

Title: Blue Swans

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# INRTRODUCTION

Before I swan-dive right into things, I'd like to highlight a gem from the 296pg .pdf monstrosity that is the **Final Rule: Publication or Submission of Quotations Without Specified Information** from the SEC on the adoption of Rule 15c2-11 (including comments), which is scheduled to occur on 9/28/21.

[<https://www.sec.gov/rules/final/2020/33-10842.pdf>](<https://www.sec.gov/rules/final/2020/33-10842.pdf>) (mentions "protecting retail investors" 79 times)

[come again?](<https://preview.redd.it/09wxbf73psl71.png?width=848&format=png&auto=webp&s=531085ba39a978c0045d0d225d1a437cccce1cf2>)

Let that sink in for a second...

So not only have they sold arguably trillions of shares that do not exist in the past couple/few decades,, but they have also even **been selling shares for which an issuer does not even exist** (or at least has not been proven to exist). And just wait till you hear how much the piggyback exception has been able to be used in the recent past.

[ill see your nonexistent shares and raise you nonexistent issuers](<https://preview.redd.it/t0ozfc1cpsl71.jpg?width=500&format=pjpg&auto=webp&s=9f6d26b66db3c1b95a3e83173b19c58258199ed5>)

# EXCEPTIONS AND OTHER FUN STUFF

Ok now on to the nitty gritty of the new amendments to SEC Rule 15c2-11, woot woot.

**"Piggyback" Exception**: basically allowing brokers to "piggyback" off of previous disclosures and avoid providing actually current information. Here's an analogy from the healthcare industry: some medical patents are allowed to "piggyback" off of previously existing patents using a related strategy. For example, Hip Implant A already exists, a company wants to patent Hip Implant B which is deemed similar enough to not undergo full patent examination, but is, say, made out of a substantially different polymer. And then this polymer starts breaking down internally (which they new would happen all along, lets be real), and class-actions start coming in. The company then claims immunity since the patent office cleared it. Then they sell the implants to undeveloped nations instead. Kinda like that, but more complex and with financial information.

The Piggyback Exception also **includes an extra 15-day grace period**, which automatically made me think of u/crind's recent post with the 15 day window. Not sure if related but sure seems more than coincidental. Especially considering that broker dealers can apparently rely on this exception quite alot, on 90% of all average daily OTC trades in 2019 in fact:

[if an exception is used 90% of the time, isn't more like the rule?](<https://preview.redd.it/4a70ge9gqsl71.png?width=890&format=png&auto=webp&s=f68ef0519d18f5809463abf130ad85a1f38dba84>)

[who wants a moustache, errr piggyback ride?](https://preview.redd.it/k13oxih7qsl71.png?width=778&format=png&auto=webp&s=fbfc885e6a9b91d913656a2531ebabd0dec3dad1)

\*\*\*So this Piggyback Exception has been available for use in up to 90% of average daily trades, has been used to "sell OTC stocks to retail investors without verifying whether... the issuer exists," and the SEC is deciding to retain it in a set of amendments framed as "protection for retail investors." Am I missing something here?\*\*\*

[oy yeah, the main ingredient: crime... can't forget that!](https://preview.redd.it/94fx3mh06tl71.jpg?width=600&format=pjpg&auto=webp&s=038846e14740e23e9d7cc7b88844cca92e6c737a)

\*\*\*"Expert Market" Exception\*\*: basically creating a parallel market to "protect retail (read 'unsophisticated') investors from risk" while "taking care to not create a parallel market." Only for "sophisticated" traders who are "on the list," even foreign investors and banks. As long as they're "sophisticated investors" and not insiders, and the brokers themselves are literally \*allowed to write letters to the IDQS saying the person is not an insider.\* Why, yes officer here's a note from my broker... ffs

Started this section a few days ago, but stumbled across [this post](https://www.reddit.com/r/Superstonk/comments/pil8q5/big\_changes\_coming\_that\_could\_affect\_otc\_zombie/) today from [u/hmhemes](https://www.reddit.com/user/hmhemes/) and I agree wholeheartedly! I also am grateful as the post includes some of the exact information that was on my search list regarding Expert Market Exception, and also the implementation of the "Qualified" Interdealer Quotation Systems. Thanks for the great work!

[frees up the hands for rolling a quick doobie](https://preview.redd.it/weuqqtg96tl71.jpg?width=2964&format=pjpg&auto=webp&s=10cac6610943f80e71a9acb58d48ed0c778caa58)

\*\*\*"Qualified Interdealer Quotation System (IDQS)"\*\*: an electronic system designed to facilitate liquidity and improve protection for investors blah blah blah. Official definition in Final Rule links back to previous definition in Exchange Act so I need to go find that now. Solid info regarding this on the above post as well!

\*\*\*"Asset Test (ADTV) Exception"\*\*: Seems relatively straightforward (ish), an exception from asset stress testing for various reasons. Not suspect at all considering all the failed asset tests and other shenanigans regarding collateral this year. Need to look into this one more. \$100,000 seems to be one important value, but I'm sure its more complicated than that.

\*\*\*"Exchange-traded Securities Exception"\*\*: Need to look more into this one as well.

\*\*\*"The Exception for the highly liquid securities of well-capitalized issuers"\*\*: \*\*Aaaand need to look in to this one more too.

\*\*\*"Municipal Securities Exception"\*\*: \*\* Another that seems relatively straightforward (ish), an exception from the rule when trading municipal securities. The municipal securities market cap is roughly \$3.8 trillion and includes "42 distinct municipal bond ETFs that trade in the U.S., excluding inverse and leveraged ETFs as well as funds with less than \$50 million in assets under management" according to Investopedia. This one immediately made me think of DGAZF, the 3X Leveraged Inverse gas product designed/marketed by VelocityShares (subsidiary of Janus Henderson Group, who Citadel bought 2,000,000 shares of earlier this year) and issued by Credit Suisse that hit \$25,000 last summer after being delisted and squeezed. This appears to be the part of the connection to the bigger picture that I was looking for regarding DGAZF, and remember no tax on the interest for this as collateral either.

u/tikkymykk helped point me back to an earlier DD [here](https://www.reddit.com/r/Superstonk/comments/mv1n9x/this\_is\_an\_exemple\_of\_a\_short\_squeeze\_dgazf/), \*\*where they point out that Credit Suisse

owned more shares than were in existence at the time\*\*. Sound familiar?

[thanks u/tikkymykk, so many doobies i missed it at first somehow xD](<https://preview.redd.it/fw9hrbsiusl71.png?width=863&format;=png&auto;=webp&s;=872bc4f5cde9db559561eba991535e70cddf43ba>)

[all the usual suspects; i am Jack's complete lack of surprise](<https://preview.redd.it/ai1vmdkpsl71.png?width=719&format;=png&auto;=webp&s;=db1726f24b1c132c5c7fbff3595cf6a344a572e6>)

I know some people question how DGAZF is related to GME, but between the usual suspects being involved, it being a delisted stock involved in a recent short squeeze up to ~\$25,000, CS owning more shares than issued, one of the other products in same lineup from VelocityShares, TVIX, being delisted last year as well, aaaand another one, VIIX getting squozen up to \$28,895 back in 2011, I believe a fairly (even if partially indirect) solid connection has been established.

[DGAZF hit ~\$25,000 and VIIX hit \$28,895 o.o](<https://preview.redd.it/gbsxqeo8zsl71.png?width=1259&format;=png&auto;=webp&s;=a5cefa9ea6d9298c50cbd404a256b872e47390f1>)

[<https://www.dailyadvent.com/news/28989f6c94bcb5ace07c7928367b99d2-TVIX-Stock--Credit-Suisse-Is-Delisting-an-ETN-That-Made-200-This-Year>](<https://preview.redd.it/akcpr84mzsl71.png?width=1093&format;=png&auto;=webp&s;=83a089dc468d77f459107ba8ef2f04a6e549bf49>)

Interesting they even got to keep it around after the "2012 TVIX Disaster":

[<https://www.investopedia.com/articles/etfs-mutual-funds/050816/tvix-velocityshares-daily-2x-vix-short-term-etn-who-invested.asp>](<https://preview.redd.it/u3w1rxre0tl71.png?width=824&format;=png&auto;=webp&s;=214ba57c04bb8f6175e1105ce56ef16aa841abfa>)

So we have both 'directly' related micro/smaller cap, bankrupt, criminally shorted companies getting delisted and manipulated (NWAU, SEARS, BLIAQ, etc) and then we have 'indirectly' related larger-cap companies, one (@ ~\$3bn cap) delisted at 200% gains on the year and manipulated (TVIX), one squeezed to \$28,895 (VIIX), and one delisted, manipulated and squeezed to ~\$25,000 (DGAZF), getting treated similarly, and by the same groups of SHFs, MMs and friends. Too many coincidences to be completely unrelated imho...

#### # CONCLUSION/SPECULATION/TL;DR HYBRID:

I believe that Citadel, as the market maker for GME, was trying to do to GME what has been done to SEARS, BLIAQ, TVIX, VIIX, etc. (well duh, you might say), and failed. They didn't get to take their ball and run home and hide inside this time.

I also believe that they are still trying to do shady shit(well duh, again, you might say), and that the amendments to SEC 15c2-11 may provide loopholes to extend collateral deadlines, increase collateral value/limits, etc., while at the same time providing pressure and possible catalyzation towards even higher highs and higher lows, possibly stratospheric and beyond. BUY. HODL. ZEN.

SEC 15c-211 also makes changes to how Shell Companies and their information are regulated in the OTC Markets, makes changes to conditions for listing equities on OTC markets, discusses dark pools and gray markets, allows for One-sided quotations/price discovery, don't forget the Asset Test, Exchange-traded Securities and Rich Fucker(high capitalization or w/e forgive me I'm almost out of green crayons for the night) Exceptions, and alot of other stuff that could probably use a few more eyes going over it.

Would be great to get a more solidified and unified idea of what is actually changing on 9/28/21, and how it interacts with everything else that is going on, before we actually get there. \*hivemind go brrrrrrrr.\*

I tried to make this one a little more cohesive and less speculative and tangential than the last couple posts, changed the flair to from "Possible DD" to "DD," and removed Triple Inverse Pink Sparkly Unicorn Farts from the titles to help indicate that I am, indeed, posting this seriously and not shitposting lolrip. That was just me poking some sarcastic fun at the ridiculous shit the people running the show, while working so hard at "protecting retail investors," keep coming up with. Hopefully this one is a more straightforward and a bit less misunderstood xD

**\*\*Previous Posts:\*\***

Here's the Dr. Trimbath tweet post where some of the recent speculation and searching started:

[[https://www.reddit.com/r/Superstonk/comments/peu6ma/attention\\_apes\\_dr\\_trimbath\\_requires\\_our/hb006oi/?context=3](https://www.reddit.com/r/Superstonk/comments/peu6ma/attention_apes_dr_trimbath_requires_our/hb006oi/?context=3)]([https://www.reddit.com/r/Superstonk/comments/peu6ma/attention\\_apes\\_dr\\_trimbath\\_requires\\_our/hb006oi/?context=3](https://www.reddit.com/r/Superstonk/comments/peu6ma/attention_apes_dr_trimbath_requires_our/hb006oi/?context=3))

And here's the first two posts for fun, visibility and because there are some informative links to other previous DD and information and I probably forgot to mention a thing or two in today's post:

[[https://www.reddit.com/r/Superstonk/comments/pfjamw/amendments\\_to\\_sec\\_rule\\_15c211\\_expert\\_market/](https://www.reddit.com/r/Superstonk/comments/pfjamw/amendments_to_sec_rule_15c211_expert_market/)]([https://www.reddit.com/r/Superstonk/comments/pfjamw/amendments\\_to\\_sec\\_rule\\_15c211\\_expert\\_market/](https://www.reddit.com/r/Superstonk/comments/pfjamw/amendments_to_sec_rule_15c211_expert_market/))

[[https://www.reddit.com/r/Superstonk/comments/pg6hvp/following\\_the\\_trail\\_of\\_triple\\_inverse\\_pink/](https://www.reddit.com/r/Superstonk/comments/pg6hvp/following_the_trail_of_triple_inverse_pink/)]([https://www.reddit.com/r/Superstonk/comments/pg6hvp/following\\_the\\_trail\\_of\\_triple\\_inverse\\_pink/](https://www.reddit.com/r/Superstonk/comments/pg6hvp/following_the_trail_of_triple_inverse_pink/))

[i need a hit of that DD at least, just a little taste to keep the monkey off my back](<https://preview.redd.it/1weu2a6f2wl71.jpg?width=600&format=pjpg&auto=webp&s=9907f38304808df7732a89d7a2f75e80c8d5a88e>)