

Title: Did GameStop openly admit shorts exceed supply on the 10-Q? A key section under "Risks Related to Our Common Stock " warns shorters of the risks involved.

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Permalink: /r/Autisticats/comments/plrOp4/did_gamestop_openly_admit_shorts_exceed_supply_on/

Url: /r/Superstonk/comments/plqzvi/did_gamestop_openly_admit_shorts_exceed_supply_on/

Is_self: False

Here's the 10-Q form:

[Link](https://news.gamestop.com/static-files/99de75ec-c690-4ef7-a625-5fbcca1064b0)

Screenshots:

<https://preview.redd.it/38df2ecrypm71.png?width=767&format=png&auto=webp&s=5a7508efea622929c24027e8e62c5182726ede39>

<https://preview.redd.it/5j2evtasypm71.png?width=785&format=png&auto=webp&s=8938fb69334ed88ec3fffb301da194180d871630>

Text and discussion:

Starts on the bottom of page 30, or you can search for the word "exceeds" and it'll be the second result. Here's the full section, I'll attempt to dissect and translate it to how I'm reading it afterward. Advice, this is all legalese, so read the 10-Q word for word like a lawyer would, or in other words, a soulless robot.

> **A "short squeeze" due to a sudden increase in demand for shares of our Class A Common Stock that largely exceeds supply has led to, and may continue to lead to, extreme price volatility in shares of our Class A Common Stock. **

>

> Investors may purchase shares of our Class A Common Stock to hedge existing exposure or to speculate on the price of our Class A Common Stock. Speculation on the price of our Class A Common Stock may involve long and short exposures. To the extent aggregate short exposure exceeds the number of shares of our Class A Common Stock available for purchase on the open market, investors with short exposure may have to pay a premium to repurchase shares of our Class A Common Stock for delivery to lenders of our Class A Common Stock. Those repurchases may in turn, dramatically increase the price of shares of our Class A Common Stock until additional shares of our Class A Common Stock are available for trading or borrowing. This is often referred to as a "short squeeze."

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> A large proportion of our Class A Common Stock has been and may continue to be traded by short sellers which may increase the likelihood that our Class A Common Stock will be the target of a short squeeze. A short squeeze has led and could continue to lead to volatile price movements in shares of our Class A Common Stock that are unrelated or disproportionate to our operating performance or prospects and, once investors purchase the shares of our Class A Common Stock necessary to cover their short positions, the price of our Class A Common Stock may rapidly decline. Stockholders that purchase shares of our Class A Common Stock during a short squeeze may lose a significant portion of their investment.

Ok let's break it down. The title:

> **A "short squeeze" due to a sudden increase in demand for shares of our Class A Common Stock that largely exceeds supply has led to, and may continue to lead to, extreme price volatility in shares of our Class A Common Stock. **

Key takeaway: "... **shares of our Class A Common Stock that largely exceeds supply has led to, and may continue to lead to, ... **"

Read other sections and notice how they use the word "may" when stating uncertainties to cover themselves. Also notice when they refrain from using "may" when just stating facts. Notice how they use the word "may" for future predictions ("may continue to lead to"), but refrain from saying "may" in the section before:

"**demand** **for** **shares of our Class A Common Stock that largely exceeds supply".**

This is an outright statement that more Class A Common Stock are in demand than are in supply. Read it again if needed. More shares need to be bought than are in supply. Continue rereading it until it sinks in.

Let's continue. First paragraph, third sentence:

>To the extent aggregate short exposure exceeds the number of shares of our Class A Common Stock available for purchase on the open market, investors with short exposure may have to pay a premium to repurchase shares of our Class A Common Stock for delivery to lenders of our Class A Common Stock.

In other words:

~~To the extent~~ [The degree by which](<https://www.lawinsider.com/dictionary/to-the-extent#:~:text=Copy-,To%20the%20extent.%C2%A0.%20The%20phrase%20%E2%80%9Cto%20the%20extent%E2%80%9D%20means%20the%20degree%20by%20which%2C%20and%20not%20%E2%80%9Cif,-,%E2%80%9D>) ~~aggregate~~ [a whole or sum]([https://www.merriam-webster.com/dictionary/aggregate#:~:text=to%20amount%20to%20\(a-,whole%20sum%20or%20total,-\)%20%3A%20TOTAL](https://www.merriam-webster.com/dictionary/aggregate#:~:text=to%20amount%20to%20(a-,whole%20sum%20or%20total,-)%20%3A%20TOTAL)) of short positions exceeds more shares than exist, shorters **may** have to pay a ~~premium~~ metric fuckton to close your position with the lender if you haven't just done it already.

Next sentence:

>Those repurchases may in turn, dramatically increase the price of shares of our Class A Common Stock until additional shares of our Class A Common Stock are available for trading or borrowing. This is often referred to as a "short squeeze."

"This is how a short squeeze works you dumbass shorters"

>A large proportion of our Class A Common Stock has been and may continue to be traded by short sellers which may increase the likelihood that our Class A Common Stock will be the target of a short squeeze. A short squeeze has led and could continue to lead to volatile price movements in shares of our Class A Common Stock that are unrelated or disproportionate to our operating performance or prospects and, once investors purchase the shares of our Class A Common Stock necessary to cover their short positions, the price of our Class A Common Stock may rapidly decline.

"Continue shorting it, that'll only increase the likelihood of a short squeeze"

>Stockholders that purchase shares of our Class A Common Stock during a short squeeze may lose a significant portion of their investment.

Their way of covering their asses in the case people FOMO during or after the peak of MOASS and lose money, similar to how people cover themselves by saying "Not financial advice".

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Anyway, I haven't seen a lot of attention on this portion of the filing. Maybe I'm delusional and misinterpreting it. What are your thoughts?

edit: Apparently this has been in various filings since January. Also people have said this has been covered already. I'm plagued by a common [reddit bug that disables sorting by flair.](<https://www.google.c>

om/search?q=reddit+sorting+by+flair+error&sxsrf:=AOaemvLWjCkM7gS9ynBP3nOL9wUsPZgxgQ%3A16
31321418332&source;=hp&ei;=Sv07YaOsEYfBUvqDqlAN&oq;=&gs;_lcp=ChFtb2JpbGUtZ3dzLXdpei1oc
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AQ8&scilient;=mobile-gws-wiz-hp). So I can't sort by DD. I've somehow gone 8 months without seeing this
section from the 10-Q mentioned once. Skeptics ask for proof that, even still, there are more shorts than
shares available, this is the proof I've been needing. The fact this section is still in the September filings
means it is still true, shorts still exceeds shares available.