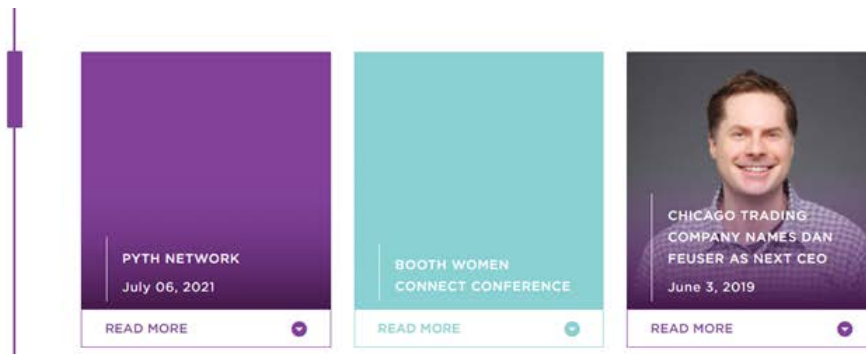
I look at financial figures often but I don't think I have ever seen someone label a number in thousands before, so to be sure I wasn't being crazy, I googled it. Abbreviating in thousands means add three zeros. So, their portfolio value as of March was **\$381,875,000**. What the f? Uhhhh where did **\$2.7 Billion** go? That can't be correct. I tried understanding how to value the Holdings Table but then I realized an episode of GI Joe was about to start so I didn't dig any further (JK I tried for hours but couldn't get anything to tie out because I have no real experience in 13F filings). They probably just missed a digit, any digit, because then it would be back to the billions.

But I was still very perplexed about this March 13F. So like any rabbit Reddit reading regime reigning whistle-blowing referee, I kept digging my hole. I did some basic background on the company. So, I went to their website and eventually

ended up on the news tab. It was kind of bland - like any other company that has a news section on their website. Not too many posts either... So few posts, that right at the top you have the news announcement of their 'newly' appointed CEO which was in June 2019. This young guy looks like a frat boy. Worked there 20 years at the company though, so probably a justified appointment.

<https://www.chicagotrading.com/news>

<https://preview.redd.it/6k2il1koj5681.png?width=975&format=png&auto=webp&s=91b9c981964b6ed369391b4c99fd40ef941edbbba>



Then I moved on to Glassdoor. Great website if you haven't used it. It is a place for employees to review their own company, share salary, and even how interviews go. Usually, the best company reviews are the people who give a 1 rating and just rant about how bad their company was. Well, of course, I found one dated **May 26, 2021**, by a Quantitative Analyst. His/her review reads:

<https://preview.redd.it/r05vrfvcm5681.png?width=975&format=png&auto=webp&s=181f66dc44017d8e2aec1143b2857e902806a1cb>

1.0 ★☆☆☆☆

Former Employee, more than 3 years

High hope, bad management

May 26, 2021 - Quantitative Analyst in Chicago, IL

✗ Recommend ✗ CEO Approval ✗ Business Outlook

Pros
Lunches, soft drinks and coffee

Cons
Bad and very incompetent senior management

[Continue reading](#)

Be the first to find this review helpful

😊 Helpful 📄 Share 🚩 Report

Disgruntled Quant? Ok, something is going awwwwn ladies and gents. I'll look deeper.

I go back to the SEC website.

AND HERE WE GO. I found something under the rough. I present to you Form D - Notice of Exempt Offerings of Securities. What is a Form D and why is it important?

Form D is important because it keeps you within legal boundaries. Under the Securities Act of 1933 in an offering made under Rule 504 or 506 of Regulation D or Section 4(a)(5) of the Securities Act; You can't simply begin selling securities to fund your business without filing the appropriate paperwork. If your offerings aren't public, you can avoid the typical registration process. Regardless of your final decision, you must let the SEC know you're offering securities.

Keep in mind that you must raise funding from "accredited investors" for the Form D exemption to apply as noted in Rule 506 of Regulation D . These are investors who usually earn over \$200,000 a year or are worth at least \$1 million. You can also offer securities to companies worth at least \$5 million. By either registering with the SEC or filing Form D, a business has taken the time to show they're not providing an illegal public offering.

On Form D, you must also identify "Related Persons" so the SEC can check their credentials. This includes:

- *Each executive officer and director and individuals performing similar functions for the issuing company*
- *Each person who has promoted the issuing company either directly or indirectly within the past five years of the first sale of securities or the date when the Form D filing was required to be made, whichever is later.*

Notice of Exempt Offering of Securities - Form D

<https://sec.report/Document/0001865215-21-000001/>

Minimum investment accepted from any outside investor \$200,000 USD

Enter the total number of investors who already have invested in the offering: 39

Total Amount Sold \$29,900,000

Total Remaining to be Sold Indefinite

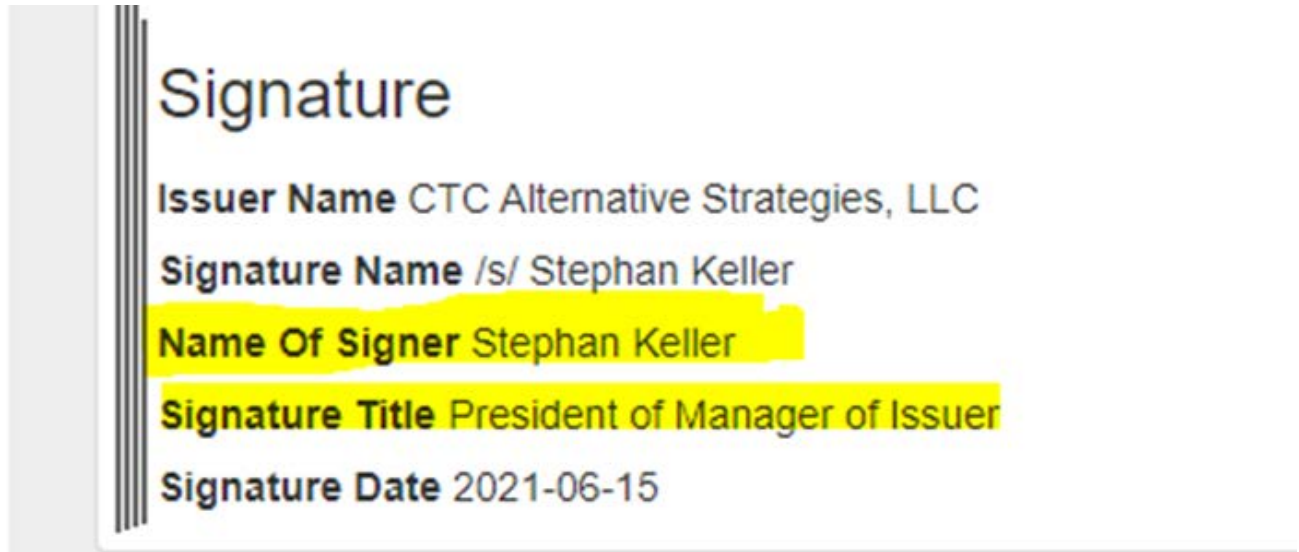
CTC filed a Form D under the issuer's identity CTC Alternative Strategies, LLC (lol, alternative strategies) CIK 0001865215. The address listed as the Principle Place of Business is the same as CTC; 425 S. Financial Place 4th Floor, Chicago.

They also listed each executive in section 3 of the form as they are required to:

- *Chief Operating Officer*
- *Chief Investment Officer*
- *Chief Legal Officer*
- *Chief Financial Officer*
- *Chief Compliance Officer (the same guy who signs off on the 13Fs mentioned previously)*
- *President of Manager of Issuer*

But wait... there is no Chief Executive Officer listed? And the signer on this document is the President or Manager of Issuer? Where is Mr. 2019 frat boy CEO (no shame to frat boys, I was a Phi Kappa Psi in college)? Is he no longer an executive?

<https://preview.redd.it/pcylfwnvj5681.png?width=741&format=png&auto=webp&s=9349dc1bc6ab5668ecd278662b6b768bd9750ab4>



The first “Related Persons” listed is the parent company. I thought this was weird, thinking that the CEO should be listed in first, instead of the parent, and was surprised that the parent is listed as a person at all.

<https://preview.redd.it/nd3j6dewj5681.png?width=975&format=png&auto=webp&s=6c99d3933b5e26420d3837ed2ca57c92ea7c010d>

3. Related Persons	
Last Name CTC Capital Management, LLC	First Name
Street Address 1 425 S. Financial Place	Street Address 2 4th Floor
City Chicago	State/Province/Country ILLINOIS
Relationship <input checked="" type="checkbox"/> Executive Officer	
Clarification of Response (if Necessary):	

Well, turns out this isn't so weird, as per another company's filing below:

<https://preview.redd.it/6c5df6kxj5681.png?width=975&format=png&auto=webp&s=ddeddc255d4c620faf5804300f2fb431820b6fcf>

3. Related Persons	
Last Name CV Advisors GP LLC	First Name n/a
Street Address 1 19495 Biscayne Blvd., Suite PH 1	Street Address 2
City Aventura	State/Province/Country FLORIDA
Relationship <input checked="" type="checkbox"/> Executive Officer <input checked="" type="checkbox"/> Promoter	
Clarification of Response (if Necessary):	

But this brings us back to: *On Form D, you must also identify “Related Persons” so the SEC can check their credentials. This includes:*

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- Each person who has promoted the issuing company either **directly or indirectly within the past five years of the first sale of securities or the date when the Form D filing was required to be made, whichever is later.**

Seems like Mr. 2019 frat boy should have been listed no? I would at least assume he is indirectly related and without a

doubt within the 5 year rule. *Was he removed as CEO?* I don't see any news about it and his linkedin profile still lists him as being in that position. Was he specifically excluded as to not have him associated with this subsidiary to, for whatever reason, not make the investors aware of his association? Or maybe the SEC because they didn't want to check his credentials (or more likely, put him in the spotlight). (ಠ_ಠ)

Ok, moving on to my next point of why a Form D? Why are they even raising funds? Under a different subsidiary? In June of 2021? And only raising an amount that would be immaterial to the value of their billion-dollar portfolio? 29 million raised? Peanuts.

Here is the end game. Finally, the 6/30/2021 13F filing was issued. Honestly, I forgot about all of this until today and decided to check if it was there. And here it is:

<https://sec.report/Document/0001445893-21-000004/>

77,880 (in thousands) - \$77,880,000

6/30/2021

Form 13 F File Number 028-13225

I can now confidently say that the previous 13F in March was not an error. They fricken lost 97% of their portfolio in 9 months? And now they are so desperate to stay afloat they had to do a private offering to raise \$29 million which represented about 50% OF THEIR ENTIRE PORTFOLIO VALUE as of 6/30/2021? HAHHAHAHAHAHA. Yes, they could have moved the positions elsewhere... but why and where? Couldn't find anything.

How can you possibly lose that much money in such a short period. Sure this isn't any kind of Archegos level loss, but damn. Well, only about 7 times less of a loss...

Let's go back to their Holding Tables from December to June.

In December no GME or AMY positions at all.

In March, GME (puts and calls, put to call ratio of 1.8 - Bearish) and AMY positions (puts and calls, put to call ratio of .58 - Bullish)

[https://preview.redd.it/njh68wzj5681.png?](https://preview.redd.it/njh68wzj5681.png?width=975&format=png&auto=webp&s=d93641989f97e30558e409bf8af73756fdf379dc)

[width=975&format=png&auto=webp&s=d93641989f97e30558e409bf8af73756fdf379dc](https://preview.redd.it/njh68wzj5681.png?width=975&format=png&auto=webp&s=d93641989f97e30558e409bf8af73756fdf379dc)

GAMESTOP CORP NEW	COM	36467W109	22,174	116,820 SH	
GAMESTOP CORP NEW	COM	36467W909	149,152	7,868 SH	Call
GAMESTOP CORP NEW	COM	36467W939	269,599	14,215 SH	Put

[https://preview.redd.it/nbvtw470k5681.png?](https://preview.redd.it/nbvtw470k5681.png?width=975&format=png&auto=webp&s=08d3a84c6df3b296e3f2d9291d2e300a402097fd)

[width=975&format=png&auto=webp&s=08d3a84c6df3b296e3f2d9291d2e300a402097fd](https://preview.redd.it/nbvtw470k5681.png?width=975&format=png&auto=webp&s=08d3a84c6df3b296e3f2d9291d2e300a402097fd)

AMC ENTMT HLDGS INC	COM	00165C904	26,379	25,877 SH	Call
AMC ENTMT HLDGS INC	COM	00165C934	15,456	15,174 SH	Put

In June, GME (puts and calls, put to call ratio of .61 - Bullish) and AMY (puts and calls, put to call ratio of 1.08 - Bearish)

[https://preview.redd.it/ts9fyy31k5681.png?](https://preview.redd.it/ts9fyy31k5681.png?width=975&format=png&auto=webp&s=0625e543e5166fe475ffebbe302cdc1d861075cb)

[width=975&format=png&auto=webp&s=0625e543e5166fe475ffebbe302cdc1d861075cb](https://preview.redd.it/ts9fyy31k5681.png?width=975&format=png&auto=webp&s=0625e543e5166fe475ffebbe302cdc1d861075cb)

AMC ENTMT HLDGS INC	COM	00165C904	203,185	35,872 SH	Call
AMC ENTMT HLDGS INC	COM	00165C934	220,844	38,987 SH	Put

<https://preview.redd.it/foppn3o1k5681.png?width=975&format=png&auto=webp&s=ab04080cc1deb9ce957e8f8ea9cf17d2351feabe>

GAMESTOP CORP NEW	COM	36467W909	120,885	3,651 SH	Call
GAMESTOP CORP NEW	COM	36467W959	74,053	3,462 SH	Put

Now also you have to incorporate the size of the put and call positions, their strikes & expiry, and their movement from quarter to quarter. I'm not going to conclude on those since we are working with limited information. What we also have limited information on are any possible short positions which, as you know, are not reported on 13F or anywhere else. So maybe, just maybe, with a giant grain of the good old spicey speculation... they shorted GME and AMY and got absolutely destroyed and then proceeded to fire the CEO from his position (quietly) to take the blame for such a significant loss and their only option to stay alive is to file a Form D under a subsidiary to raise funds from private and accredited investors because they done fucked up.

Conclusion:

I don't know for certain if they broke any securities laws, with the possible exception of the listing of direct or indirect executives pursuant to *Rule 504 or 506 of Regulation D or Section 4(a)(5) of the Securities Act* by omission of their CEO - to my understanding of the rule.

What I do know is what once seemed minorly sketchy to me a few weeks ago, now seems like a total possibility of fraudulent activity. With additional information needed that I cannot obtain myself, I am in no position to make such a conclusion with reasonable assurance. What I suggest is:

- Look into the CEO, or former CEO for that matter.
- Look into the portfolio; did they really sustain such significant losses?
- Why does the format of the 13F filings change so significantly from the formats they filed previously? Are they intentionally trying to make it difficult to evaluate the movement in their positions with malicious intent?
- Find out who that disgruntled quant was and why he thought management was incompetent in May 2021 as the Hedge Fund, allegedly from my analysis, was sustaining continued and heavy losses. He/she could have some information.

BUT WAIT THERE'S MORE? I didn't include this because there may be reasons why they don't want to use an entity that was incorporated in the Cayman but they already had a "Alternative Strategies" established. Though, it has not been used since 2015. <https://sec.report/CIK/0001569550>

Ok really, wait there is more now.

<https://preview.redd.it/9srcpjylk5681.png?width=1250&format=png&auto=webp&s=0f1b562f5f0716363bde4df33fca407fca42e27c>

index.html

Directory List of \$full_dir

U.S. SECURITIES AND EXCHANGE COMMISSION

0001445893-21-000005-index-headers.html

NAME	SIZE	LAST MODIFIED
0001445893-21-000005.txt		2021-10-19 10:01:35
form13fInfo_20211001.xml	76682	
primary_doc.xml	1914	

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FOIA | No FEAR Act & EEO Data | Open Government | Plain Writing | Links | Investor.gov | USA.gov

External Resources:
• [google-analytics.com/ga.js](https://www.google-analytics.com/ga.js)

Their Q3, SEC filing is formatally fucked. THE FUCK IS THIS

<https://preview.redd.it/c8hkvjyak5681.png?width=2219&format=png&auto=webp&s=b86beab9187d1345d7ddfd77bd11299a13f2853>

Form	Title	Date
13F-HRIA	Quarterly Report (Amended)	2021-11-16 00:00:00
13F-HRIA	Quarterly Report (Amended)	2021-11-16 00:00:00
13F-HRIA	Quarterly Report (Amended)	2021-11-16 00:00:00
13F-HR	Quarterly Report	2021-10-19 00:00:00

and they amended it 3 times? HUH.

REFERENCES

CTC LLC (Chicago Trading Company)

Address 425 S. Financial Place 4th Floor, Chicago

Chief Compliance Officer, Mathew Abraham

<https://sec.report/Document/0001445893-20-000004/>

\$3,516,538,000

9/30/2020

Form 13F File Number: 028-13225

<https://sec.report/Document/0001445893-21-000001/>

\$3,114,929,000

12/31/2020

Form 13F File Number: 028-13225

<https://sec.report/Document/0001445893-21-000003/>

381,875 (in thousands) - \$381,875,000

3/31/2021

Form 13 F File Number 028-13225

<https://sec.report/Document/0001445893-21-000004/>

77,880 (in thousands) - \$77,880,000

6/30/2021

Form 13 F File Number 028-13225

CTC Alternative Strategies, LLC ALTERNATIVE HAHAAHAHAHA

Address 425 S. Financial Place 4th Floor, Chicago

Chief Compliance Officer, Mathew Abraham

Notice of Exempt Offering of Securities

<https://sec.report/Document/0001865215-21-000001/>

Minimum investment accepted from any outside investor \$200,000 USD

enter the total number of investors who already have invested in the offering: 39

Total Amount Sold \$29,900,000

Total Remaining to be Sold Indefinite

DISCLAIMER: I'm an idiot and am not accusing any one or any entity of anything. This is for entertainment purposes only. I like eating wax

edit: RYAN COHEN IS MY DAD

