

Title: BBBY: A Timeline of Interesting Events, is it Clear Evidence of a Crime?

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So, some really weird shit happened today with the stock of BBBY - Bed, Bath, and Beyond. Let's run through the events:

At 3:22pm EST, this happened:

[Huh, that's odd. The stocks been on a rampage all week.](<https://preview.redd.it/60wfkn5iyci91.png?width=382&format=png&auto=webp&s=98955d6b261ac4072c5ba5749b51d3fe71fb40a9>)

[By end of day, these puts were worth over \$4 each. A gain of \$700,000 on \$1.3 million. Of course, if the stock went down more before open, that gain could be exponentially larger.](<https://preview.redd.it/tawpr8ugzci91.png?width=445&format=png&auto=webp&s=a69c59dbfc580e03b155a6e69eb2e82976b16f>)

At 3:33pm EST, this happened:

[Image borrowed from u\JOEBIDEN since he made such a nice one.](<https://preview.redd.it/oqfkfmw1zci91.jpg?width=1900&format=pjpg&auto=webp&s=4df45fe13fb5f2e727a726e9d4c812be2473fe3b>)

So, someone spends over a million dollars on puts right before a very, very damaging headline comes out and gets copy-pasted everywhere before being "corrected"? Notice the time on the article has also been changed to 4:08pm EST - after the market closed. Huh, is there a name for this kind of thing? There is! It's called a ***Short and Distort.*** What is a Short and Distort? Let's read the Wikipedia Definition:

Short and distort is a type of [securities fraud](https://en.wikipedia.org/wiki/Securities_fraud) in which investors [short sell](https://en.wikipedia.org/wiki/Short_selling) a [stock](<https://en.wikipedia.org/wiki/Stock>) and then spread negative rumors about the company in an attempt to drive down stock prices.[1](https://en.wikipedia.org/wiki/Short_and_distort#cite_note-1)[2](https://en.wikipedia.org/wiki/Short_and_distort#cite_note-2)[3](https://en.wikipedia.org/wiki/Short_and_distort#cite_note-3)

It is often performed as a form of [naked short selling](https://en.wikipedia.org/wiki/Naked_short_selling) in which stock is sold without being borrowed and without any intent to borrow.[4](https://en.wikipedia.org/wiki/Short_and_distort#cite_note-4)[5](https://en.wikipedia.org/wiki/Short_and_distort#cite_note-5) Once the stock price has declined, the investor uses the proceeds of the initial sale to buy a larger number of the company's shares than sold originally. Some of the newly purchased stock is used to fulfill the short-selling contract; the remaining shares are then offered for sale, which causes an additional decline in the company's share price.

During the takeover of [The Bear Stearns Companies](https://en.wikipedia.org/wiki/The_Bear_Stearns_Companies) by [J.P. Morgan Chase](https://en.wikipedia.org/wiki/J.P._Morgan_Chase) in March 2008, reports swirled that short sellers were spreading rumors to drive down Bear Stearns' share

price.[6]](https://en.wikipedia.org/wiki/Short_and_distort#cite_note-6)
[Democratic]]([https://en.wikipedia.org/wiki/Democratic_Party_\(United_States\)](https://en.wikipedia.org/wiki/Democratic_Party_(United_States)))
[Senator]](https://en.wikipedia.org/wiki/Senate_of_the_United_States) [Christopher
Dodd]](https://en.wikipedia.org/wiki/Christopher_Dodd) felt this was more than
[rumors]](<https://en.wikipedia.org/wiki/Rumor>) and said, "This is about [collusion]](<https://en.wikipedia.org/wiki/Collusion>)."[7]](https://en.wikipedia.org/wiki/Short_and_distort#cite_note-7) Chase was victimized by a
similar "short and distort" scheme six years earlier when rumors arose about its purported relationship with
[Enron]](<https://en.wikipedia.org/wiki/Enron>).[8]](https://en.wikipedia.org/wiki/Short_and_distort#cite_note-8)

In a December 2006 interview from [TheStreet.com]](<https://en.wikipedia.org/wiki/TheStreet.com>)'s "Wall
Street Confidential" webcast, [Jim Cramer]](https://en.wikipedia.org/wiki/Jim_Cramer) stated that some
hedge fund managers spread false rumors about companies to the media and trading desks to drive a
stock down: " ...it's important to create a new truth, to develop a
fiction."[9]](https://en.wikipedia.org/wiki/Short_and_distort#cite_note-9) Cramer said this practice,
although illegal, is easy to do "because the SEC doesn't understand
it."[10]](https://en.wikipedia.org/wiki/Short_and_distort#cite_note-10)

Cramer said one strategy to keep a stock price down is to spread negative rumors to reporters he
described as "the Pisanis of the world" in reference to CNBC's [Bob
Pisani]](https://en.wikipedia.org/wiki/Bob_Pisani). "You have to use these guys," said Cramer. He also
discussed getting "the bozo reporter from The Wall Street Journal" to publish a negative
article.[11]](https://en.wikipedia.org/wiki/Short_and_distort#cite_note-11)

Now, is a Short and Distort illegal? Well, let's check with the SEC:

****Short-and-distort schemes violate federal and state law****

The so-called short-and-distort scheme may violate the Securities Exchange Act anti-fraud provisions, as
well as SEC Rule 10b-5, just like the better known antithetical "pump-and-dump" scheme. It checks all the
boxes: (1) misrepresentation to the market (through articles, blogs and social media); (2) materiality (often
including false statements about a company's financial condition or viability); (3) an intent to deceive
(manipulating the market to create downward pressure on the share price to make a profit); and (4)
connection to the purchase or sale of securities (initiating a selloff of securities to allow the short seller
turned analyst to cover their short position). Likewise, this scheme may violate state securities and
consumer protection statutes and common law.

Huh, guess it is! You, know, it's kind of weird that Cramer's name came up in the Wikipedia definition. I
wonder if he's ever said anything on camera about this specific kind of crime or committing it?

[Oopsie!]](<https://www.youtube.com/watch?v=r07Gg92YjOI>)

Well, that's awkward. But at least Cramer hasn't been talking bad about BBBY or acting crazy about that
particular stock lately.

[Totally normal.]](<https://preview.redd.it/c98u4jnc2di91.jpg?width=1439&format=pjpg&auto=webp&s=1255e3eb8c268e24fbf2ffa2e5097af2d079b2d9>)

And he definitely didn't take a victory lap after the Short and Distort:

<https://preview.redd.it/gcvxt2z42di91.png?width=531&format=png&auto=webp&s=89f1cc8097769a68540e7701e4317bb8e55455fa>

And he absolutely, 100% didn't try to enhance the effects of it:

<https://preview.redd.it/00boo8rz1di91.png?width=598&format;=png&auto;=webp&s;=d770a8ccf4d8dca75eb3ab6cb363b63aef638eca>

Man, what a WILD bunch of coincidences that just happened today with BBY!! I can't believe it! Oh, and there's one more little question I've been wondering about.

HOW THE FUCK DID SEEKING ALPHA GET THE GODDAMNED FORM 144 BEFORE IT WAS SEARCHABLE ON EDGAR!?!? Also, speaking of that Form 144, two were filed today. Check this out:

[Example 1](<https://preview.redd.it/52symhrx2di91.png?width=560&format;=png&auto;=webp&s;=7c5a5be5f816952ca386371dbdec46e5fd13abc1>)

[Example 2](<https://preview.redd.it/syz0ia6z2di91.png?width=574&format;=png&auto;=webp&s;=3c2898a0a97ff868afc5f1dc71f3578c5289893b>)

I'll let you all come to your own conclusions about how a form that was emailed to the SEC appeared early on a website in a short and distort attack with different spacing and capitalization.