

# A Theory of Everything AMC: Wanda, AMC, the SEC, and Lawsuits

**Not Financial Advice**

Disclaimer: Everything that is about to follow is speculation. It is purely a theory of mine based on known facts and common sense. Any dates included are to provide context. They do not indicate the beginning, middle, or end of the impending squeeze.

Disclaimer #2: I am not a financial advisor, this is not financial advice, I just really like this stock.

TL;DR- Wanda, AMC, and the SEC are working together to build a case against the major short sellers committing blatant fraud daily that is suppressing the price of AMC stock. Wanda and AMC will stand to make a lot of money in lawsuits for capital losses. Meanwhile, the SEC will be able to prosecute fraudulent entities using information shared by AMC.

The Players:

Wanda America Entertainment- Before February of 2021, Wanda had voting stake in AMC and was the single largest institutional shareholder of AMC. In early February 2021, Wanda converted class B common stock to class A common stock, which allowed them to sell shares on the open market. On March 19-20, 2021, Wanda sold 15.6 million shares of AMC stock, reducing their holdings from 8.8% of AMC common stock to 6.8% of AMC common stock. Pay attention to those dates

AMC Entertainment- Led by CEO Adam Aron, AMC has staved off bankruptcy during the COVID-19 pandemic. They have raised a total of 752 million dollars from direct offerings in 2021. That is in addition to the funds raised in december 2020. This influx of capital has put AMC into a position that they can maintain operation at current levels until the end of 2022, per their Q1 2021 earnings call. The first dilution of 2021 put an additional 63.3 million shares on the market. That was completed on January 27, 2021. The second dilution was the ATM offering program that completed the sale of 43 million shares from April 27 to May 12. Remember these dates too.

Securities and Exchange Commission- As the lead regulating agency for the stock market, the SEC is supposed to legislate, investigate, and prosecute any entity committing securities fraud. We vilify them, and rightfully so. They have taken a sideline seat and watched as we battled back from our own 1 yard line to be 1st and goal today. Their only interest in all of this is to mitigate the effect on our economy as a whole and to prosecute the offending parties. In order to do that they need evidence. Not just evidence of when and what (dates, naked shorting amount, illegal FTD resets, etc), but also the WHO. We all have our sights on Citadel, but they are not the only complicit player here. This is systemic and market-wide. AMC and GME are not the only securities affected by this, but that are the most public. They are also the ones that can provide information that the SEC desperately needs.

The Game:

Remember when I said to pay attention to the dates before? Well, lets dig into those.

January 27- This was D-day for the HFs. We had them cornered, a squeeze was imminent. Share price rocketed to over \$20 a share, trading halts comprised most of the market hours, brokers weren't allowing people to buy, and Apes were throwing shit all over the walls with excitement. Marge was dialing. During all of this, at the peak of all peaks, with us getting ready to get out of the atmosphere, AMC announced the 63 million share dilution. The following day, AMC plummeted to the 10-14 range, and started its descent back down to \$5 a share. Why would they do this now? It doesn't make sense until you read below.

March 18-20- On March 18th, AMC is on the rise. We are about to break a critical resistance level at \$14.50. Intraday, we break that wall. We are all watching patiently to get our tendies out of the fryer. It feels like January 27th all over again. Then, March 19th comes and instead of going up, share price drops. Not as heavily as on the 27th, but it doesnt continue the upward trend. All of a sudden shares available to borrow goes from 0 to millions. Apes are confused. It doesn't make sense. We broke the wall. it's time to move. Maybe it's just the last breath of the HFs before they let it run and Marge calls.

March 20th rolls around, and again, the share price drops. This time, we crash below the \$12.50 support level. In the following days, we come back down to the 10-11 dollar range, where we sat until the end of April. We later found out through 13F filings that Wanda sold 15 million shares, stalling our ascent and bringing us back down to earth. Why would a company who stands to gain billions from a squeeze do this? It doesn't make sense until you read below.

End of April 2021- Once again, we are on the rise. Not quite to the \$14.50 break point, but we are in a streak of green days, shares available to borrow are almost gone, and cost to borrow is skyrocketing when they are available. It feels like January and March again. We're getting ready to break 12.50 and gap up to the 14s again. Then, AMC announces its ATM offering program. Once again, from the 27th of april through the end of May, we drop back to the 10-11 dollar range. We found out at the Q1 earnings that during this period of descent, AMC had sold over 15 million shares onto the market, raising a significant amount of capital. Once again, we plummet back to earth. Why would a company sacrifice billions in profits off of the ATM offering to sell all of it's remaining sellable shares at 9.50-10.50 a share? It doesn't make sense until you read below.

Where are we at today- Once again, we are getting ready to break the resistance levels, and shares available to borrow are somehow appearing out of nowhere. Borrow rates have dropped 75 percent in a week, and every time we push that level of resistance, we get pulled back down. Does this sound familiar? I think Wanda is unloading another block of shares. This is horribly bad for us right? Can't be good? Wrong. This was always the plan, it was always the game. They're adding shorty rocket fuel. FOMO is kicking in. Retail is seeing a huge increase in liquidity as new buyers join in for liftoff. It is the perfect time to drop shares if you are intentionally delaying the squeeze. Those shares are gone almost immediately. Literally, if they sell at open, even the full 30 million would get eaten up in the first hour of trading. In order to figure out why they would delay the squeeze, we need to look at the playbook.

The Playbook:

AMC and Wanda's goal throughout these last 5 months has been to build a case for the mother of all legal claims against the entities short selling the stock with synthetic shares. Each time we reach a breaking point for the good, they are keeping the SP down as they gather the information they need to file a lawsuit. I graduated with a political science degree, with the aim of going to law school, so I have a decent amount of knowledge when it comes to legal proceedings. Having said that, this is what you need to prove damages in a civil lawsuit.

- 1.) Who- Who was the offending party that caused the damage?
- 2.) When- During what period or at what time did they cause you the damage?
- 3.) How- What did they do that caused you to incur damages?
- 4.) Damages incurred- You need to be able to define the amount of loss incurred due to the actions of the offending party. In this case, its a pecuniary damage (money lost).

The plays:

- 1.) Share count- In order to identify the who and the how, AMC needs to be able to prove which entities wronged them, and the amount of damage EACH of them caused. IE, how many shares did they short using malpractice? (naked shorting, FTD resets, etc) The share count does this for them. In order to disseminate voting materials, they need to know the information of who owns the shares of stock, how many they own, and have the contact information to send out voting materials. This gives them the who and the factor to multiply damages incurred per share against.
- 2.) Delay annual meeting- I firmly believe AMC delayed the meeting because of the sheer amount of shares they counted. The last thing a company wants to do is go into a critical vote with an inflated number of shares. In order to get anything on the ballot to pass, they need a majority of shareholders to approve. If the amount of shares and votes is inflated, they could potentially see all of their ballot items fail to pass.

3.) Involve the SEC- When they knew the who and amount of shares, I believe AMC got the SEC involved. They were able to provide concrete evidence to the SEC of the fraud that was ongoing since December. The SEC needed that information to file legal proceedings. Keep in mind, they need the same things AMC does, minus the damages incurred, to bring a case against the malpracticing firms. At this point, the SEC can actively watch the actions of the offending parties in real time. Building a case until the next share count. In addition, this gives AMC the ability to follow with a civil lawsuit using the SEC's findings as the How of their claim. Here's the bonus, the SEC will be able to show AMC the how during the time of the 43 million dilution. These illegal activities were going on during a share dilution, directly affecting the share price AMC should have gotten for their shares sold.

4.) 2nd share recount- I think the SEC advised AMC to conduct another recount for a few reasons. 1.) the illegal activity ramped up from January to April, and the actual share count would have undoubtedly increased in this period, and 2.) It allows the SEC to track another data point while getting ready for the market implosion this could cause. It also delays a notification to the public of just how broken the system is. Now, when AMC announces the share count, the SEC can announce the legal proceedings it will pursue, naming the defendants.

5.) Timing of dilutions- If AMC diluted during or after the squeeze, they wouldn't be able to correctly identify damages incurred and when they occurred. By having Wanda and AMC dilute when share price was not inflated, it gives a concrete timeframe of when they were damaged, as well as a count of shares that form the basis of the damage claim (15 million for Wanda, and 103 million for AMC).

4th and Goal (how it ends):

On June 2nd, AMC has to finish their share count so they can disseminate materials. Adam Aron has already stated he will make the share count public. When he announces the total shares counted, it will clearly show the blatant manipulation and illegal activities. Retail will FOMO, institutions will FOMO, and large private investors will FOMO. If you want confirmation that this was the end play, look for an announcement of a share recall, a formal investigation, or both with the announcement.

When they recall the shares, the MMs will need to get real shares, and only real shares, back from the HF before the date specified. This will ignite the margin calls and form the catalyst from the squeeze. The squeeze will be squeeze, in theory. (Again, no dates, shhhh)

When the squeeze is over, AMC can now identify just how much they were damaged. They now have the who and when (share recount), the how (SEC investigation), and the damages incurred (delta between share price at market offering and top of the squeeze). A civil lawsuit will follow.

At any point after June 2nd, the SEC can announce the legal proceedings it will have and identify the offending parties. Here is the beauty, they can file for an immediate injunction to take control over the offending parties' assets. In fact, this is common in legal proceedings involving malpractice. You have evidence the offending party is committing illegal acts, so you stop them from continuing them during legal proceedings.

Confirmation bias time: Why would Wanda and AMC sell shares pre-squeeze? Remember I said you would find out below? Well buckle up. Imagine the shares you have now, and knowing that you could get the maximum gains possible (the top of the top peak), for your shares. That is the position AMC and Wanda have put themselves into. It is honestly genius if you really think about it. They don't have to time the sales. Just watch it go, and when the dust settles, they can name their price from HISTORICAL FACT. I think we would all take this option. AMC and Wanda stand to make billions from this from the way they have played this game.

Thank you if you made it this far. This was a labor of love and took some time. If you disagree with the above, any of it, let me know. This is just a THEORY. It makes sense though, doesn't it?!

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