A Method for Hiding FTD's That Uses the 1.09mil Useless Puts Discovered by /u/dejf

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Apes and apettes, I'm jacked to the tits!!!

TL;DR the economic terrorists have given us clear evidence in my opinion that they are resetting FTD's for at least 109 million phantom shares per cycle using cheap OTM puts

I think I may have finally stumbled upon something that can help us in our efforts to discover just how deep a hole the short hedge funds are in.

Huge credit to /u/dejf2 (sorry I spelled your name wrong in the title) who posted this earlier today:

https://reddit.com/r/Superstonk/comments/mz7c7h/put_anomalies_pt1_were_127_million_synthetic/ (OPEN IN NEW DOCUMENT)

He found 1.09 million useless cheap puts being traded and then closed before the end of the same trading day and it turned on a light bulb in my primate brain, taking me back to an article I read recently while digging into some other companies that were victims of naked short selling.

https://i.imgur.com/MSu2MOl.jpg

This is a screenshot highlighting a section taken from this letter to the SEC - it is a good read but the relevant portion is in the imgur link.

Here is a link to the whole document if any other apes want to look into it:

https://www.sec.gov/comments/s7-30-08/s73008-17.pdf

The method for creating phantom (naked) shares goes as follows:

- Hedge fund (Melvin) buys a put (or 1.09 million puts)
- Market Maker (Shitadel) sells that put and is legally entitled to create and sell 100 phantom shares (or 109 million phantom shares) to hedge the put(s) they just wrote to remain neutral on the trade
- Hedge fund then sells that put back to the Market Maker except the Market Maker doesn't buy back the phantom shares leaving them net short on the stock and having pocketed the cash for the phantom shares that they did not need a borrow for

Now this is where I snorted a couple of the fat crayons and had a brand new wrinkle form inside my otherwise smooth brain:

The market maker could be using the method above (selling puts and then buying them back for the same price) as an excuse to create new phantom shares and then selling them to the short hedge funds - the ones trying to hide fuck tons of FTD's. This makes the short hedge funds look like they bought shares to clear their FTD's and then the hedge funds sell the share right back to the MM for the same price to create a neutral (net $0) trade while resetting the FTD countdown, essentially kicking the can down the road a little further and hiding 109 million shares of their short position from being reported as FTD's.

Where would a Market Maker and a short hedge fund likely conduct this trade? In a fucking dark pool where they aren't competing with retail for the shares of course; a potential explaination for the insane amount of dark pool trading occuring lately!

Let me be clear for the smoothest of brains - *in absolutely no way does this method help the short hedge funds reduce their short position.* They are not closing any shorts unless they keep some of the phantom shares in which case they are simply increasing the short position of the Market Maker aka Shitadel. This method only allows them to appear as though they have cleared their current FTD's while resetting the countdown. They then have to do this all over again the next time the FTD timer comes knocking.

This could be another valuable tell for just how big the short position is! Other methods are being used to reset FTD's, I'm sure, but this method, combined with /u/dejf2's find of just how many of these useless puts were traded gives me a raging clue. This makes me believe that from this method alone, the shorts have created and bought back phantom shares to reset AT LEAST 109 million phantom shares worth of FTD's.

I hope this catches the eyes of some of some of the more wrinkly brains out there who can read terminal data and helps us get a clearer picture of just how fucked the hedgies truely are. As for me, I am more confident than ever before that the MOASS is inevitable. The tendieman commeth.

HODL 💎🙌🦍🚀🌝🌜✨⬜