**Synopsis:** The following consists of research conducted by Alexander Holland, and Chris Hamberg. We strive to make this presentation as concise as possible. The contents, and statements made in this compilation should not be taken as financial advice. This synopsis is intended to be digestible for the average reader, such that scientific literacy is not necessary for understanding the results. The target audience for this report are AMC shareholders interested in the best outcome for their position.

We have conducted rigorous scientific research with peer review on Adam Aron's 8K proposals. Those proposals can be defined as:

1) Conversion of Ape shares back into AMC shares
2) 10:1 reverse stock split of AMC shares
3) The approval to issue more AMC shares into the market

Every shareholder has to right to vote on those proposals each and separately. Possible votes are 'yes' and 'no'. Proposals (1) and (2) together shall henceforth be referred to as 'reverse-split-conversion'.

Concisely, our results show undeniable evidence in support of the position to vote "No" to all 3 proposals. That is, for AMC shareholders interested in acting in their best interests for their AMC long positions.

There are features about our research to take note of: included are

1) two theorems each supported by generalized mathematical universal proofs corroborated by peer review proof verification: laying rigorous foundations for our framework,
2) four tables demonstrating the implications following from (1), therefore granting insight into the 8K proposals,
3) 6 data visualizations on selected features from those tables,
4) two algorithms with English descriptions showing reverse-split-conversion provides back door exploits advantageous for AMC shorts.

In this research, precluding the underlying mathematics, our models were constructed twice each in isolation: one rendition in Excel, and the other in the Python programming language data science tool set. In each model implementation we find identical results.

For the purpose of mitigating severe analytic complexity we make the following fundamental assumptions, (although we can none-the-less expect relative consistency, within unknown limits.)

1) We assume the shareholder held shares of AMC pre-exdiv, and has neither bought nor sold either of AMC nor APE since.
2) Arbitrarily, we assume a share price of $4 for AMC, and $1.50 for APE, unless specified otherwise.
3) We assume a pre-exdiv cost basis of $10, unless specified otherwise.
4) We assume an APE free float size of 1.032 billion, unless specified otherwise.

**The following is the conclusive, and concise summary of the scientific facts under those prescribed conditions:**

A) Theorem 1 proves that all pre-exdiv cost basis consistent with our model will be multiplied by 5 in the event that reverse-split-conversion occurs. Meaning: a severe degradation in strategic positioning, with relative consistency within unknown limits because the baseline for generating profits will be uplifted.

B) Theorem 2, and Table 1 show the effect of recombination in isolation precluding ANY dilution. For analytic purpose.

C) Table 1 is primarily only of theoretical interest, and can be ignored by most readers. Tables 2, 3A, and 3B are of very high interest, and should be carefully observed. Tables 2, 3A, and 3B include column definitions, rigorous data interpretations, and help sections for interpretation. Table 2, and Table 3B show the severe consequences of full reverse-split-conversion (RSC). Table 3B shows a significant harmful effect to existing AMC shareholders caused by the dilutive properties of APE. Table 3A shows the catastrophic effects of 10:1 RS.

D) Algorithm 1, and Algorithm 2 are exploits shorts could use to their advantage in the event that reverse-split-conversion occurs. Each algorithm includes its simple description, in English. Please take the time to understand those descriptions. The 8K proposals are indeed the MOASS-killer Trojan Horse.

E) The first row of plots in the plots document are the same. The plot on the right-hand side is on a logarithmic x-axis for enhanced visualization. These plots correspond to features in Table 2. Refer to the Table 2 description for more information, in the tables document.

F) The plot 'Comparative RSC effect on pps Percentage P/L' relates to features in Table 3B. Refer to the Table 3B description.

G) The plot to the right of (F) shows the effect of scaling dilution on share prices, within the range of 1.032 billion to 1.548 billion shares. Because market cap doesn't change, the share price is lower with more shares of the free float.

H) The final two plots are the same. The 'pre-RSC AMC+APE' dataset is excluded from the left-hand plot for enhanced visualization. The plot is the price per share increase proportional to market cap (based on 516 million free float partitions.) Careful study of this, Table 3B, and the plot mentioned in (F) reveals catastrophic PL loss caused by reverse-split-conversion.

**Conclusions:** We conclusively determine that the effects of the 8K proposals (RSC) would be brutal against AMC long position holders. We see catastrophic negative impacts on PL, both immediate and with increased severity given nonzero price deltas (in the future,) by Table 2 and Table 3B. By Table 3A, and Table 3B, we see multiplicative losses at scale. Moreover, we clearly see severe degradation on shareholder strategic positioning, by Theorem 1, and by Table 3A. By Table 3B, we see the harmful effect caused to 'dividend' recipients by the dilutive properties of APE. Quite frankly, our non-opinionated, and purely scientific findings strongly indicate that the 8K, and APE issuance align exclusively with the interests of over leveraged AMC short positions. To be perfectly clear, if shareholders will vote in favor of the 8K proposals it would:

1) cause devastating losses to retail, therefore containing retail shareholders in AMC (perhaps for many years,)
2) provide over leveraged shorts a back-door way out of their short positions, by reducing the overall amounts of their existing short exposure, giving more headroom for shorting the stock even further, and to cover over leveraged short positions through more stock dilution by Adam Aaron. Even if the stock would "squeeze" after reverse-split-conversion, potential long gains and shorts potential costs are both reduced by 90% with every $ on the upside movement of the stock, and
3) prevent AMC stock from MOASS. To assume it would still have the potential to reach MOASS highs is outside the realm of possibility regarding stock dilution risks after reverse-split-conversion.

By Table 3B together with the overarching 8K analysis, it would appear that the 8K is the Trojan Horse; APE is what opened a back-door exploit to deliver that horse, (along with an exploit on the vote, however, I should state that any so-called 'vote exploit' is not directly demonstrated by our analysis.) In addition to the horrid effects demonstrated by our analytics, the 8K is ultimately a back handed way to propose a 1.032B share dilution directly on AMC. Which will negatively impact share prices, strategic positioning, shareholder PL, and voting rights; all with extreme severity.

One must wonder why the initially specified plan is not adhered to, that is: to use APE to raise capital for the purpose of paying-off a significant portion of debt? Why not just 10:1 RS APE, and or do an APE private offering to retail? We find by Table 3B, that APE issuance has thus far merely been a financial sacrifice made by retail resulting in an insignificant mitigation with respect to the debt burden; that sacrifice was never approved by shareholders, but it is the case, by the facts in our analysis, that sacrifice will only be exacerbated by reverse-split-conversion. Moreover, it begs the question: calling for an 'Emergency Shareholder Meeting', therefore suggesting an urgent need to raise capital, yet no alternative strategy is presented along side reverse-split-conversion? Can that truly be taken seriously? An immediate capital requirements need has not even been demonstrated, let alone quantified. The board should transparently demonstrate their analytics on the financial statements showing their evidentuary based reasoning supporting the claim that a need for dilution even exists. We ultimately conclude that voting no to all three 8K proposals is in the best interest for AMC shareholders.

# Table 2

| c | 5c | pre-rsc pps loss | rsc pps loss | pre-rsc P/L% | rsc P/L% |
|---|---|---|---|---|---|
| 5 | 25 | 0.25 | -1.7 | 10.00% | -6.80% |
| 10 | 50 | -2.25 | -26.7 | -45.00% | -53.40% |
| 15 | 75 | -4.75 | -51.7 | -63.33% | -68.93% |
| 20 | 100 | -7.25 | -76.7 | -72.50% | -76.70% |
| 25 | 125 | -9.75 | -101.7 | -78.00% | -81.36% |
| 30 | 150 | -12.25 | -126.7 | -81.67% | -84.47% |
| 35 | 175 | -14.75 | -151.7 | -84.29% | -86.69% |
| 40 | 200 | -17.25 | -176.7 | -86.25% | -88.35% |
| 45 | 225 | -19.75 | -201.7 | -87.78% | -89.64% |
| 50 | 250 | -22.25 | -226.7 | -89.00% | -90.68% |
| 55 | 275 | -24.75 | -251.7 | -90.00% | -91.53% |
| 60 | 300 | -27.25 | -276.7 | -90.83% | -92.23% |
| 65 | 325 | -29.75 | -301.7 | -91.54% | -92.83% |
| 70 | 350 | -32.25 | -326.7 | -92.14% | -93.34% |
| 75 | 375 | -34.75 | -351.7 | -92.67% | -93.79% |

Table 2 Data Definition:

| | |
|---|---|
| c: | *pre-exdiv cost basis as defined by Definition 1.* |
| c5: | *post-reverse-split-conversion cost basis as defined by Theorem 1.* |
| pre-rsc pps loss: | *price per share loss, post-exdiv, but pre-reverse-split-conversion.* |
| rsc pps loss: | *price per share loss, post-exdiv, but post-reverse-split-conversion.* |
| pre-rsc P/L%: | *post-exdiv, but pre-reverse-split-conversion profit/loss as percentage.* |
| rsc P/L%: | *post-exdiv, but post-reverse-split-conversion profit/loss as percentage.* |

**Salient Features:** This table shows two catastrophic negative effects of reverse-split-conversion. We compare reverse-split-conversion to the status quo that existed prior to APE issuance. To read the table: for each pair of adjacent columns we compare the two states: on the left-hand side (state 1) pre-exdiv (before APE,) and on the right-hand side (state 2) the effect of reverse-split-conversion. The aforementioned adjacent columns are as follows: 1) in the left-most pair of columns a comparison across the range for all cost basis c and c5, from Definition 1, and from Theorem 1, 2) in the middle two columns, the hard price per share loss comparison in dollars, 3) in the right-most pair of columns, we compare percentage P/L. Notice P/L percentages decrease (incurs loss) as an immediate consequence of reverse-split-conversion. Refer to the first row of plots in the plot document for the percentage P/L data visualizations.

**Help:** This table shows two immediate negative impacts of reverse-split-conversion compared to pre-exdiv (before APE.) First, take for example, column c at $20. If we assume, that even with great fundamentals, AMC will not be traded at as much as $100, that means for every shareholder with a cost basis of $20 or more (before APE, and within unknown limits consistent with our fundamental assumptions from the synopsis,) a recovery from losses will not be possible after reverse-split-conversion, without any type of short squeeze. More generally, The left-most two columns show the immediate effect on cost basis, which is a severe degradation on strategic positioning. If you were at a loss in your position, column c shows the price at which you recover when reverse-split-conversion is not the case. Column c5 shows the price at which you recover when reverse-split-conversion IS the case. The middle two columns show the same severe degradation on strategic positioning, but in terms of dollar amount per share PL. In other words, that is by how many dollars you would be down for each share correspondent with column c where c is pre-exdiv cost basis defined by Definition 1.

Second, the right-most two columns show the immediate impact on PL percentage caused by reverse-split-conversion at the reverse-split-conversion price calculated by the assumption that AMC is trading at $4, and APE is trading at $1.5. We can anticipate a similar disparity so long as AMC is trading for more than APE, with increasing severity in terms of negative impact as the distance between AMC and APE share price widens. That is to say, under current conditions, and conditions consistent with the current conditions you will incur a loss on PL, provided that your disposition is consistent with our fundamental assumptions within unknown limits. The PL disparity in this table using the specified parameters is demonstrated by data visualization in the first row of plots in the plots document.

# Table 3A

| conversion pps | rsc pps | conversion pps P\L | rsc pps P\L | conversion P\L | rsc P\L |
|---|---|---|---|---|---|
| 2.33 | 23.30 | -7.67 | -26.70 | -7,670.00 | -2,670.00 |
| 12.33 | 33.30 | 2.33 | -16.70 | 2,330.00 | -1,670.00 |
| 22.33 | 43.30 | 12.33 | -6.70 | 12,330.00 | -670.00 |
| 32.33 | 53.30 | 22.33 | 3.30 | 22,330.00 | 330.00 |
| 42.33 | 63.30 | 32.33 | 13.30 | 32,330.00 | 1,330.00 |
| 52.33 | 73.30 | 42.33 | 23.30 | 42,330.00 | 2,330.00 |
| 62.33 | 83.30 | 52.33 | 33.30 | 52,330.00 | 3,330.00 |
| 72.33 | 93.30 | 62.33 | 43.30 | 62,330.00 | 4,330.00 |
| 82.33 | 103.30 | 72.33 | 53.30 | 72,330.00 | 5,330.00 |
| 92.33 | 113.30 | 82.33 | 63.30 | 82,330.00 | 6,330.00 |

Table 3A Data Definition

| | |
|---|---|
| conversion pps: | *conversion ONLY hypothetical price per share increasing in $10 increments.* |
| rsc pps: | *similar to above, but includes the effect of 10:1 reverse split.* |
| conversion pps P/L: | *conversion ONLY per share profit/loss in dollars.* |
| rsc pps P/L: | *similar to above, but includes the effect of 10:1 reverse split.* |
| conversion P/L: | *conversion ONLY total P/L on 1,000 shares.* |
| rsc P/L: | *similar to above, but includes the effect of 10:1 reverse split, thus 100 shares.* |

**Salient Features:** This table demonstrates the scenario in which an ordinary short squeeze occurs up to a $90 gain. Of course these are not MOASS numbers, but there is no danger in extrapolation because the differential is a constant factor by ten. We compare conversion in isolation with full reverse-split-conversion together. This table demonstrates clearly the harmful effect we find for 10:1 RS. Similar to Table 2, we compare adjacent columns. The first row in the left-most pair of columns consists of the initial share price upon conversion ONLY (left,) and upon the full reverse-split-conversion (right) where that share price is calculated as described by Defintion 4 using the parameters specified in the Help section from Table 2. Each of those 2 columns is then incremented by $10 each row traversal downwards, thus generating a model by which we may compare PL increases with share price increases during a hypothetical short squeeze in both cases: the case in which conversion occurs in isolation, and the case in which both conversion and 10:1 reverse-split occurs. The middle two columns are the per share PL for each case: conversion ONLY (left,) and full reverse-split-conversion (right.) The right-most two columns consist of total PL given conversion ONLY (left,) and full reverse-split-conversion (right.) We assume 500 pre-exdiv shares, therefore 1,000 shares upon conversion ONLY, and therefore 100 shares upon 10:1 RS. The difference between the two right-most columns (total PL) is alarming. As much as by two orders of magnitude difference occurs in one of the rows while for all other visible rows the difference is always at least greater than one order of magnitude. That is an enormous loss in PL by a factor greater than 10, caused by 10:1 RS. The reason why this occurs is because upon RS 10:1 nine (of pre-split) shares no longer can generate PL.

**Help:** This table illustrates the catastrophic negative effects of 10:1 RS in isolation so that those negative effects are made clearly visible, by making the comparison to the case in which only conversion takes place. We tabulate a hypothetical short squeeze up to a $90 gain in the stock price. The important thing to note about this table are the right-most pair of columns where we can clearly see the full catastrophic negative impact on gains caused directly by 10:1 RS.

# Table 3B

| Market Cap (billions) | MV APE | MV RSC | MV AMC+APE | MV AMC | AMC-RSC Loss |
|---|---|---|---|---|---|
| 100.0 | 48,450.00 | 64,599.00 | 77,675.00 | 96,900.00 | -32,301.00 |
| 200.0 | 96,900.00 | 129,199.00 | 150,350.00 | 193,800.00 | -64,601.00 |
| 300.0 | 145,350.00 | 193,798.00 | 223,025.00 | 290,700.00 | -96,902.00 |
| 400.0 | 193,800.00 | 258,398.00 | 295,700.00 | 387,595.00 | -129,197.00 |
| 500.0 | 242,250.00 | 322,997.00 | 368,375.00 | 484,495.00 | -161,498.00 |
| 600.0 | 290,700.00 | 387,597.00 | 441,050.00 | 581,395.00 | -193,798.00 |
| 700.0 | 339,145.00 | 452,196.00 | 513,720.00 | 678,295.00 | -226,099.00 |
| 800.0 | 387,595.00 | 516,796.00 | 586,395.00 | 775,195.00 | -258,399.00 |
| 900.0 | 436,045.00 | 581,395.00 | 659,070.00 | 872,095.00 | -290,700.00 |
| 1000.0 | 484,495.00 | 645,995.00 | 731,745.00 | 968,990.00 | -322,995.00 |
| 1100.0 | 532,945.00 | 710,594.00 | 804,420.00 | 1,065,890.00 | -355,296.00 |

Table 3B Data Definition

Market Cap (billions): *hypothetical market cap scenario in $100 billion increments.*
MV APE: *the market value of 500 shares of APE at that market cap.*
MV RSC: *the market value of 100 shares of AMC after reverse-split-conversion.*
MV AMC+APE: *the market value of 500 AMC + 500 APE with the market cap equally distributed.*
MV AMC: *the market value of 500 shares of AMC post-exdiv, but without rsc.*
RSC-AMC loss: *the difference between AMC (only,) caused by reverse-split-conversion*

**Salient Features:** Most of the comments in this description can be ignored for most readers, however there are some important features to take note of. This table is similar to Table 3A, in that we model a hypothetical short squeeze scenario. MV means market value. We increment market cap by $100 billion, in the 'Market Cap (billion)' column, and observe the difference across the columns. 'RSC-AMC loss' is the arithmetic difference between columns 'MV RSC' and 'MV AMC'. All other columns in the table are the market valuation, for a holding, in a ticker (or combination of tickers.) Market caps below $100 billion are excluded to reduce visual noise. On that note, each column is bounded from above by it's subsequent column, meaning that the data features are consistent across ALL possible market caps. There are data visualizations complementing this table in the plots document. The plot in the second row, and left column of that plots document provides a visualization on the PL percentage disparity occurring between 'MV AMC', and 'MV RSC' consistent with the modeling in this table. The final row of plots in the plots document shows a visualization of the market cap to share price relationship calculated by the standard formula $M_n = pps_n \cdot f_n$ consistent with the modeling in this table. Consistent with our preliminary assumptions, we assume a pre-exdiv AMC position of 500 shares. Thus, post-exdiv consisting of 500 AMC shares, and 500 APE shares, for a total of 1000 shares. Which implies a holding of 100 shares given reverse-split-conversion. For nerds: this table is constructed by the function $\phi$. Let $\phi$ be a function on the domains market cap $M_n$, free float $F_n$, and the integer number of shares $S_n$, to the codomain market value $MV_n$, such that $\phi(m_n, f_n, s_n) = s_n(m_n/f_n) = mv_n$. $n$ is the ticker. For all columns on the function $\phi$ we set $s_n = 500$ except column 'MV RSC' where $s = 100$. $\phi$ has no dependency on $c$ from Definition 1. However, if we assume $c = 10$ consistent with the assumptions described in the synopsis, it then follows from Theorem 1 that the cost basis for AMC or APE in this model is $c\prime = 5$, and per share PL $= pps - c\prime$. So whenever $n$ is AMC or APE, it follows that

$$s_n(pps - c\prime) + s_n c\prime = s_n(pps - c\prime + c\prime) = s_n(pps) = \phi(m_n, f_n, s_n)$$

If $n$ is RSC, then the above remains true by replacing $c\prime$ with $c\prime\prime$, by Theorem 1. To construct the column 'MV AMC+APE' we take the market cap $m$ and distribute it evenly between AMC and APE. Thus 'MV AMC+APE' is the sum of functions

$$\phi\Big\langle \frac{m}{2}, f_{AMC}, s_{AMC} \Big\rangle + \phi\Big\langle \frac{m}{2}, f_{APE}, s_{APE} \Big\rangle = mv_{AMC} + mv_{APE} = \texttt{column 'MV AMC+APE'}$$

**Help:** Despite the terse 'Salient Features' section, I doubt much help is required to understand what this table shows, as it is largely intuitive. Without reverse-split-conversion, at a market cap of 1.1 trillion dollars in AMC alone you are a millionaire. Given reverse-split-conversion, at that same market cap you fall short approximately by negative $355,000. A 33% real loss caused, in part by the issuance in APE, but directly by reverse-split-conversion. Also note that for each ticker column in this table, moving from left to right, the left-hand column always describes a less desirable state compared to all proceeding states on the right. This table also shows, without question, an implication of equality between pre-reverse-split-conversion and post-reverse-split-conversion absolutely does not exist; that is, reverse-split-conversion implies catastrophic loss, see column 'RSC-AMC loss' for proof. To be perfectly clear, after reverse-split-conversion AMC stock price must be traded at a significantly higher base to reach the same pre-split-conversion market cap of AMC. This means, in the long term, existing and future investors have to value the stock price of AMC even more on their revenue and ability to pay out cash dividends in the future to reach new necessary highs of the stock. For example, if people see AMC as a $20 stock they won't change their mind to revalue the price to $200 before buying it. The same is true for financial analysts and institutional investors. Finally, from this table we can see that the issuance of APE was also incredibly harmful to AMC shareholders, and their financials. Apparently due to the dilutive properties about APE. Where an alleged 50% of shareholder equity was diluted without legitimate shareholder approval.

# Two VERY important algorithms shorts will almost certainly use, provided RSC

**Algorithm 1** The Converse Short Squeeze Evasion

**if** short $\Theta$ shares of AMC pre-exdiv **then**
    $\Theta$ shares short APE post-exdiv
    **if** APE is cheap **then**
        take profits on $\Theta$ shorts on APE
        use profits to go long $\Theta$ shares APE
**else if** short $\Omega$ shares of AMC post-exdiv **then**
    **if** APE is cheap **then**
        go long $\Omega$ shares APE
AMC $\leftarrow$ APE ▷ conversion: long APE becomes long AMC
**if** $\langle \Theta + \Omega \rangle$ APE conversions **then**
    return $\langle \Theta + \Omega \rangle$ APE conversions to lender $\therefore$ closing $\langle \Theta + \Omega \rangle$ AMC shorts
    short squeeze evaded $\leftarrow$ **True**
    shorts profit off Apes $\leftarrow$ **True**

*In English: suppose you were short n shares of AMC, and you go long n shares of APE. Suppose further APE were converted to AMC. ABRACADABRA: you now have n shares of AMC long from n APE convertibles to return to your lender n:n. No short squeeze.*

*Note: a corollary following from this algorithm dispels cusip id myths. 2n shares long APE, and upon conversion: shorts have the 2n shares to return for both their original n shares AMC short position, and their n shares APE short position; correspondent with the cusip id mythology. Therefore, even if it were true that changing cusip id would somehow force shorts to cover they could, and likely would, just use this to evade a short squeeze. I'm sure they thought of all of this way before me; especially those with larger holdings.*

**Algorithm 2** The 10:1 Reverse-split MOASS Killer

retail diamond hands $\Gamma$ shares of AMC
**if** $\Gamma == 516,000,000$ **then**
    **if** Retail diamond hands $\Gamma + \lambda$ shares of AMC **then**
        $\lambda$ shares are short exempts
        $\lambda$ naked shorts $\leftarrow \lambda$ short exempts
        retail holds $\lambda$ naked shorts as if real shares in their accounts
        **if** $10:1$ RS **then**
            naked shorts $\leftarrow \lambda \div 10$
            market maker evades squeeze $\leftarrow$ **True**
            market maker profits off Apes $\leftarrow$ **True**
            MOASS possible $\leftarrow$ **False**

*In English: this algorithm is trivial. Suppose retail BUY & HODL such that all company issued shares are in diamond hands. Yet retail continues buying. So the market maker sells short exempts as if they were real shares. So retail is buying those short exempts, and those short exempts are sitting in retails brokerage accounts as if they were real shares. Naked shorts is an alias for short exempts. So if 10:1 RS erases 90% of the shares in retails accounts, and the shares in retails accounts are those naked shorts (and they must be, if you believe that retail has bought more than the float, and never sold a significant number of shares, if any at all) then it trivially follows that erasing 90% of those shares (naked shorts) held by retail must erase 90% of the naked shorts. Since they are exactly the same, identical, shares.*

**Definition 1:** Let $s$ = number of shares you own, $p$ = how much money you spent. Then we say cost basis $c$ is $c = \frac{p}{s}$
**Definition 2:** If $a$ is the daily close of AMC, then given $s$ from Defintion 1, $as = v_1$ such that $v_1$ is the amount of money you have in AMC.
**Defintion 3:** If $e$ is the daily close of APE, then given $s$ from Defintion 1, $es = v_2$ such that $v_2$ is the amount of money you have in APE.
**Defintion 4:** Let $m_1$ be the market cap of AMC, and $m_2$ be the market cap of APE. Let $f_1$ be the free float of AMC, and $f_2$ be the free float of APE. The diluted post-conversion share price is $\frac{\langle m_1+m_2\rangle}{\langle f_1+f_2\rangle}$

**Theorem 1.** *Suppose $p$ is constant. Pre-exdiv AMC cost basis $c$ increases to cost basis $5c$ post-reverse-split-conversion.*

*Proof.* Create APE, thus cost basis $c\prime = \frac{p}{2s}$ such that $c = c\prime + c\prime$ and the number of shares you own double. To perform the reverse split operation on your shares $2s$ first isolate $2s$ in the equation: $2s = \frac{p}{c\prime}$. 10:1 reverse split, by dividing by 10: $\frac{2s}{10} = \frac{p}{c\prime\prime}$ such that $c\prime\prime = \frac{c\prime}{10}$. Since cost basis $c$ is defined as $\frac{p}{s}$ it follows that

$$\frac{2s}{10} = \frac{p}{c\prime\prime} \quad \longrightarrow \quad c\prime\prime = \frac{10p}{2s} \quad \longrightarrow \quad c\prime\prime = 5\Big\langle\frac{p}{s}\Big\rangle$$

In other words, given a constant $p$, pre-exdiv AMC cost basis $c$ increases to cost basis $c\prime\prime = 5c$ post-reverse-split-conversion. □

**Theorem 2.** *Suppose no dilution whatsoever on APE, and pre-exdiv constant $s$. The price per share post-conversion is $\frac{a+e}{2}$*

*Proof.* From Definition 2 and Definition 3, $as + es = v_1 + v_2$. Hence,

$$s\langle a+e\rangle = v_1 + v_2 \quad \longrightarrow \quad a + e = \frac{v_1+v_2}{s}$$

$s$ is defined by Defintion 1, and APE doubles $s$ by Theorem 1, hence: $\frac{a+e}{2} = \frac{v_1+v_2}{2s}$ Since $v_1 + v_2$ is the sum of money in both AMC and APE together, and $2s$ is the number of shares you have by Theorem 1, it follows that $\frac{a+e}{2}$ must be the price per share when the equity in AMC and APE are combined together. That is, $\frac{a+e}{2}$ is the price per share post-conversion, given pre-exdiv constant $s$. □

**Recombinant APE & APE (without dilution) Breakdown:** Again, assuming APE were never diluted, assume the current share prices of AMC and APE are approximately \$4.00 and \$1.50 respectively. Theoretically, recombination will result in the price of AMC being the average of the two such that: $\frac{4+1.5}{2} = 2.75$ = the recombinant share price. This follows from the fact that $2.75 \cdot 2s = v_1 + v_2$, where $s$, $v_1$, and $v_2$ are from the Defintions.

Table 1: Comparative Effect for APE + Reverse Split Conversion

| $c$ | $c\prime\prime$ | **P\L (per share)** | $\Theta$ | $\Omega$ | $c\prime\prime 100$ | $c500$ |
|---|---|---|---|---|---|---|
| 5 | 25 | 2.50 | - | - | 2,500 | 2,500 |
| 10 | 50 | -22.50 | 5.16 | 5.16 | 5,000 | 5,000 |
| 20 | 100 | -72.50 | 10.32 | 10.32 | ... | ... |
| 30 | 150 | -122.50 | 15.48 | 15.48 | ... | ... |
| 40 | 200 | -172.50 | ... | ... | ... | ... |
| 50 | 250 | -222.50 | ... | ... | ... | ... |
| 60 | 300 | -272.50 | ... | ... | ... | ... |
| 70 | 350 | -322.50 | ... | ... | ... | ... |
| 80 | 400 | -372.50 | 41.28 | 41.28 | 40,000 | 40,000 |

*$\Theta$ is the recovery market cap provided vote no (in billions.)*
*$\Omega$ is the recovery market cap provided vote yes.*