



AMC and GME Stocks: Citadel Securities Drama Intensifies!

Description

Meme stocks like **AMC Entertainment** ([NYSE:AMC](#)) and **GameStop** ([NYSE:GME](#)) are in the news again thanks to a series of strange posts on a market maker's **Twitter** account.

On Tuesday, **Citadel Securities** made a series of posts about a controversy it had been involved in earlier in the year. In the posts, the company made the following claims:

- Citadel Securities did not pressure **Robinhood** (NYSE:HOOD) to [restrict trading on GameStop shares](#).
- Citadel Securities CEO Ken Griffin had never spoken to Vlad Tenev personally.
- Citadel Securities was the “pre-eminent market maker” for retail investors in January.

The posts caused quite a stir when they were published. On the same day, #KenGriffinLied trended on Twitter, as meme stock investors expressed doubt as to the veracity of Citadel Securities's claims. Tweeters strongly questioned the claim that Ken Griffin had never spoken to Vlad Tenev. Many pointed out that Vlad had, in fact, spoken to one of Griffin's lieutenants and had made comments implying that he was on a first name basis with Griffin himself.

Background information

Citadel Securities received intense criticism in January and February when it was accused of having pressured Robinhood to restrict trading on meme stocks. In January, Robinhood CEO Vlad Tenev said that market makers pressured his company to halt trading on GME, the most popular meme stock at the time.

Citadel Securities is by far Robinhood's largest market maker, receiving significant amounts of business from a payment for order flow (PFOF) arrangement. Robinhood works with several marketmakers, but Citadel Securities is [the largest among them by volume](#). In January, it handled 50% of all GME trades. It appears possible, then, that Citadel Securities pressured Robinhood to halt the trades. It could have been one of Robinhood's other market makers, but Citadel Securities, as the most influential among them, is a prime candidate.

Citadel Securities, along with a handful of other market makers, is currently being sued for its role in the GameStop fiasco of January 2021. The lawsuit entered the Southern District of Florida Court Docket earlier this month. One of the defendants attempted to have the lawsuit dismissed but was denied. Citadel Securities is accused of not only attempting to restrict trading in GME but of doing so to help its own put position against the stock.

Tie in with Canadian stocks

The meme stock story mainly deals with U.S. companies, stocks, and individuals, but there is one interesting tie in with Canadian stocks: the connection to **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)).

BlackBerry is a Canadian meme stock that, like AMC and GME, experienced numerous trading disruptions when it was rising in January. Trading in BB shares was briefly halted by the NYSE in January, and Robinhood also placed some restrictions on the stock.

Unlike AMC and GME, BlackBerry has lost most of its lustre since the original meme stock explosion in January and February. However, it shares a history with its more popular meme siblings and remains a stock worth watching for Canadians with an interest in the meme stock story.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:HOOD (Robinhood Markets, Inc.)
2. NYSE:AMC (AMC Entertainment)
3. NYSE:BB (BlackBerry)
4. NYSE:GME (GameStop Corp.)
5. TSX:BB (BlackBerry)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. andrewbutton
2. kduncombe

Category

1. Investing
2. Tech Stocks

Tags

1. Editor's Choice

Date

2025/08/24

Date Created

2021/09/30

Author

andrewbutton

default watermark

default watermark