

Title: Why I'm now extremely bullish after RC sold

Author: disoriented_llama

Created 2022-08-21 20:54:58 UTC

Permalink: /r/TheGloryHodl/comments/wua0xv/why_im_now_extremely_bullish_after_rc_sold/

Url: /r/BBBY/comments/wsbvve/why_im_now_extremely_bullish_after_rc_sold/

Linked Post Content:

As someone who felt discouraged and sold some shares when news came out that Ryan Cohen sold his entire position, I've since bought back my entire original position of XXXX shares and added more.

****Reason is this: Ryan came into BBBY in March 2022 proposing to unlock the value trapped within Buy Buy Baby (**[**<https://s.wsj.net/public/resources/documents/bbbletter030622.pdf>**])(<https://s.wsj.net/public/resources/documents/bbbletter030622.pdf>**)****

****On Aug 17th (interesting timing) BBBY releases official brief stating "*****We were pleased to have reached a constructive agreement with RC Ventures in March and are committed to maximizing value for all shareholders...Specifically, we have been working expeditiously over the past several weeks with external financial advisors and lenders on strengthening our balance sheet, and the Company will provide more information in an update at the end of this month*****." (**[**<https://bedbathandbeyond.gcs-web.com/static-files/5f25ce43-4bf4-41ea-ac61-7b6b9fd7867e>**])(<https://bedbathandbeyond.gcs-web.com/static-files/5f25ce43-4bf4-41ea-ac61-7b6b9fd7867e>**)****

****My hypothesis is the Buy Buy Baby spin off deal is going ahead and the company will be saved from bankruptcy from the cash infusion. BBBY also reiterated in the brief that they will announce news by the end of the month, a potential catalyst. My guess is that's when the deal will be announced.****

****So why did Ryan Cohen sell everything close to the end of the month? It goes against everything we know about him. The sale made absolutely no sense. Unless you factor in that he did it so RC Ventures could purchase Buy Buy Baby without a conflict of interest of him holding a stake in BBBY.****

****Imagine if/when the Buy Buy Baby news is announced and BBBY is saved from bankruptcy... soon as that news drops, the stock will start to squeeze.****

****Remember, borrow rate is high as ever, shorts are still trapped and we also have RegSho FTD cycle coming up which has proven in the past to drive large price appreciation.****

Also remember RC put 3 people on the board, and apart from him the company did not issue shares nor did other insiders sell (except for the CFO whose 20K sale was planned from this April). Again it wouldn't make sense that RC would just paperhand for a small profit on this especially taking the original position that he did. Given the entire circumstance this is the scenario that makes the most sense to me right now alongside the chain of events.

All I know is if I was a 4D chess player, this is how I'd play it

I 5x'd my position on GME at 40 in Feb 2021 when the stock dipped. This is giving me similar vibes.