MORE ZOMBIE COMPANY TALK
HUGE PLOT TWIST FOR GME AND MOASS

A Story for Apes

by

U/GET-IT-GOT

Yes, More Zombie Company Talk ... Friday (Sept. 3) was a HUGE PLOT TWIST for $GME & MOASS, but no one seems to know about it (well they kinda do now, but not when I first posted this).

DD

I am reposting this because I learned that I could actually turn off my 900+ mostly-shill followers.

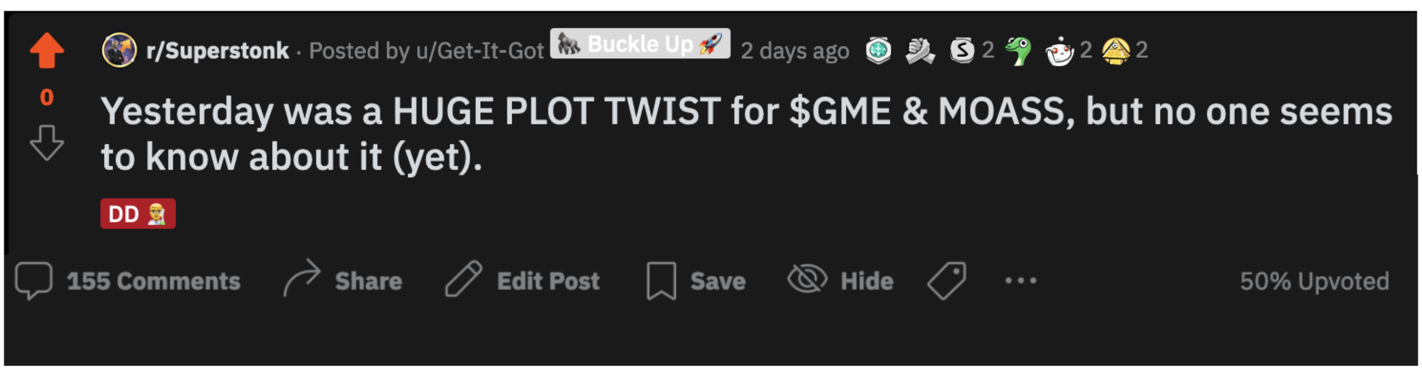
What difference did that make?

Below are screen grabs of my initial post to Superstonk and a repost to DDintoGME just a few hours later (after turning off my followers list).

I'm reposting this in the hopes that it gets more visibility. ***Retail investors need to know we're being robbed of a hundreds of squeezes that would have burned SHF's asses with the intensity of a thousand suns.***

If you're writing DD (or even making memes), turn off your followers, folks. It's likely they are mostly shills who will down vote, discourage, and try to silence you.

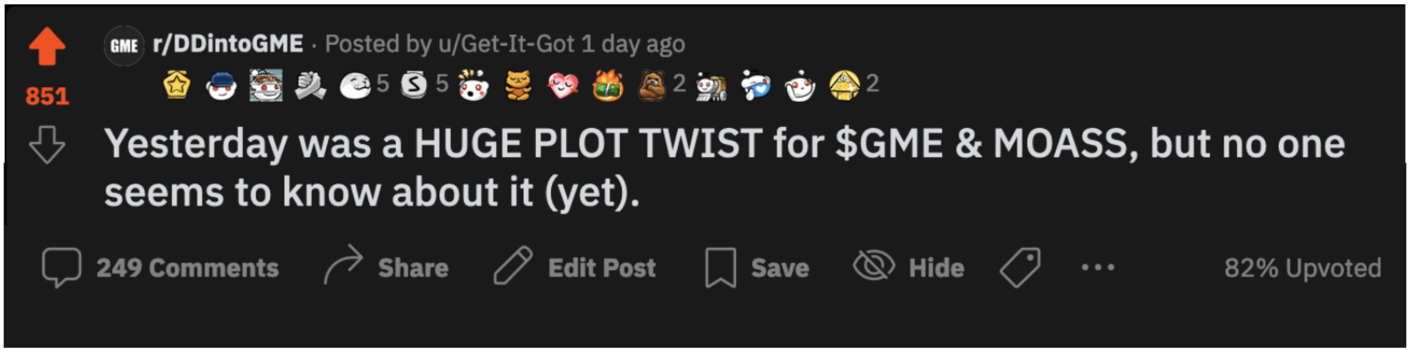
My Initial Post to r/Superstonk with Followers Enabled



Zero up arrows and 50% upvoted. It was always maintained at zero from the second I posted. More awards than up arrows. That's normal. Thanks, shills.

https://www.reddit.com/r/Superstonk/comments/phs8b9/yesterday_was_a_huge_plot_twist_for_gme_moass_but/?utm_source=share&utm_medium=web2x&context=3

My Re-Post to r/DDintoGME a few hours later with Followers Disabled



https://www.reddit.com/r/DDintoGME/comments/pi54wd/yesterday_was_a_huge_plot_twist_for_gme_moass_but/?utm_source=share&utm_medium=web2x&context=3

All that out of the way ...

When originally posted this, is had FUD stamped all over it, so let me be clear. This post pertains to retail missing out on OTC and pink sheet squeezes. I still firmly believe GameStop is going to moon. Probably not even our moon, but the moon of some planet in a distant galaxy. Buy, hodl, and shop at GameStop is still the way. Always has been. Rereading this post, I can see where the idea of FUD is coming from ... so I am going to edit this post for clarity. That said ...

Starting next week, we're going to see the power of the SEC's fully-operational battle station. And it's fucking HUGE!

TL;DR — As of yesterday (Friday 9/3), a new SEC rule change could have the effect of putting the halt on hundreds of squeezes that could have put added pressure on some SHFs.

Does this take away the potential for the MOASS as we imagined it to be? I honestly don't know. I hope not. In fact, it might have even cleared the launchpad in preparation for MOASS. But either way, I believe (and this isn't financial advice [none of this is] as I'm not a financial advisor) GameStop is still the best equity investment in any market, foreign or domestic. It's fundamentals are beyond sound. It's leadership is unmatched. It's special in that it straddles both growth and cyclical (to say nothing of emerging tech). And, based on it's unique trade-history profile, it's undoubtedly a hedge against market turmoil (and I suspect we'll see plenty of that very, very soon).

https://www.sec.gov/news/press-release/2020-212

https://www.sec.gov/rules/final/2020/33-10842.pdf

Perhaps well-intentioned, the immediate effect of SEC Rule 15c2-11 overhaul is this -- **Retail FOMO No Mo**. In other words, the thing that often gives a short squeeze its umph!, namely ... retail investors piling on in fear of missing out (FOMO), has been obliterated for hundreds of listings in the over-the-counter (OTC) market. Many of which should rightfully squeeze based on the trading abuses that have taken place in the past, and they would have provided MASSIVE amounts of fuel for the MOASS. **GameStop could have been the biggest, best rocket to the moon, but it would have been surrounded by hundreds or thousands of other mighty rockets, all headed to their own destinations. This isn't going to happen now (not the MOASS part, but the many, many rockets), and it feels criminal.**

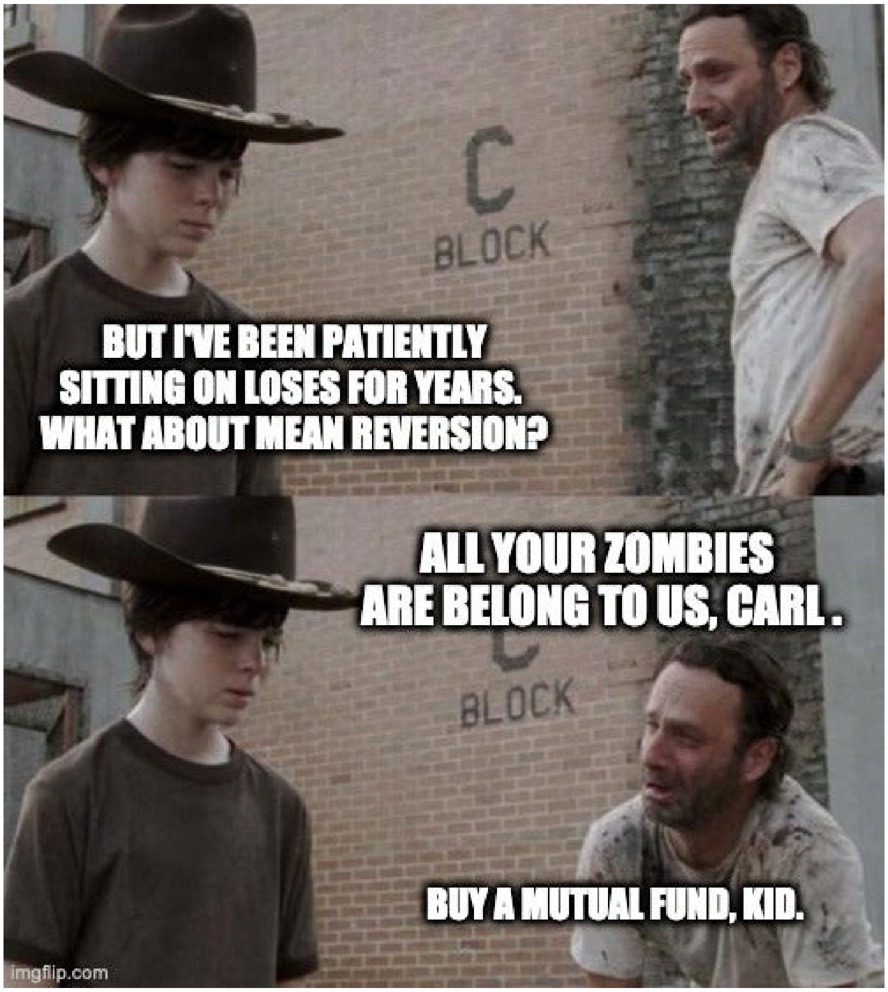
I believe (at least, a big part of me believes) this rule change is an effort to clean up a very big mess for some very bad actors. For decades, good companies have been unscrupulously attacked via a criminal cocktail of illegal shorting (including naked shorting, rehypothication, and generation of synthetic shares for profit [though created in the name of market liquidity]), thinly veiled violations of anti-trust laws, toxic debt arrangements (death spiral financing), "bust-out" schemes, and probably much, much more.

Here's a pretty good snapshot of the type of bullshit that's been happening in our markets over the years: https://www.rollingstone.com/politics/politics-news/greed-and-debt-the-true-story-of-mitt-romney-and-bain-capital-183291/

Mitt Romney at Bain's offices in Copley Plaza in Boston on October 29th, 1990.
Justine Schiavo/The Boston Globe via Getty

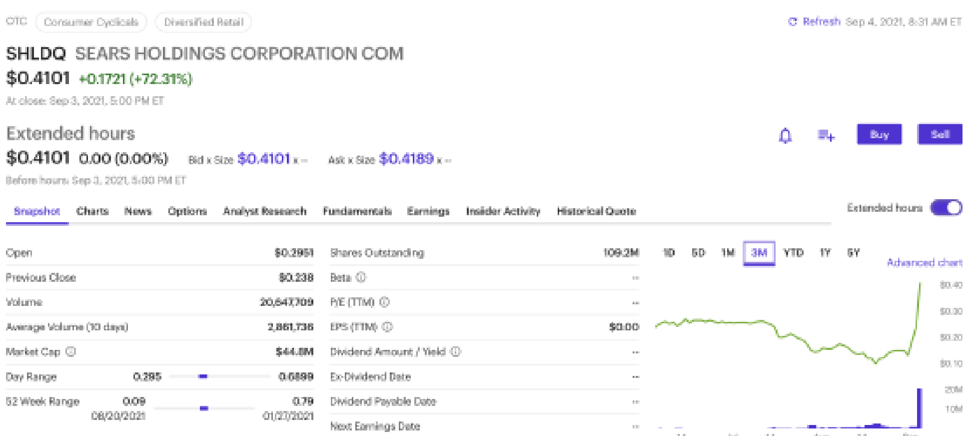
"When the note comes due, the mobster simply torches the restaurant and collects the insurance money. Reduced to their most basic level, the leveraged buyouts engineered by Romney followed exactly the same business model."

So with the enactment of SEC Rule 15c2-11 changes at market close yesterday (9/3/21), you and I and all other retail investors have been locked out of the imminent unwinding of decades of bullshit and the vast privateering of our companies, jobs, and economy. These crooks had no problem taking our money on the way down, but just as things are getting good and squeezy, all of a sudden we need to be protected?



If the idea really is to clear the books and make way for a blockchain-backed market (it seems like this is what Gary Gensler and the SEC might want -- I hope they are not more of the same con artists we've seen in the past), then the unwind that's about to happen in U.S. markets is going to be epic. But now much will happen in darkness. It's possible that sub-penny stocks will become dollar stocks in the throes of becoming truly worthless stocks. We saw a little bit of this yesterday with just a hint of retail buy pressure.

Take a look:



20MM+ shares traded, ~$10MM in value changing hands. This was not retail only, but had retail known about and been able to fully participate (imagine this covered on MSM), Sears would have broken out of pennies and into dollars, likely even tens or hundreds of dollars. It would have had a cascading effect and could trigger something like an "Everything Squeeze."

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Remember, buying of $SHLDQ had already been turned off for the vast majority of retail investors. Furthermore, few of the world's tens of millions of retail investors even know Sears stock still exists, or could even be bought (up until recently). Imagine if yesterday's move were covered on MSNBC. I believe yesterday was a legitimate squeeze, but it was massively managed and curtailed.

Here's the daily chart:

Short seller held the line at $.70

Look at the control applied to the $.70 line. It turns out the short volume ratio for yesterday for $SHLDQ was exactly 33.3% (https://fintel.io/ss/us/shldq). This follows days of 62% and 52%. The 33.3% shorting ratio feels like a brakeman to me ... I bet almost all of it was done by a small handful of entities working in concert, and it was done to protect the $.70 line for a very specific reason.

Collateral Damage

While the banner of 15c2-11 reads, "Retail Investor Protections, Combat Fraud" ... that's not really the reality. In fact, this move is going to hurt tons of legitimate companies and plenty of earnest retail investors. Check out all the very legitimate objections to these changes in the links below.

Objection to 15c2-11 Changes:

https://www.sec.gov/comments/s7-23-20/s72320.htm

https://www.sec.gov/comments/s7-14-19/s71419.htm

To summarize, they break down into two camps.

Camp A:

"One does not have to be a genius to understand that this uncertainty will lead to panic selling, lower liquidity and lower prices over the next few weeks. And the only market participants who will profit from this are the ones not affected by the upcoming rule changes. In other words, the current state of affairs is going to be profitable for professionals at the expense of retail investors."

https://www.sec.gov/comments/s7-23-20/s72320-246947.htm

Camp B:

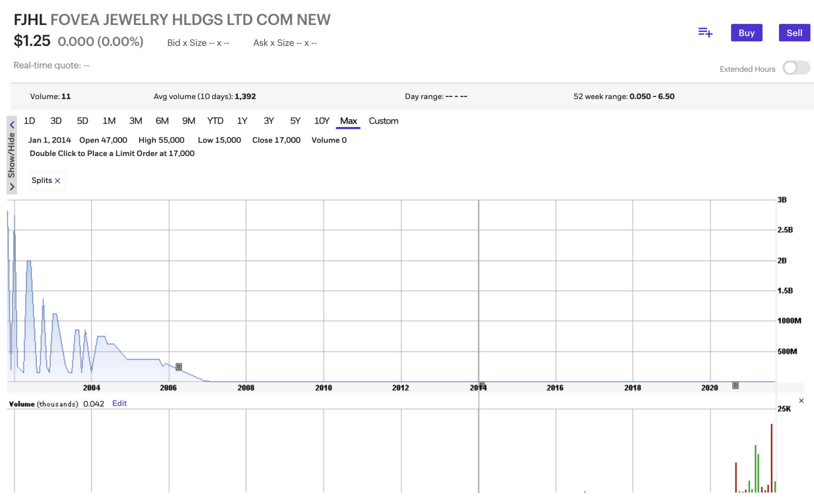
"I am a private investor who is active in unlisted OTC stocks that are far from the Wall St crowd or most investors. These companies are reputable often family controlled businesses that operate openly in many small and large cities throughout the US. Many have been around for 100 plus years and are well known and stalwarts in their respective communities.

In many cases they have historically ended up on the OTC and trade infrequently. In some cases managements and/or Directors are happy with their partial anonymity on the OTC and do not make it easy to obtain information or even their annual reports.

The proposed rule change will only give cover to such companies and endorse their lack of transparency. By making it a requirement for brokers posting markets in such stocks to obtain and distribute annual reports, they will be unable to do so because certain companies just won't provide them. Hence a shareholder or prospective shareholder is deprived of trading opportunities in such companies. This could also well lead to takeover offers by unscrupulous operators taking advantage of an uninformed marketplace."

https://www.sec.gov/comments/s7-14-19/s71419-6594717-202423.htm

So, in an effort to suppress the "Everything Squeeze," regulators are penalizing investors that have held onto abused stocks for years. Want to know what an abused stock looks like? Check this little gem out:



Yes, the top of that Y axis is a B, as in billions.

In 2006, FJHL had a reverse split of 1:250. In 2014 it had a reverse split of 1:1,000. And last year, it had a reverse split of 1:10,000. It has a 52-week range of $.05-$6.50. Earlier this year I bought a chunk of this company when the market cap was around $68,000. Now the market cap is at $10MM. Think I saw any gains? Nope. In fact, I'm down 72% on the trade. The only reason I held is because I know this company has been massively shorted, and this has obviously been the case for years. I'm hoping the right asshole gets liquidated and the games ends.

Check this out: https://fintel.io/ss/us/fjhl

Short volume ratio of 100% on multiple days. That means if some random retail investor (say me) comes and buys 100 shares, those are shorted shares looking for a buyer, not the other way around. This is an operation that requires monitoring, capital, etc. I have a hard time believing this is a single individual pulling this off, especially because there are hundreds of other FJHLs out there. This is systemic, and it's been ignored for decades. The hole is fucking deep. REAL DEEP.

And the FTDs ... no big deal, it's only a few hundred. Well remember, this piece of shit just went through a 1:10,000 reverse split. Numbers can be deceiving. It does average volume of 1,400 shares/day. And sometime all of it is short sale volume.

Now back to squeezes. If whichever hedge fund or other entity is pulling this shit were to have to make good on the rules, and they get liquidated, this stock (FJHL) would surely squeeze to enormous heights. But now the SEC has taken away the buy button. I wonder if they've also taken away the systemic risk of broad liquidations, the kind that would fuel the MOASS.

At face value, it looks like whomever was pulling this scam is going to get away with past criminal activity. Doesn't look like there is going to be that richly deserved comeuppance. Sure, the rule might prevent further abuses, but as stated in many of the objections above, this is going to open the door for other abuses.

We'll see what happens. Again, I have a little faith in GG (perhaps misplaced?). But as of right now, it feels a lot like this:

Edit #1: Here's a comment from u/Undue_Negligence, MOD over at DDintoGME. I thought the comment and my response were worth sharing here, hopefully for obvious reasons.

Undue_Negligence MOD · 1h
DDUI

Hi /u/I_IV_Vega! I am assuming you intended to join the discussion, rather than review this DD. The sticky is yours, so I'll add the brief review here until further notice (I consider it to address visitors to this submission):

Thanks for the submission /u/Get-It-Got ! I have a few comments.

-Only very questionable OTC stocks, i.e. black holes for money, are up for broker review (see e.g. the list of restricted stocks TD America now uses, which OP could've analyzed).

-OP seems pushing for a dramatic take, but never actually explains what (little) the 15c2-11 rule does. A business-casual review of the rule would probably hinder the drama: no OTC stock is restricted until a brokerage deems it to be questionable. Many OTC / pink sheets / penny stocks are indeed money sinks and there is no reason to assume these will moon **ever**, let alone at a useful moment.

-The DD is full of unstated speculation. Pretty much the latter three quarters are not grounded in fact. There are extremely-speculative assumptions.

-OP needs to warn apes not to YOLO into questionable OTC stocks. (Remember *The Wolf of Wallstreet*? Yes, that's **these** pink sheets.) Instead... While there may be OTC stocks with interesting properties, OP's exploration of only one of them (in which OP has a position) is suspect.

-I am changing the tag from Unreviewed DD to Speculation, and that is being kind. I am operating under the assumption that OP will add a detailed explanation of the rule.

2 Reply Give Award Share Report Save Follow

Get-It-Got OP · 51m · *edited 44m*

Fair points, u/Undue_Negligence

TD does a good job of explaining what the rule change means here (https://www.tdameritrade.com/retail-en_us/resources/pdf/TDA101550.pdf), and also provides coverage of affected tickers as of Aug. 30, as you indicate.

Mind that each brokerage will approach differently, but I believe the affected tickers are universal.

I did extensive analysis back in March/April and discovered many tickers that squeezed alongside GME in January, and are also included on this list. In an effort to not name any other positions I hold, I'll do further analysis when time allows and find some new names, and I encourage others to do the same. If on Tuesday it's clear that the button is gone, I assume it's kosher to share some of my positions since the option to buy is gone anyway. To analyze (for anyone interested) ... Simply pick a ticker off the TD list, look at the tape from January. If volume and price were way up in Jan./Feb. 2021, then review short interest, short volume ratio and FTDs on a site like fintel.io (https://www.sec.gov/data/foiadocsfailsdatahtm for historic data). Looking at a max chart is also helpful (take note of reverse splits, which are telling). If you find craziness in the FTDs and short positioning, good job, you've likely just discovered another bullet potentially dodged by a SHFs.

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Get-It-Got OP · 17m

u/Undue_Negligence Okay, love the flair. Speaking of which, back when I was opening position on these stocks (via eTrade), on more than one occasion, I buy a stock, then only a few days later go to add more and was unable to at they were suddenly added to eTrade's Caveat Emptor Stocks list (https://us.etrade.com/l/f/disclosure-library/otc). This was occur on a rolling basis, and seemed to pick up steam as we moved into late spring. It got to the point where I gave up on trying to find new opportunities ... I grew tired of finding something super interesting only to find out the door had already closed.

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Get-It-Got OP · 6m

Lo and behold, you can actually see what I'm talking about in the very first ticker on the list: AACS (I do not hold a position in AACS).

https://fintel.io/ss/us/aacs

52-Week range of .0003-.0099 (33x move), increased volume and price in February (really started to "squeeze" in July). If you check the tape, it'd be easy to interpret this as a controlled short sale closing.

If anyone take the time to do this analysis, they'll find these characteristics all over this list.

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bmallon42 · 32m

From what I understand, these OTC zombie stocks aren't available to retail so to say they're trying to lure in retail interest doesn't really add up. The explanation that various HF or institutions are trading these back and forth and boosting the price in order to increase their collateral thus avoiding margin calls seems to make more sense.

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Get-It-Got OP · 4m

Or a MM (Shitadel) is generating and selling off tons of synths so they collect up all the garbage while simultaneously handing out get-out-of-jail-free cards to the SHFs). Then, when everything blows up, Shitadel takes the fall for abusing their MM liquidity privileges. How neat and tidy would that be? Problem solved all the way around.

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