

**From:** Chris DiIorio <[REDACTED]>

**To:** [REDACTED]

**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

**Date:** Fri, 21 May 2021 03:14:00 +0000

**Attachments:** KCG\_Appendix\_3-20\_13\_penultimate.docx; KCG\_TCR\_3-20-13-penultimate\_draft.pdf; KCG\_TCR\_3-20-13-penultimate\_draft.docx; KCG\_Appendix\_3-20\_13\_penultimate.pdf; kcg1.pdf; kcg2.pdf; kcg3.pdf; kcg4.pdf

---

Judge Swain: as you know: as simple as mismarking tickets. AND FREE.

[BTIG, LLC \(Release No. LR-25092; May 20, 2021\) \(sec.gov\)](#)

As I have made the SEC aware for quite some time: the KCG attachments 1-4 show KCG was naked shorting in the months leading up to the Clayton/Sull Crom/Fishman et al fraud Virtu acquisition of KCG in July 2017. IRREFUTABLE. KCG traded more volume than the overall market. It's right there. The SEC has had this information and my TCR's ALSO for quite some time. Nothing out of SEC NY: Best,Mehrban et al. Further: In June 2017, just weeks before the fraud Virtu/KCG transaction closed where Virtu CEO Cifu won't disclose KCG 2Q2017 financials, FINRA not the SEC brought a complaint against VIRT for "mis marking" 1.6 MILLION short sales as long. Each, a Reg Sho violation similar to the SEC/BTIG complaint filed just today.

[Public Document \(finra.org\)](#)

Yet, no mention of Reg Sho. HOW???

Because KCG was insolvent AGAIN. Rather than another "glitch", Clayton, Handler,Goldman,JPM et al orchestrated the Virtu/KCG transaction. Cifu wrote down more than \$4 BILLION in open naked short fails that no longer traded: MY TCR.

Not the first time the SEC criminally and corruptly obstructed an investigation into my allegations. My NITE/UBS TCR filed in March 2013. The SEC et al orchestrated "glitch" and reverse merger between Knight and Getco didn't close until July 2013. There wasn't going to be an investigation then like there was no investigation in 2017.

Cifu, with the blessing of the SEC engaged in a massive accounting fraud in not "disclosing" KCG 2Q2017 financials. Material to ANY investor analyzing the transaction.

Now, today: May 20 2021 the grossly corrupt SEC brings a Reg Sho complaint against BTIG for doing EXACTLY what Virtu did. Yet, still nothing from the SEC.

SEC et al orchestrated "trading glitches" automatically put you on the "Do Not investigate list"

Hey, is Trump PA campaign Mgr David Urban still on the NITE Bod?

So, once again the SEC "Do not investigate list" on display in the SDNY Courts

Cheers!

Chris

**From:** Chris Dilorio <[REDACTED]>  
**Sent:** Tuesday, September 8, 2020 3:56 PM

[REDACTED]

**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

Judge Cave, Judge Jones

please see the new attachments: KCG1-4

This is irrefutable proof that the Handler/Jefferies bailed out criminal entity: NITE was engaged in abusive naked shorting in the months leading up to the SEC/Jefferies/Handler/Cifu et al VIRT/KCG merger closing on 7/31/2017.

These were KCG released pr's stating KCG traded more volume than the overall market in 4 separate months leading up to the merger. Further proof that the SEC/Jefferies/Handler/Cifu et al KNEW exactly the illegal activity taking place at NITE. This on the heels of the SEC/Jefferies/Handler et al "glitch" and bailout. These naked short fails were on the KCG balance sheet right before the VIRT acquisition took place. Per my TCR: these fraud "assets" were sitting on the KCG balance sheet WHEN VIRT and KCG issued PR's detailing the tangible book value calculation used in the acquisition. Then, immediately prior to the deal closing Cifu wrote down BILLIONS in fraud "assets". "assets" used in the tangible book value calculation. Who benefitted from this grossly inflated/fraud tangible book value calculation? Handler/Jefferies among the top beneficiaries.

Judges Cave and Jones,

I have ZERO financial interest in helping Mr Kamensky. I repeat: ZERO. The overwhelming evidence I have provided your respective courts PROVES a corrupt/criminal relationship between the SEC (and DoJ) and Handler/Jefferies. The sting that caught Mr Kamensky must be put in proper context. Mr Kamensky's due process DEMANDS it. Justice DEMANDS it.

As a result of the SEC/Handler/Jefferies corrupt/criminal relationship the public remains at great risk. This massive and ongoing fraud MUST end.

Almost immediately after I sent these attachments to the SEC in their original form, they were taken down. Again, these pr's were put out by KCG. Meaning someone at the SEC alerted KCG that these PR's were out there still.

Regards,  
Christopher J Dilorio  
Whistleblower

[REDACTED]

---

**From:** Chris Dilorio <[REDACTED]>  
**Sent:** Saturday, September 5, 2020 7:08 AM

[REDACTED]

EFTA00039667

[REDACTED] <[REDACTED]>  
**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

Ms [REDACTED], Mr [REDACTED] et al,

Your prosecution of Mr Kamensky while obstructing an investigation of Little Dick Handler/JEF et al in the massive and very much ongoing SEC facilitated criminal activity with regards to Knight/KCG/VIRT:NITE and the primary role of Little Dick Handler/JEF is itself criminal obstruction. In fact, the grossly corrupt SEC et al have been in possession of this exculpatory evidence in my claims since 2013. The courts will see this exculpatory evidence. Proceeding with your prosecution of Mr Kamensky is a KNOWN fraud on the courts. Exposing the irrefutable evidence in my claims :the record Janey: brings down some very powerful people. INCLUDING people at the SEC. In short, the SEC criminally obstructed an investigation of my claims into the criminal activity of Little Dick Handler/JEF for 7 years now. Mr Handler/ JEF should have been prosecuted by the same entities now prosecuting Mr Kamensky LONG ago.

Cheers!

Christopher J Dilorio  
Whistleblower

---

**From:** Chris Dilorio <[REDACTED]>

**Sent:** Tuesday, June 23, 2020 9:48 AM

[REDACTED]

**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

Ms Norberg,

I am in receipt of the SEC OWB correspondence allowing me more time to respond to the preliminary denial of my award application for the Oppenheimer 2015 covered action. This e mail was the last 1 I sent to your office related to my appeal. It will serve as the basis of my appeal. Including the attachments of my 2013 TCR submitted with [REDACTED] Montague to the SEC. I will also forward correspondence from 2012 and following detailing my extensive correspondence with Robin Traxler at FINRA as well as Sean McKessy in the OWB. Even though, I have previously forwarded your office as well as the SEC IG office the exact same corroborating

evidence. My response to you will be lengthy and detailed. However, given that it took your office FIVE YEARS to send me a preliminary denial notice, that is understandable and in fact a result of YOUR lengthy delay in notifying me. ALL of my response pertains to the denial appeal at hand.

In 2011, I filed my first Whistleblower complaint with the SEC. Detailing a massive fraud on the public directly implicating dozens of entities. The center of my claims: Knight/KCG/VIRT: collectively NITE and the Swiss banking giant UBS:UBSS. By far, NITE was and still is today the largest MM/executing BD in the OTCM space. I was shocked to find the Swiss banking Giant UBSS was trading many of the same stocks as NITE and to the extent they were. This came on the heels of the FINRA UBSS Reg SHO complaint where the extent of the UBSS activity "threatened to undermine the integrity of our markets" while the SEC analysis of this activity was simply a case of "sloppy record keeping". My experience as an Institutional Sales trader: executing multi million share equity trades for the largest institutions in the world like Fidelity and Putnam. In addition, as a Research Sales person: analyzing financial statements and making investment recommendations formed the basis of my expertise. In fact, the SEC OWB has paid out awards for information just like mine. In August of 2011, I informed the SEC that NITE was insolvent having reported just \$105 mil in working capital at June 30, 2011. AND, for the reasons cited in my TCR detailing massive accounting fraud as a direct result of illegal naked shorting/self clearing/reverse splits/cusip changes etc. The SEC had a choice: investigate these extremely serious allegations and shut down this massive fraud on the public OR cover up their failure and allow this massive fraud on the public to continue. Unfortunately for the American public the SEC is mandated to protect, the SEC chose the latter. As a direct result, ALL of the activity detailed by me in this TCR and other TCR's filed with the SEC as well as 9 years of additional correspondence with the SEC, this is very much an ongoing, massive scheme. One that the SEC actively facilitates. Countless losses have been incurred as a result. NITE as I detailed is in a constant state of insolvency. The SEC has time and again intentionally misled the investing public that there is no abusive naked shorting. NITE is still in business TODAY.

The core business at NITE is and always has been: abusive naked shorting OTCM shells to facilitate money laundering. Not DMM, FCM, reverse mortgages, or even HFT. This illegal business is EXTREMELY profitable and virtually riskless. AND, both the SEC and FINRA know this. In 2016, FINRA brought a Rule 204 complaint against NITE. The fine was pathetic and not meant to be a deterrent. This is WHY the OTCM exists. But it's not JUST OTCM as my AQR TCR filed with the SEC clearly proves: NASDAQ Blank check shells as well. I have also filed separate TCR's related to NewLead and FreeSeas: 2 massive money laundering shells which began on NASDAQ, de listed to the OTCM. NONE of the activity detailed in the Opco/Gibraltar complaint takes place without a willing executing BD/MM who ultimately turns worthless certs into real money. That #1 trader is NITE. As you read in my Knight TCR CGFIA is at the heart and, because it was based in Colorado, became a template of sorts for my extensive research. See Ms Norberg, unlike the SEC "investigators" on the Opco/Gibraltar complaint, I've actually seen first hand the CGFIA "world HQ" as well as the rented Littleton home of CGFIA CEO Guyer. I've done extensive research on Properties claimed to be owned and M&A transactions done for the sole purpose of cert printing and distribution (Aurelio AMNP) where the ultimate acquisition amounted to a distributor of Ukrainian folk music. I've also done extensive research on domestic and foreign financial institutions claiming to "invest" in these scam companies like Josh Sason/Hanover/Magna also cited in my 2013 [REDACTED]/Knight TCR linked. So, as I detailed to Ms Traxler, I followed Guyer to Neuchatel Switzerland and his previous endeavor: Antelope Technologies also with an office in Highlands Ranch CO. Where I discovered a connection to Swiss/German individuals/entities that were also related to another OTCM shell in the OpCo/Gibraltar complaint as well as my Knight TCR: AppTech. Offices in the Woodlands TX and Boca Raton. AND very much up and running today. SHOCKING. The SEC OpCo/Gibraltar complaint is based on the FINRA complaint. That is absolutely irrefutable. As the Gibraltar complaint alleges just 1 OTCM shell and just a million shares while Commissioners Stein and Aguilar referenced BILLIONS of shares in their OpCo waiver dissent. Who executed those BILLIONS of shares? Was OpCo even a MM? If I ask a question it's typically a rhetorical: I know the answer. The SEC knows the answer also. The SEC OpCo complaint does not mention the executing BD/MM. The SEC complaint doesn't mention Sason/Hanover/Magna either. The SEC complaint makes no mention of illegal naked shorting which is clearly evident in the CGFIA 10Q referenced below. THIS IS MY

INFORMATION. So, why aren't NITE, Hanover/Magna and UBSS implicated in the SEC OpCo/Gibraltar complaint? What my TCR clearly and irrefutably proves: NITE was engaged in illegal activity both BEFORE and AFTER the SEC et al orchestrated August 1 2012 "trading glitch". So, the SEC bailed out a KNOWN criminal entity. Unfortunately for the investing public, the SEC has doubled downed on facilitating this illegal activity into 2020. The "glitch". Knight was insolvent in August 2011. I told the SEC this. The "glitch" proved my allegations. Key point in my TCR: NITE inadvertently sent 4000 worthless securities to JPM to secure an emergency bridge financing as collateral. These were open, naked short fails that could not be covered/closed due to a cusip change (SEC/FINRA approved rev split) booked as an "asset"(receivable) due to self clearing: MASSIVE accounting fraud. Ironically, the "glitch" proved my allegations: despite claiming to have a "highly liquid balance sheet" NITE had to raise the entire amount of the "glitch". AND the ultimate "financing" was not collateral based. Rather a 50% discounted convert when the stock had already been crushed to \$3 OR \$1.50. ALL of the financing participants knew the NITE balance sheet was complete fraud. NITE also committed securities fraud in pledging those 4000 worthless securities as collateral to JPM: SCOTUS Rubin: pledging collateral to secure financing is an offer to sell. JPM looked the other way. As did the SEC.

Further, I submitted my amended TCR with [REDACTED] in March 2013, In August of 2013, FINRA brought a penny stock AML complaint against OpCo. Sale of unregistered penny stocks. WHO ultimately executed the trades? 2008-2010. In July 2013, the "glitch" financing Gen Atlantic/Getco reverse merger with Knight to form KCG closed. The new CEO of KCG was Dan Coleman who ran Equities at UBSS during their Reg Sho and cross border activity. For UBSS, the DOJ (Acosta Downing et al) dropped their DPA in 2010. My claims: the FINRA OpCo/Gibraltar complaint clearly implicates UBSS criminal activity AFTER the DoJ dropped its UBSS x border DPA. This is what the SEC is protecting in the OpCo/Gibraltar complaint: NITE/UBSS/Hanover/Magna illegal activity.

Also in my Knight/[REDACTED] 2013 TCR: IMDS. A multi year money laundering shell kept up and running by the SEC. Also NITE,UBSS, and Hanover Magna. In addition to other entities like JMJ, Southridge, and Alpha Capital Anstalt. Alpha Capital Anstalt is very much in business today as a result of SEC obstruction while the SEC recently brought a complaint against JMJ for activity like that in IMDS even AFTER he was barred by FINRA. In IMDS, the SEC allowed 2 barred individuals (CEO/CFO) to do an offering that created 37 BILLION shares of IMDS at .0001 with Chinese Nationals before revoking the IMDS registration. What do you do with 37 billion shares of IMDS at .0001 when there are no bids below that? NOTHING. The stock never traded. The SEC orchestrated a NITE/UBSS/Hanover/Magna/JMJ/Alpha etc MASSIVE naked shorting to facilitate money laundering scheme bailout so that the MASSIVE naked short position didn't need to be covered in the open market as is mandated by Rule 204. Thus insuring profits and not MASSIVE losses for NITE and UBSS.

I also filed separate TCR's for NewLead and FreeSeas. 2 "Greek shipping" money laundering shells started on NASDAQ and delisted to OTCM. NITE top trader in BOTH. Hanover/Magna in both. I contacted the KY Div of Mines and notified the SEC that these "transactions" were complete fraud. The SEC Feb 2019 complaint against Hanover/Magna is my information: Bogus obligations, assigned, converted to worthless certs. Then dumped on the public and converted to REAL money by the executing BD/MM:NITE. Who generates illegal trading profits by abusive naked shorting. Very symbiotic relationship. 1 of the Hanover/Magna entities was Gibraltar/Hanover. Somehow omitted from the SEC OpCo/Gibraltar complaint. In NewLead, then SEC White and Ceresney firm Debevoise did a "fairness opinion" of a Russian Nickel wire transaction where the NewLead CEO had back dated documents. That has been expunged from SEC reviewed filings. FreeSeas: a structured tax evasion/money laundering shell. Also involved Credit Suisse and Deutsche Bank. Both Debevoise clients. Both involved in the tens of billions Russian Mirror trade scheme. In addition to Hanover/Magna a Milken related entity Crede: Run by Milken/Drexel/Obstruction of justice/Parking: Terren Peizer and his felon partner Michael Wachs. This led me to Net Element NETE. Peizer again. This time with more AML red flags than be counted. Well known to the SEC through TWO of my separate TCR's. CEO is Oleg Firer. Firer former money laundering shell Acies shut down by the SEC while NETE was left up and running. Acies very much up and running also in MA. In NETE: NASDAQ. AQR Blank check shell. SEC allowed 2 offerings so that NETE could keep its NASDAQ listing. 1 was with entity Esousa: felon Wachs ex wife. 2nd was with Cobblestone: felon Wachs sister. I told the SEC. They still approved

the offerings. I discovered AQR money laundering blank check shell activity doing research on NITE and Hanover/Magna. A top traded NITE OTCM shell was Cereplast. Another AQR blank check shell. Hanover/Magna/NITE/ and Alpha Capital Anstalt. Alpha is Liechtenstein based and controlled by Martin Schlaff: Austria/Israel. AlsoIMDS (w/Schlaff controlled Balmore) and the Frost/Honing/Stetson et al complaint. Schlaff also LH Financial/Wolfson/Sulphco and Bawag: Sedona/Scan Graphics: Refco: Naked shorting. NITE is Refco on steroids. Cereplast ended in bankruptcy.

NETE claims to be a "payment processor". BILLIONS in transactions processed. Never break even let alone profitable. Balance sheet complete fraud. AML red Flags: Firer is Grenada Amb to Russia living in Miami, Apockinas/Grinshpun/Antonov/Rakishev/Trump/Kushner/SBNY/CardWorks/Merrick Bank/ESQ/Cohen etc etc etc money laundering/transaction laundering BILLIONS shell. Kept up and running for years since filing my NETE/AQR SEC TCR's. ALL of my allegations proved accurate in 2020 when NETE received Cares Act taxpayer money then announcing it was "unlocking the value in its misunderstood payment processing business" by doing a reverse merger with a CA electric car company started by a former musician. The payment processing business to be "sold" and the new company (Mullen) will own 80-90%. All made possible by SEC obstruction and ACTIVELY facilitating illegal activity. Another AQR blank check shell is Astra/Phunware. More Greek shippers related to massive swindler Economou originally intended to do an "energy logistics company" acquisition and somehow settled on "mobile app developer" Austin TX: Phunware. PHUN CEO is well known to the SEC with shells going back 15 years. I alerted the DoJ and SEC that PHUN was a money laundering shell. In addition to the "genius quant" AQR, AIPAC: Gerber/Hudson Bay, Nordlicht: Ari Glass/Boothbay, 1MDB: Khazanah Nasional, Global Crown/Rani Jarkas/EFG/BSI/Optima/Max Fang. AG Barr 1MDB waivers: Kirkland also AQR. Broidy: Trump: 1MDB money laundering. PHUN also received Cares Act money. AND PHUN is Trump/Kushner/Parscale campaign mobile App. PHUN should have also been shut down long ago. AQR too. OTHER AQR blank check shells: CIS/Delta/Urban Tea, Ability/Cambridge, Hunter Maritime, and MI Acquisition/Priority Tech Holdings. Ability/Cambridge: Israeli cellular intercept/surveillance. Israel sent employees to jail. In the US it was "securities fraud". The SEC Ability/Cambridge complaint was handled by Ansu Banerjee in the SECLA office. Milken/Mogilevich/BoNY money laundering entity Sinex: Debasish Banerjee. WHY did SECLA have jurisdiction over ABILF/Cambridge? Result: ABILF is very much up and running today. I believe this is the PHUN/Trump/Kushner/Parscale mobile app technology.

Hunter Maritime:HUNTF: Never consummated an acquisition. Just cert printing/dumping. Also involved: Milken family office: Silver Rock. MI/Priority:PRTH. CEO Tom Priore: well known fraudster to the SEC. Also transaction/money laundering like NETE. Also involved: Hanover/Magna.

ALL AQR money laundering shells up and running today thanks to the SEC. Only recently did the SEC revoke CGFIA and NewLead. well after going dark and the massive fraud on the public had already been perpetrated. In NewLead, FreeSeas, etc etc etc a common tool used is reverse splits to perpetuate and facilitate illegal activity. SEC/FINRA approved. The result is the massive accounting fraud at NITE. WHEN not IF there is an open naked short fail when a rev split takes place, a new CUSIP/security is issued. Trades in the old cusip/security cease. This creates a structural liability. The fail/short can NOT be closed. Like covering a short in AAPL with MSFT. Because NITE is self clearing it books a prop naked short as a receivable. An asset. But, because NITE won't or CAN'T deliver, massive accounting fraud. Literally a liability booked as an asset. This is how "glitches" are born. But the SEC facilitated fraud doesn't end there. The definition of a failed trade: 1 that hasn't settled. The SEC/DTCC issue new securities where trades in the old haven't settled yet AND not authorized by the issuer. Settlement: buyer brings cash/seller brings securities. The DTCC simply makes journal entries. But there are still "IOU's" in the system. The SEC authorized the DTCC to create a shadow clear,non guaranteed, ILLEGAL (clearly contrary to 34' Act "prompt and accurate settlement) Obligation Warehouse so criminals like NITE et al can circumvent close out REQUIREMENS of Rule 204. The OW is just what it sounds like. Per my Knight TCR, DTCC suspends services (Chill/Lock) and trades are deemed "ex clearing". In a FOIA request made with POGO, [REDACTED] and I asked the SEC fails data on dozens of NITE/UBSS top traded stocks like CGFIA,APCX and IMDS. The SEC response: see our website. The SEC fails data is for DTCC cleared trades only. The SEC knows exactly the level of fails sitting in the OW. They don't disclose. Intentionally misleading the public there is no naked shorting. In

1Q2020, the receivable at NITE/VIRT increased \$1.2 BILLION sequentially. Up almost 90%. AND the tangible book value is grossly insolvent. When it comes down to it, there really isn't ANYTHING in the receivable that NITE can convert into cash for its own use. There are prior commitments on those "assets": SETTLEMENT of transactions. Because the SEC has never shut down this activity, NITE is in a constant state of insolvency. Other examples of SEC attempts to cover up NITE illegal activity so that it can continue include: Cerberus/Feinberg/VIRT bidding on NITE post "glitch". Wasn't their turn. First, Gen Atlantic needed to monetize its GETCO "investment". The HFT business at GETCO was in a death spiral when the rev merger took place. So what was the attraction to NITE? The business that had absolutely ZERO overlap/synergies: OTCM. As low tech as it gets. Literally a trader sitting in a chair. As I have asked the SEC on hundreds of occasions over the years: what would happen to NITE trading profits if their OTCM share volumes went to ZERO? Cerberus is Feinberg: Gruntal/Milken. Also bailed out Bawag:Refco, HSH, and Deutsche Bank (\$50 bil Bad Bank to Goldman). Another Milken/NITE connection is Rich Handler: Jefferies. Also a Milken/Drexel protege. Milken was Gruntal: Feinberg,SAC,Icahn, Sater etc. Gruntal was "sold" to Ladenburg. Controlled by Vector/NewValley:Icahn/Lorber/Elliman etc. And, was sold to multi billionaire Frost. Who, according to the SEC risked it all trying to "make" a few million when he, Honig, Stetson, Alpha et al were really LAUNDERING. Milken also Whiterock ,D H Blair (Morty Davis) and AR Baron (Bressman/D H Blair) which was the precursor to Bear Stearns collapse . So, Milken and his merry crew of flunkies are really at the nexus of JUNK. They own Trump and his White House (Trump casino junk) and they own the SEC. It was Milken, Leon Black, Handler, Moelis, Virtue: Drexel that caused the S&L taxpayer bailout stuffing them with junk like Trump's. It is no coincidence that these same flunkies are also the largest CLO originators/managers. CLO's: Junk on steroids. AGAIN Bailed out by taxpayers in Cares Act HY. There also connections to Epstein. Treasury Sec Mnuchin and Black: HY/Junk/S&L's and Epstein. Black: Money laundering shell ESWW kept up and running by the SEC was/is an Epstein money laundering vehicle: JUNK IS JUNK.

THIS EXPLAINS the Handler/Jefferies/Milken repeated bailouts of NITE. It also explains the SEC criminal obstruction.

SEC Chair Clayton is also directly linked to this criminal obstruction. His firm Sullivan Cromwell and Jared Fishman are ACTIVELY facilitating this massive fraud on the public. Clayton did not disclose these conflicts in his disclosures. Sull Crom/Fishman have advised Knight/KCG/VIRT and several transactions designed to facilitate this ongoing and ongoing fraud on the public. Many of the same players involved in the "glitch" were involved in the VIRT acquisition of KCG in July 2017. In addition to Sull Crom/Fishman and Handler/Jefferies: JPM and Goldman. The SEC facilitated fraud in the NITE/VIRT transaction is egregious illegal activity. The transaction NEVER should have happened. KCG was an SEC reporting company until the deal closed on July 31 2017. Despite this FACT, VIRT CEO Cifo refused to "publish" KCG 2Q2017 financials. I estimate Cifu/Coleman/Handler/GS/JPM wrote down more than \$4 billion in open naked short fails: "leverage". The SEC let him. Meaning: "assets" used to determine the take out/ tangible book of KCG was complete fraud. VIRT grossly OVER paid for insolvent KCG.

Prior to the NITE/VIRT transaction closing in July 2017, NITE would report its trading stats monthly. Including OTCM share volumes. Cifu stopped this post merger. The SEC let him. In fact, you will find NO reference to NITE/VIRT OTCM share volumes in any SEC reviewed filing, sell side research or investor presentation. A well orchestrated fraud on the public. Omissions to Intentionally mislead the public as to the true representation of the NITE/VIRT business model. These share volumes are also at the center of my 2013 [REDACTED] TCR. There are no affirmative disclosures in any SEC filings to this day as to the AML risks posed in trading these OTCM and other shells. In a 2014 letter to the SEC, I detailed the first 2 months of NITE OTCM share volumes. When the 1Q2014 10Q was filed, these volumes were confirmed: An ASTRONOMICAL increase sequentially as well as year over year. These share volumes/my letter/TCR SHOULD have triggered an immediate SEC investigation. It did not. This portion of the KCG 2Q2014 10Q was expunged as well as 3Q2014 OTCM share volumes. I have detailed this to the SEC/OWB/Enforcement/IG. In the months leading up to the NITE/VIRT closing in July 2017, KCG put out monthly trade stat pr's showing KCG trading more volume than the overall market. Also indicative of naked shorting. Those pr's were also expunged. I also including electronic forms to the SEC OWB/Enforcement/IG.

The SEC has essentially outsourced the ENTIRE OTCM market to the Broker Dealer SRO FINRA. Including: management of the OTCM share volume website fka OtcBB.com. Today, there is very little transparency into trading activity by MM as a result. Also: ISSUER corporate actions: rev splits, Short interest reporting: an absolute farce given there is still no CAT. AND BD compliance with the BSA. Per my TCR: WHY did NITE and UBSS trade Billions of shares of CGFIA and IMDS AFTER a Chill or Lock was placed (ex clear/OW)? CLEAR AML red flags. Because they had an open naked short position. Why not pull a market? Because they had an open naked short position. SAR's? WHEN? BEFORE OR AFTER THEY TRADED BILLIONS OF SHARES? There were no SAR's either. NITE can not outsource its compliance responsibilities to 3rd parties (like OpCo) when executing trades as MM. In 2015 at a SIFMA conference, Ceresney was "shocked" by the number of BD's under his supervision filing 1 or ZERO SAR's. NITE SHOULD have been investigated for egregious BSA violations long ago based on my TCR. Knight/KCG/VIRT:NITE is and always has been a criminal enterprise. Spitzer Russian/US mob bust: "worthless paper". Ashton Tech became VIE became Optimark became Knight/Trimark NITE literally "made by the mob". The SEC has known this for years. ALL of the "worthless paper" shells were SEC reporting companies. Today, Trump PA Campaign Mgr David Urban sits on the NITE BoD. AND is also on the BoD of his very own money laundering shell: Canadian/Pakastani/pot/COVID: FSD Parma: HUGE. Trump advisers/campaign staff Bannon and Parscale also involved in OTCM money laundering shells. Parscale Cloudcommerce fka Roaming Messenger also receiving taxpayer Cares Act money.

Madoff: more money laundering than Ponzi. HOW THE HELL did the SEC let that scam go on for as long as it did? Criminal obstruction. The former SEC IG Kotz actually investigated his "bosses" at the SEC unlike current IG Hoecker. Years of SEC obstruction. Bullshit "investigations" into "running ahead" meant to distract. Similar to the SEC "glitch" "market access complaint" where former SEC "glitch" Enforcement Dir Khuzami/Kirkland(Barr) also rep'd NITE. Can't make this up. The center of IG Kotz scathing failure of the SEC in Madoff: SEC NY and Mr John McCarthy who ended up being Knight/KCG Chief Counsel. As I said: can't make this up. And, as we know Madoff started his career in NASDAQ penny stocks exactly like the 1's in the Spitzer/Mob complaint.

OTCM: This is WHY the OTCM exists: abusive naked shorting publicly traded shells to facilitate money laundering. CEO Cromwell Coulson CHAIRED the FINRA market Regulation Cmte. Say it with me: Can't make this shit up: CMTSU. A founding OTCM Board member is former NITE trader Andrew Wimpfheimer:CMTSU. This is a very well orchestrated and ongoing fraud on the public. Russian mirror trades: no SEC OR DOJ investigation HOW? According to stories: activity peaked in 2H2014. Coinciding with NITE astronomical OTCM 1Q2014 share volume increase. In addition to money laundering penny stock shells, the OTCM is also home to many ADR's. Including Russian ADR's cited in the NYDFS/DBTCA/mirror trade complaint. Little/no disclosures. Also in my TCR: P&D is just a tool used to facilitate the fraud and NOT a stand alone fraud. The SEC intentionally stops short of thorough investigations into much bigger frauds. The same way it has the public believe the "penny stock trading fairies" convert worthless certs to real money. NO! willing executing BD's and MM's like NITE do that. Less than a year after filing my Knight TCR with [REDACTED] FINRA (not the SEC) brought the BBH AML complaint. This was my information. Swiss banks, foreign/domestic institutions, executing BD's/MM's/ penny stock shells: \$850 mil in proceeds. Did BBH implicate NITE and other entities in my claims? WHY are all of the entities in the complaint UN NAMED? In the interest of transparency for the investing public? In 2019, I also filed an award application for the UBS x border/AML complaint. This is BLATANTLY my information. SEC/FINRA/ AND the SEC. I filed an IRS TCR based on my SEC TCR attached. In April 2016, 2 IRS CI Agents: VIKAS Arora and Nathan Sarnacki flew to Denver from Chicago to meet with me. I believe they were blown away. Then came the UBS complaint. As a follow up to our meeting, they wanted to know WHO at the SEC I shared my information with. I told them. That was the last I heard from them although I continued to send them my information.

To the SEC IG Carl Hoecker: In 2015 I parted ways with [REDACTED] as I was convinced the SEC was using my information in an unethical/illegal manner to both bring and obstruct complaints. [REDACTED] was not willing to file an IG complaint. After parting ways, I almost immediately did just that. Prior to retaining [REDACTED] I had filed an award application for the UBS Reg Sho complaint. In my submission and my correspondence with Mckessy/OWB I made the claim based on OWB permissible rules to "open a new line of inquiry". One that would link the trading activity detailed in my ultimate TCR by NITE and UBSS. That link: Abusive naked shorting

publicly traded shells and money laundering. My application was denied and there was no investigation into this link. The SEC had just bailed out a "known criminal enterprise":NITE "glitch" was not a forthcoming admission. Neither was the blatantly and knowingly false pretext for the DOJ dropping its UBSS x border DPA because "UBSS was in full compliance" in 2010. So, rather than open a new line of inquiry, the SEC chose to obstruct.

I made clear to Hoecker the egregious conflicts by Khuzami,White and Ceresney with clients UBS,JPM,CS, and DB. Hoecker claims to have conducted a "thorough" investigation of my very serious allegations and found nothing. Despite MJW waivers received to "investigate" her Swiss bank client CS. Then in 2019, Hoecker arrogantly told me I could file a FOIA request on his findings. Then, came 2019 and absolutely nothing had changed. NITE was still trading billions of shares of OTCM shells like ELTZ. There were still no risk disclosures. Cifu refused to publish KCG 2Q2017 financials, Hanover/Magna/AQR/Alpha/IMDS etc etc etc were still up and running . I filed ANOTHER complaint with IG Hoecker. Despite the fact that Hoecker himself wroth the IG handbook on "thorough investigations" mandating complainant interviews, I have never been interviewed by Hoecker. In addition, the IG Hoecker is mandated to inform Congress as to serious allegations like mine. He did not. In doing so, obstructed Congress from executing its oversight of the SEC/OWB. And despite hundreds of offers to fly to SEC HQ to have the best and brightest at the SEC rip apart my allegations 1 by 1 I have never been taken up on my offer. Why is that? The SEC OWB has gone to great lengths in other cases to explain the OWB process etc to whistleblowers. I have never been told "no thanks" for my information. In fact, McKessy has solicited MORE information from me after submitting my [REDACTED] TCR. In Madoff, an intern could have verified/shut down in weeks NOT years. No contra parties. Only a well orchestrated obstruction by SECNY/McCarthy et al kept it up and running. As I have also repeatedly told the SEC: My claims could be verified in weeks also. NITE has a P&L for every stock they trade. These, aggregated, are basis for quarterly trading profits. These P&L's, combined with OW data, and balance sheet data will validate ALL of my claims. I've offered my service to do exactly that. 2 weeks max. Afterall, proprietary trading strategies are NOT proprietary if they're illegal. For the reasons I have listed in this summary, NITE/VIRT is on the SEC "do not investigate list". And yes, there most definitely is such a thing. Especially when it comes to illegal activity facilitated by the SEC. So, the SEC denial of my OpCo award claim which was 5 years in the making is just another example of my very serious allegations: The SEC solicits and uses whistleblower information like mine to both bring and obstruct complaints. Unethical. Illegal. To deny my award application because the "investigators" didn't see my information is further affirmation of my allegations. They saw it. They used it. They denied my compensation for it. Again Ms Norberg, I will forward my 2012 etc emails with Robin Traxler at FINRA as well as McKessy as further evidence that my Award application denial should be overturned. Further affirmation from 2 dissenting SEC Commissioners and the judge in the Gibraltar case makes this denial both egregious and bizarre. Bizarre ONLY if you believe that there is no SEC obstruction that is. BTW, crazy stuff going on with the firing of Mr Berman/Clayton nomination to take his place/Rabbitt to DoJ/Carpenito replacing [REDACTED] [REDACTED]/Trump/Barr don't you think? The SEC needs some fixers. Wonder why.

I'm cc'ing some our mutual friends on this email Jane. The last overt act of this massive ongoing, SEC facilitated conspiracy has not occurred yet.

Cheers!

Christopher J Dilorio  
Whistleblower  
[REDACTED]

**From:** Chris Dilorio <[REDACTED]>

**Sent:** Wednesday, June 10, 2020 2:30 PM

**To:** [REDACTED]

**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

Mr Roach,

The SEC is irrefutably using my information in unethical and illegal manner. My information is being used to BOTH Bring complaints AND obstruct/protect investigations into entities detailed in my various TCR's. Denying me rightful compensation. This is the latest example.....

Chris

---

**From:** Chris Dilorio <[REDACTED]>

**Sent:** Monday, May 18, 2020 10:36 AM

**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

As straightforward as it gets:

The SEC OWB dragged its feet for 5 years in issuing its preliminary denial notice.

The SEC knows this is my information. The SEC committed fraud on the court in Gibraltar. The judge corrected them. The SEC was omitting information that implicated NITE, UBSS and customers like Sason/Hanover/Magna. The SEC was obstructing a thorough investigation of my claims. The naked shorting cited in the CGFIA 10Q in 2013 PROVES my allegations. The SEC's "targeted investigation" stops short of a full accounting. The SEC Gibraltar complaint does NOT explain the totality of the Oppenheimer complaint. The SEC Gibralter complaint cites 1 OTCM shell and less than 1 million shares traded by Opcos. 2 dissenting Opcos waivered SEC Commissioners proved that also citing "BILLIONS" of shares in their dissent. The SEC/Opcos AML complaint was based on the FINRA complaint and my information. The SEC OWB concocted a completely fabricated reason for denying my Award: "The SEC investigators involved never saw claimants information". The responsibility to distribute Whistleblower information within the SEC is the exclusive and explicit responsibility of the OWB. As a result, the massive fraud taking place continued well into 2020. The 1Q2020 10Q proves this.

The SEC IG Hoecker is guilty of violating specific IG requirements in keeping Congress informed of serious matters like mine. The SEC IG Hoecker has never interviewed me despite my filing 2 separate complaints with his office. The SEC IG Hoecker is guilty of criminal obstruction. SEC Chair Clayton and Co Enforcement Peikin worked at Sullivan Cromwell with Jared Fishman. Fishman has played a key role in the SEC facilitated criminal obstruction. Peikin and Clayton should have recused themselves from ANY pending NITE/VIRT matter before the SEC: My information. Clayton and Peikin should have recused themselves from the SEC facilitated KCG/VIRT merger. My information, including the Opcos AML complaint SHOULD have stopped the merger from ever happening. 2 former SEC Commissioners agree with that analysis. The SEC is actively facilitating a massive, ongoing fraud on the American people they are mandated to protect. NITE/VIRT is a criminal entity. The SEC MUST invoke emergency powers and halt trading in VIRT IMMEDIATELY.

In short Mr Arp, the criminal activity actively perpetrated by the SEC OWB/IG must be referred to law enforcement as well as Congress. Separate but related: SEC facilitated criminal activity and my claims. The criminality is a matter for law enforcement. My pending matters with the SEC have no bearing on a criminal investigation OR a GAO investigation.

You are incorrect in your analysis.

I Urge the IG Integrity Board to have SEC IG Hoecker refute my claims point by point.

I will be on a plane tomorrow so he can do it in person.

EFTA00039675

Cheers!  
Christopher J Dilorio  
Whistleblower  
[REDACTED]

---

**From:** Chris Dilorio <[REDACTED]>  
**Sent:** Tuesday, May 12, 2020 8:54 AM  
**To:** [REDACTED] <[REDACTED]>  
**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

Almost immediately I filed a formal appeal to the SEC OWB fabricated denial of my award application. In this appeal I show irrefutable proof of my allegations: The SEC OWB used/ is using my information to both bring complaints AND obstruct complaints while denying me compensation. In short: My information exposes an ongoing, massive in scope, SEC facilitated fraud on the American people. Rather than shut it down, the SEC has chosen to cover up so that the illegal activity can continue. It does in 2020

Chris

---

**From:** Chris Dilorio <[REDACTED]>  
**Sent:** Monday, May 11, 2020 7:16 PM  
[REDACTED]  
**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

---

**From:** Chris Dilorio <[REDACTED]>  
**Sent:** Wednesday, April 29, 2020 8:03 AM  
[REDACTED]

**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

The SMOKING GUN in my allegations:

Naked shorting in CGFIA (My TCR/FINRA complaint) by "un named third party BD" in 2013. Well known to the SEC. This is why there was no investigation into the ENTIRETY of the FINRA trading activity. The SEC issued waivers to Opco within days of its AML complaint. WHO was the SEC protecting? WHO were the customers and executing BD's/MM's in the Opco complaint? ALSO well known to the SEC:  
MY INFORMATION. 5 years to get a preliminary denial: statute of limitations. BUT the last overt act of this ongoing conspiracy has not yet occurred.

Chris

---

**From:** Chris Dilorio <[REDACTED]>  
**Sent:** Wednesday, April 29, 2020 7:56 AM  
[REDACTED]>;  
[REDACTED]

EFTA00039676

**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

Still more evidence of a well orchestrated scheme to cover up and obstruct a FULL SEC investigation into Opco/Gibraltar/NITE/UBSS trading activity in billions of shares of OTCM money laundering shells. The SEC used my information to bring AND obstruct complaints.

The 2 SEC Commissioners dissent in granting Oppenheimer waivers after this egregious activity

<https://www.sec.gov/news/statement/dissenting-statement-oppenheimer-inc.html>

## SEC.gov | Dissenting Statement In the Matter of Oppenheimer & Co., Inc.

Dissenting Statement In the Matter of Oppenheimer & Co., Inc., by Commissioner Luis A. Aguilar and Commissioner Kara M. Stein, February 4, 2015

[www.sec.gov](http://www.sec.gov)

In fact, the SEC waivers came within days of their complaint. Here, these 2 Commissioners cite Oppenheimer trading "BILLIONS of shares of penny stocks". Clearly, they were not JUST referencing the SEC Gibraltar complaint. WHO was the SEC protecting with its complaint then waivers?

The smoking gun which I have provided to the SEC on several e mails:

Which came in an SEC reviewed CGFIA 10Q

[https://www.sec.gov/Archives/edgar/data/1344394/000135448814000425/cgfi\\_10q.htm](https://www.sec.gov/Archives/edgar/data/1344394/000135448814000425/cgfi_10q.htm)

## cgfi\_10q.htm - SEC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[www.sec.gov](http://www.sec.gov)

pg 27

"Our stock is subject to a "Global Lock" imposed by the Depository Trust and Clearing Corporation (DTCC)" "On September 24, 2013, we were notified that the DTCC would be placing a 'Global Lock' on the Company's Class A stock as a result of actions by a third-party broker dealer. On November 11 2013, DTCC imposed the "Global Lock". Since less than 0.02% of the Company's Class A common stock shares were held within DTCC, Management chose to not undertake the expense of challenging the Global Lock. Nevertheless, shares that are held in street name (CEDE & CO), will not be able to be withdrawn from DTCC without further action."

Of Course, I have hard copies if you prefer.

ex clearing: The illegal SEC/DTCC Obligation Warehouse.

This is CLEAR,IRREFUTABLE,INCONTROVETIBLE evidence of naked shorting by executing BD's in CGFIA. This activity took place per my Knight/UBSS TCR submitted to the SEC. So, WHY did the SEC obstruct an investigation into the ENTIRETY of the trading activity in the FINRA (and FINCEN) complaints? WHO were the executing BD's/MM's? WHO were the customers?

The veracity of my information is also irrefutable and incontrovertible.

Game. Set. Match. The SEC is a grossly corrupt, criminal enterprise facilitating illegal activity detailed by me so that this activity can continue. It does in 2020. The SEC solicits then uses Whistleblower information (MINE) to bring complaints AND obstruct other illegal activity while denying proper compensation to whistleblowers (ME). The SEC KNEW who the "third party BD" was in the CGFIA filing long before it filed its Opco complaint in 2015. It had my TCR in its possession in March 2013. So why did it take 5 years for the SEC to issue its preliminary denial? I would remind the SEC that this is very much an ONGOING conspiracy on the part of the SEC et al.

IN FURTHERANCE OF THE CONSPIRACY.....

Cheers!

Christopher J Dilorio

Whistleblower

---

**From:** Chris Dilorio <[REDACTED]>

**Sent:** Tuesday, April 28, 2020 7:24 AM

>;



**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

Per my extensive SEC TCR's: Josh Sason/Emanuel/Abitebol/Hanover/Magna extensive overlap with NITE/VIRT (and AQR) money laundering shells.

The SEC Sason/Magna/NewLead Feb 2019 complaint: also my information

<https://www.sec.gov/litigation/complaints/2019/comp24403.pdf>

Marc P. [REDACTED] SECURITIES AND EXCHANGE COMMISSION Brookfield Place  
200 Vesey Street, Suite 400 New York, NY 10281-1022 SOUTHERN  
DISTRICT OF NEW YORK JOSHUA SASON, MARC MANUEL,

3 5. In addition, Pallas acted as an underwriter for a primary offering of NewLead stock, which NewLead attempted to disguise as an asset sale transaction.

www.sec.gov

[https://www.sec.gov/Archives/edgar/data/1322587/000114420413065095/v361773\\_sc13g.htm](https://www.sec.gov/Archives/edgar/data/1322587/000114420413065095/v361773_sc13g.htm)

[www.sec.gov](http://www.sec.gov)

(i) Sole power to vote or to direct the vote . The information required by Item 4(c)(i) is set forth in Row 5 of the cover page for each Reporting Person hereto and is incorporated by reference for each such Reporting Person.

[www.sec.gov](http://www.sec.gov)

MG Partners Ltd: Abitebol

But not in the complaint: MAGNA GIBRALTAR INVESTMENTS LLC: also Abitebol

As with Opco/GIBRALTAR, who is the SEC protecting?

AND, per my extensive correspondence with the SEC re my TCR's: The SEC is ALSO grossly under estimating the criminal activity in NITE/Magna/NewLead

SEC: Criminals bailing out/actively facilitating criminals/criminal activity.

soliciting/using whistleblower information in unethical/illegal manner to bring complaints/obstruct complaints/deny whistleblower rightful compensation.

Cheers!

Christopher J Dilorio

Whistleblower

---

**From:** Chris Dilorio <[REDACTED]>

**Sent:** Tuesday, April 28, 2020 6:43 AM

>;

[REDACTED]

**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

More evidence of SEC fraud on the court in Gibraltar.

It is CLEAR that the Opco AML Covered Action 2015-016 was NOT ENTIRELY based on the SEC Gibraltar Action. The SEC Gibraltar action covered trading activity in just 1 OTCM Money laundering shell: Magnum d'Or where Opco traded less than 1 million shares. CLEARLY the SEC Opco complaint was based on the trading activity in the FINRA Opco AML complaint: my information. However, the SEC Opco complaint even stops short of a thorough investigation of the ENTIRETY of the FINRA trading activity. WHY? WHY didn't the SEC Opco/Gibraltar complaint go into trading activity in the FINRA AML OTCM shells through 2014 as FINCEN did? WHY did the SEC omit MATERIAL information to the court in Gibraltar causing a "significant under estimating" of criminal activity? The SEC knows who the accounts were. The SEC knows who the executing BD's/MM's were. The SEC committed a fraud on the court in Gibraltar.

Gibraltar was ROLLING OUT NEW OTCM services into the end of 2011.

<https://www.pr.com/press-release/355246>

Gibraltar Global Securities Now Offering Offshore Brokerage Accounts -  
PR.com

EFTA00039679

Nassau, Bahamas, The, September 22, 2011 --()-- Gibraltar Global Securities is now offering offshore brokerage accounts in addition to their broad array of financial services.Gibraltar Global ...

[www.pr.com](http://www.pr.com)

<https://www.pr.com/press-release/355247>

## GGSI Bahamas is Now Offering Pink Sheet Clearance

Offshore Broker Adds to Buying and Selling Services

[www.pr.com](http://www.pr.com)

<https://www.pr.com/press-release/369649>

## GGSI Bahamas Provides State-of-the-Art Security for OTC PINK Transactions and Communication

GGSI (Gibraltar Global Securities Inc.) has just announced the release of their latest security measures designed to protect their client's personal data, and to secure electronic communication.

[www.pr.com](http://www.pr.com)

The SEC KNEW the Gibraltar/Opcos trading activity went well beyond 2011 YET cut off its investigation at "well into 2010". Thus, KNOWINGLY omitting material information in Gibraltar: FRAUD ON THE COURT. Confirming my allegations of SEC criminal activity in handling my information. WHY? to protect NITE and UBSS. 2 criminal entities bailed out by the SEC. Now, the SEC is using the completely fabricated reason for denying my award claim for covered action 2015-016: "The investigators never saw the claimants information". WHEN the explicit and exclusive responsibility to distribute whistleblower information within the SEC falls on the OWB itself. More criminal activity. Criminals bailing out criminals while denying Whistleblowers due process and compensation.

Cheers!  
Christopher J Dilorio  
[REDACTED]  
Whistleblower

---

**From:** Chris Dilorio <[REDACTED]>  
**Sent:** Sunday, April 26, 2020 9:36 AM  
**To:** [REDACTED]  
**Subject:** Fw: Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

EFTA00039680

**From:** Chris Dilorio <[REDACTED]>

**Sent:** Friday, April 24, 2020 8:18 AM

[REDACTED]>; [REDACTED]<[REDACTED]>;  
<[REDACTED]>; [REDACTED]

**Subject:** Formal appeal for preliminary denial covered action 2015-016/ Knight Capital TCR & Appendix

I am in receipt of the SEC preliminary denial of my award claim for the Oppenheimer AML covered action 2015-016

This is my formal appeal of the SEC preliminary determination.

My award application was based on this very simple FACT:

The SEC (and FINCEN) Oppenheimer AML actions were based on the FINRA Oppenheimer AML action

FINRA

[https://www.finra.org/sites/default/files/fda\\_documents/2009018668801\\_FDA\\_KMX39652.pdf](https://www.finra.org/sites/default/files/fda_documents/2009018668801_FDA_KMX39652.pdf)

of - FINRA

which is FINRA a party, to the entry of findings and violations consistent with the allegations of the (as Complaint sanctions amended and by the Offer of Settlement), to the imposition of the set forth and below, understands fully that this Order will become part of Respondent's permanent disciplinary and record may any be considered in future actions brought by FINRA. BACKGROUND ...

[www.finra.org](http://www.finra.org)

The SEC

<https://www.sec.gov/litigation/admin/2015/33-9711.pdf>

Before the SECURITIES AND EXCHANGE COMMISSION

Before the . SECURITIES AND EXCHANGE COMMISSION . SECURITIES ACT OF 1933 . Release No. 9711 / January 27, 2015 . SECURITIES EXCHANGE ACT OF 1934 . Release No. 74141 / January 27, 2015 . ACCOUNTING AND AUDITING ENFORCEMENT . Release No. 3621 / January 27, 2015 . ADMINISTRATIVE PROCEEDING . File No. 3 -16361 . In the Matter of

[www.sec.gov](http://www.sec.gov)

FINCEN

<https://www.fincen.gov/news/news-releases/fincen-fines-oppenheimer-co-inc-20-million-continued-anti-money-laundering>

FinCEN Fines Oppenheimer & Co. Inc. \$20 Million for Continued Anti-Money Laundering Shortfalls | FinCEN.gov

Washington, D.C. – The Financial Crimes Enforcement Network (FinCEN), working closely with the U.S. Securities and Exchange Commission (SEC), assessed a \$20 million civil money penalty today against Oppenheimer & Co., Inc., for willfully violating the Bank Secrecy Act (BSA). Oppenheimer, a securities broker-dealer in New York, admitted that it failed to establish and implement an adequate ...

[www.fincen.gov](http://www.fincen.gov)

In the summer of 2012, I had extensive correspondence with Robin Traxler at FINRA where I also cc'd Sean McKessy then SEC OWB Chief. The CURRENT OWB Chief and the SEC IG are in possession of this correspondence. My correspondence dealt with 2 penny stock shells cited in my Knight Capital TCR submitted by [REDACTED] Montague in March 2013 attached here: Colorado Goldfields and AppTech. Both shells were NITE and UBSS top traded OTCM shells in 2010-2013. These 2 shells were cited by FINRA in their Oppenheimer AML complaint. Again, the SEC and FINCEN Oppenheimer AML complaints were based on this FINRA complaint. In fact, per the FINRA Opcos complaint above, customer "TC" was dumping worthless AppTech (APCX) certificates well into mid 2010. DIRECTLY overlapping with the NITE/UBSS APCX trading activity cited in my [REDACTED] 2013 TCR attached and discussed by me with Robin Traxler at FINRA. HOW is it possible that the SEC OWB didn't share my information with SEC investigators? Current SEC OWB Chief Norberg was previously an assistant to then OWB Chief McKessy.

WHO ultimately executed the trades cited in the FINRA Opcos complaint?

Further, the SEC Gibraltar Securities complaint raises more questions than answers as well.

<https://www.sec.gov/litigation/complaints/2013/comp22683.pdf>

## UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK SECURITIES AND EXCHANGE COMMISSION, 13 Civ. GffIRALTAR GLOBAL SECURITIES, COMPLAINT NATURE OF THE ACTION - SEC.gov

12. David Della Sciucca, Jr., age 27, is a resident of Fort Lauderdale, Florida. In . the Magnum d'Or complaint, the Commission charged Della Sciucca with acting as a nominee

[www.sec.gov](http://www.sec.gov)

The SEC Gibraltar Securities complaint references only 1 OTCM money laundering shell: Magnum d'Or. The complaint specifically states that Oppenheimer sold just 969,822 shares. Again, no mention of executing BD/MM.

The SEC Oppenheimer AML cites Gibraltar trading activity also.

The share amounts in the SEC complaint grossly under estimate that in the FINRA complaint. WHY?

The judge in the Gibraltar case said "the SEC's requested amount CLEARLY UNDERESTIMATES the defendants ill-gotten gains...."

<http://www.tribune242.com/news/2016/jan/13/bahamian-broker-25m-sanction/>

## Bahamian broker in \$25m sanction | The Tribune

A former Bahamian broker/dealer and its principal have been hit with a combined \$24.484 million in financial sanctions by a US court, which found that their "ill gotten gains" were likely ...

[www.tribune242.com](http://www.tribune242.com)

WHY didn't the SEC go after ALL of the sellers in the FINRA OpcO AML complaint? WHY did the SEC "strip out" \$46 million from the Gibraltar ill gotten gains claiming the customers were "UNKNOWN"? WHO is the SEC protecting? WHO were the executing BD's/MM's in the FINRA OpcO CGFIA and APCX trades? They certainly know who the customers were. Is customer "JK" Justin Keener/JMJ also in my March 2013 TCR attached? While the SEC OpcO AML was based on the FINRA OpcO AML, it stopped short of a thorough investigation of NITE and UBSS. In fact, the trading activity of NITE/VIRT and UBSS in the FINRA complaint: my information SHOULD have triggered an immediate investigation of NITE and UBSS. It did not. Did the SEC commit fraud on the court in its OMISSION of material information?

The timing of the SEC's preliminary determination and the reasoning for the denial ALSO raises more questions than answers.

My Award application for the Oppenheimer AML SEC complaint was 5 years ago. That's FIVE years ago. So, WHY NOW am I so blessed by the SEC with a preliminary judgement?

The SEC basis for denying my Award claim for covered action 2015-016:

"Investigative staff responsible for the covered action NEVER RECEIVED ANY INFORMATION FROM THE CLAIMANT OR had any communication with the claimant"

Let's take this whopper in 2 parts:

First, the SEC OWB denied my Award application because The investigators in the complaint never received my information. Has the SEC OWB re written the investigative protocol in this denial? How am I or ANY whistleblower supposed to know WHO the investigators are in a particular case WHEN according to the SEC: ALL investigations are done in a confidential manner????

WHAT DOES THE SEC DO WITH WHISTLEBLOWER TIPS EXACTLY? Do they share whistleblower information with ENFORCEMENT as is mandated? HOW would ANY whistleblower know WHO to share information with at the SEC? Isn't that the job of the SEC OWB?

Second, the fact that no one at the SEC contacted me DOES NOT mean the SEC didn't use my information. This is a completely bogus argument. It certainly would NOT be the first time the SEC used my information now would it Jane?

In fact, it is NOT the responsibility of the whistleblower to get his/her information to the right Enforcement personnel. That responsibility EXPLICITLY falls on the SEC OWB. So, is the SEC OWB admitting gross negligence in handling my information? After the monumental failure in the Madoff Ponzi/ money laundering SEC facilitated scam on the public the then SEC IG made specific recommendations to the SEC with regards to the proper handling/vetting of Tips and Complaints.

<https://www.sec.gov/files/468.pdf>

Review and Analysis of OCIE Examinations of Bernard L. Madoff Investment Securities, LLC

AGAIN: The responsibility to properly vet Whistleblower information and get the information into the right hands at the SEC falls EXPLICITLY and EXCLUSIVELY with the SEC OWB itself and is NOT the responsibility of the whistleblower. Further, according to the previous SEC IG in the monumental Madoff failure: the responsibility to contact those supplying Tips and Complaints ALSO falls explicitly and exclusively with the SEC OWB and not the whistleblower. Using these excuses as the basis of denial of Award is completely contrary to SEC MANDATED protocols and procedures.

Is the SEC OWB admitting it doesn't comply with those recommendations? Recall: the monumental SEC Madoff failure was NOT the fault of Whistleblowers either. OR is the SEC OWB scrambling for a 5 years in the waiting preliminary determination?

So, after 5 years of waiting for a preliminary determination for my award claim, this is what the SEC best and brightest come up with?

My Denial of Award for covered action 2015-016 was completely made up on the fly.

The SEC OWB has applied completely fabricated "rules" to issue this denial. Further affirmation of ALL of my allegations.

Also by SEC admission, the SEC allowed these 2 penny stock shells to remain a clear and present risk to the investing public. Were CGFIA and APCX ONLY money laundering shells for Oppenheimer in 2008-2010 and then suddenly they were no longer money laundering shells when NITE and UBSS traded billions of shares of both shells 2010-2013?

WHY did it take until September 2018 before the SEC finally revoked the CGFIA registration?

<https://www.sec.gov/cgi-bin/browse-edgar?company=Garpa&owner=exclude&action=getcompany>

So, WHY was there no SEC investigation of NITE and UBSS trading activity in money laundering shells APCX and CGFIA? The SEC et al facilitated NITE "glitch" took place in August 2012. This SEC/Jefferies/JPM/BX/GS/SEC Chair Clayton Sullivan Cromwell colleague Jared Fishman et al bailout coincides directly with NITE trading activity in 2 SEC/FINRA/FINCEN acknowledged money laundering shells. AND the "bailout" penny stock esque reverse merger between Getco and Knight didn't close until July 2013. HOW could the SEC conduct a COMPLETE and thorough investigation into the FINRA Opco AML complaint WITHOUT implicating NITE when NITE was CLEARLY trading billions of shares of OTCM money laundering shells BEFORE and coinciding with the SEC et al facilitated "glitch" bailout? For UBSS, the DOJ dropped its cross border AML DPA complaint in 2010. UBSS was trading money laundering shells well after the DOJ claimed UBSS was in compliance with the cross border DPA.

To be clear: BOTH NITE and UBSS knew CGFIA and APCX were money laundering shells when they traded billions of shares of each 2010-2013. Is that FACT disputed by the SEC? The SEC OBSTRUCTED a thorough investigation into the ENTIRETY of trading activity of NITE and UBSS in CGFIA and APCX: MY CLAIMS. Josh Sason/Hanover/ Magna knew CGFIA was a money laundering shell also

<https://www.sec.gov/Archives/edgar/data/1344394/000114420413041432/0001144204-13-041432-index.htm>

ALSO in my claims: Joshua Sason/Hanover Magna. CGFIA. Also my NewLead TCR1426518350699 and FreeSeas TCR1440274395191 separate but related TCR's where NITE was a top trader in both and BOTH TCR's were filed well in advance (years prior) to the Sason/Hanover/Magna February 2019 complaint. Here's one thing the SEC has been consistent about: The SEC ignores the role of executing BD's and MM's in these scams. WHY? Because NITE is the #1 OTCM shell trader. As far as the SEC is concerned Penny stock trading fairies convert worthless certificates into real money. NO! Executing BD's/MM's like NITE do. Did Oppenheimer sell this order flow to NITE? Who ultimately converted these worthless certificates to real money? As the number 1 OTCM money laundering shell trader it is statistically improbable the NITE has never been the focus of an SEC AML complaint.

Per my TCR: what does the NITE Compliance Department do exactly? How many SAR's has NITE filed in the last 10 years? In a 2015 SIFMA speech then SEC Enforcement Director Ceresney was "SHOCKED" by the number of BD's filing 1 or ZERO SAR's. That was just 5 years ago. WHEN would NITE file a SAR related to the billions of shares of OTCM money laundering shells it trades like CGFIA and APCX: BEFORE or AFTER it trades those BILLIONS of shares? Does NITE pull markets and alert regulators OR continue to trade billions of shares of OTCM money laundering shells in the face of GLARING AML red flags? In fact, in December 2019 the top traded NITE/VIRT OTCM money laundering shell was ELTZ

[https://www.sec.gov/cgi-bin/browse-edgar?  
action=getcompany&CIK=0001607281&owner=exclude&count=40&hidefilings=0](https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001607281&owner=exclude&count=40&hidefilings=0)

The SEC knows the people/entities in ELTZ well  
<https://www.sec.gov/litigation/admin/34-46993.htm>

## Strata Coal Company and Terrence A. Tecco: Admin. Proc. Rel. No. 34-46993 / December 13, 2002

Strata Coal Company ("Strata" or "the company") is a non-reporting Nevada shell corporation based in Frisco, Texas. Strata's shares are quoted on the Pink Sheets under the symbol SCOC. Until September 2002, the company was known as WesPac Technologies, at which time it changed its name to Strata. 2. Tecco is the sole officer, director, and ...

[www.sec.gov](http://www.sec.gov)

<https://www.sec.gov/news/press-release/2019-16>

## SEC.gov | SEC Charges Broker-Dealer and Transfer Agent in Microcap Shell Factory Fraud

The Securities and Exchange Commission today announced charges against a broker-dealer, a transfer agent, and three individuals for their roles in the creation of over a dozen undisclosed "blank check" companies from 2009 to 2014.

[www.sec.gov](http://www.sec.gov)

Doesn't the NITE/VIRT compliance Department have internet service in Jersey City? As a DIRECT result of the SEC obstructing a complete and thorough investigation into the ENTIRETY of trading activity in APCX and CGFIA, the top NITE/VIRT traded OTCM money laundering shell in December 2019 was AML red flags galore ELTZ. Illegal activity ACTIVELY facilitated by the SEC. The examples cited in this e mail are not exhaustive.

And, for it's part AppTech is up and running again/still

<https://www.sec.gov/cgi-bin/browse-edgar?company=Apptech&owner=exclude&action=getcompany>

Unfortunately, AppTech is still up and running as a direct result of the aforementioned SEC " CLEARLY under estimating" otherwise known as CLEARLY OBSTRUCTING.

In conclusion, The SEC solicits information from whistleblowers like me. The SEC uses whistleblower information to bring actions and then doesn't compensate whistleblowers for their information.

OR

The SEC uses whistleblower information to protect criminality perpetrated on the investing public so that this criminal activity can continue. BOTH are gross dereliction of the stated and MANDATED SEC Whistleblower statutes. To blame a whistleblower for the SEC's EXPLICIT and EXCLUSIVE responsibility to properly vet and distribute whistleblower information within the SEC as an excuse to deny Awards is also criminal activity. The SEC: criminals using whistleblower information to protect other criminals AND deny whistleblower rightful compensation for their information.

I appeal the SEC preliminary determination and wish to file ANOTHER complaint with the SEC IG.

Cheers!

Christopher J Dilorio

Janey,

how long have you been in possession of my Knight Capital TCR? Almost 7 years to the day. How many follow up e mails have I sent the SEC since then?

For 7 fucking years, the SEC has known about JMJ/Keener. I told them

<https://www.sec.gov/litigation/complaints/2020/comp-pr2020-72.pdf>

## IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA SECURITIES AND EXCHANGE COMMISSION No. COMPLAINT SUMMARY - sec.gov

5. Justin W. Keener, age 45, resides in San Juan, Puerto Rico. During the Relevant Period, Keener was a resident of Miami Beach, Florida. Keener registered the name "JMJ Financial" as a fictitious name in Florida in 2008 and used it to conduct the business described

[www.sec.gov](http://www.sec.gov)

In February 2019, the SEC brought an action against Joshua Sason/NewLead

I told the SEC about Magna/ Sason ALSO in my 2013 TCR.

<https://www.sec.gov/litigation/litreleases/2019/lr24403.htm>

## Joshua Sason, et al. (Release No. LR-24403; Feb. 15, 2019)

Washington, D.C., February 15, 2019 - The Securities and Exchange Commission today announced charges against four individuals and related businesses for their roles in two microcap frauds and unlawful securities offerings.

[www.sec.gov](http://www.sec.gov)

AND, I filed separate but related NewLead and FreeSeas TCR's in 2015

Then there's the UBS AML complaint.

ALSO my claims. For which I sent 10 (TEN) separate Award applications from a commercial fax machine in April/May 2019. AND I have YET to receive even a preliminary determination from the OWB/Norberg IG, I see your "investigation" into my very very serious accusations of Obstruction related to my information was thorough. In short, the SEC has and still is ripping me off.

Janey, be a hun and update my TCR's/Awards cited in this e mail.

And Ms Welshhans, a couple of questions for you:

1) Have you read the FINRA WTFC Keener complaint? Fictitious notes Ring a bell?

Same MO as Sason/Magna/NewLead/FreeSeas etc etc etc

2) WHO executed the Keener OTCM trades in your complaint? Penny stock trading fairies?

YES, NITE was a top trader in BOTH FreeSeas and NewLead

The core business at NITE/VIRT is and ALWAYS has been: abusive naked shorting OTCM (and other) shells to facilitate money laundering.

In short Ms Welshhans, NITE/VIRT converts these worthless certs into real money. NONE of JMJ/Sason/IBC/Ironridge/Asher etc etc etc activity takes place without a willing,corrupt, criminal, executing BD/MM like NITE/VIRT, CDEL etc

Finally, The Keener SEC complaint is FURTHER evidence that FINRA has NO business enforcing US securities LAWS. When FINRA "invited" Keener to a disciplinary hearing almost 7 years ago, Keener told them to "fuck off". FINRA bar meant nothing the last 7 years. EXCEPT JMJ/Keener/NITE ripping off more investors.

Obviously the SEC has/is using my information. I expect to be compensated.

Cheers!

Christopher Dilorio

Whistleblower

Mr Peirce,

Congratulations on your nomination as SEC Commissioner. I have read your paper on FINRA lack of accountability. I believe the SEC has abdicated its responsibility to enforce Broker Dealer compliance with the BSA to FINRA BECAUSE it is not accountable. The SEC has not initiated a single stand alone AML complaint. The Brown Brothers Harriman AML complaint IS my claim. ALL of the entities in the complaint are un named WHY? My SEC and IRS Whistleblower complaints explain why.

---

---

Hello, My name is Chris Dilorio. I have filed extensive SEC and IRS Whistleblower complaints alleging a direct link between penny stock money laundering, domestic and foreign entities, Swiss Banks, and executing brokers like KCG and UBS. I can provide overwhelming evidence of SEC obstruction. Please read the FINRA Brown Brothers Harriman AML complaint. This is my claim. All of the entities in the complaint are un named. Why? The SEC is not only obstructing an investigation, they are aiding and abetting the activity. These are not far flung theories. The UBS Whistleblower Birkenfeld and his attorney sent 52,000 accounts to the SEC and DOJ. The DOJ at the influence of President Obama and Hillary Clinton entered into the UBS DPA based on just 4400. What is so egregious is the activity continues un abated today.

Start with the so called August 2012 Knight/KCG trading "glitch". Initial reports say the NYSE was breaking the trades. WHY did they stop. Former KCG CEO Joyce said he had a very frank discussion with then SEC Chair Schapiro where the SEC wanted to send a very strong message to market participants. Why not just continue to

break the trades and hit KCG with a hefty fine? That would not create the conditions to grant KCG exception after exception to do their emergency funding which transferred 74% of the company to "glitch" funding participants and ultimate reverse merger partner GETCO. AND, despite claiming to having a "highly liquid balance sheet" KCG had to raise the entire amount of the loss.

A very significant and public event was cited in a WSJ article where immediately following the "glitch" KCG inadvertently sent 4000 worthless securities to JPM in an attempt to secure a tri party financing where JPM guaranteed the loan. This is discussed in my attached TCR's and also the topic in a March 2014 letter I sent to the SEC. In the end, the emergency funding was NOT collateral based. The participants knew exactly what a fraud the KCG balance sheet was. After the stock was decimated to \$3, the deal was a convertible with a conversion price at a 50% discount or \$1.50/ share.

There is much more, but this is a good start.

Recently, KCG did a modified Dutch auction where they "sold" an asset (HotSpot) to an entity both KCG and GETCO were a major shareholder (BATS) KCG CEO Coleman called it a "highly competitive process".

Virtually all of the proceeds went to buy back stock from "glitch" financing participants. The purchase price was \$14/share. The stock had never traded there and hasn't since. Reports say 82 million shares were tendered at or BELOW \$14. But they chose to repurchase 23 million shares AT \$14????? I have overwhelming evidence that supports my allegations that the SEC is engaging in criminal obstruction to protect KCG.

1) Current KCG Dan Coleman ran Equities at UBS during the massive REG Sho violations as well as the cross border activity detailed by Whistleblower Birkenfeld. White and Ceresney represented UBS prior to joining the SEC

2) At June 30 2011 KCG/Knight reported just 105 million in working capital with hundreds of millions in worthless securities sitting on its balance sheet. KCG was insolvent

3) The SEC orchestrated the emergency funding for KCG following the so called Aug 2012 trading "glitch"

4) Read FINRA AML complaints against Brown Brothers Harriman. This is my claim. It links penny stock money laundering to executing brokers like KCG, domestic and foreign entities, and Swiss banks. ALL of the entities in the complaint are un named. WHY?

5) The FINRA World Trade Financial AML complaint discusses several entities cited in my claims. The customer the complaint focuses on is Justin Keener. Still very much in business. The red flags cited by FINRA were cited in my claims as well. Yet still no investigation.

6) in July 2015 I contacted Kevin Goodman Dir OCIE for Broker Dealrsat the SEC. He had never seen my information. The IG OCIE Madoff report mandated the OCIE to vet information. McKessy and Ceresney never sent my info to him

7) I'm sure you are familiar with the Manning v Merrill,KCG,UBS et al litigation. The SEC does not want an investigation into my claims while the litigation is pending.

8) My claims detail ex clearing trading activity by KCG and UBS. despite the glaring red flags in doing so. Ex clearing s the Obligation Warehouse. A NON GUARANTEED SERVICE set up by the SEC and DTCC to allow firms like KCG to circumvent close out requirements of Rule 204. Clearly contrary to the intent of the SEC authorization in Sec 17a of the 1934 Act to create a system of prompt and timely settlement and to remove impediments there of.

In short, I told the SEC KCG was insolvent in 2011. Rather than investigate and prosecute, they chose to obstruct. The activity in my TCR's pre dates the "glitch". An investigation would show the SEC bailed out a criminal enterprise. Because of the obstruction, the activity continues today unabated in stocks like STBV,VELA,NEWL,FREE, and dozens more. The investing public remains at risk

More to come

Chris DiIorio