

Title: BBBY, spin-offs, and why RC has us covered! LFG! ■

Author: disoriented_llama

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Alright, let's lightly apply some tinfoil and speculate on why, out of no where, Ryan Cohen invested into BBBY.

Where to start!? How about with a strong THIS IS SPECULATION and a short TLDR?

TLDR: RC invested in BBBY because that is an indirect GameStop moon ticket. He can't invest in GME because it would be consider illegal insider trading IF (big fucking IF here boys) he knew that the company was going to do a spin-off. The letter to the board was RC speaking to GME investors about his plan, not just the BBBY board. RC is going to launch the rocket and not sell a single share of GameStop during the trip to the moon.

#RC's Letter to the Board

Ok! So let's start applying our tinfoil with RC's letter to the BBBY board. I think we can all agree that we were caught off guard here. Most of us understand why he would target Bed, Bath and Beyond (arrrr, are those shorts you are wearing!?). What didn't make sense to me is the timing of it and how aggressive he was to make headlines. He forced the narrative. The letter was released before any one of us could have predicted he would buy into BBBY. In fact, it was so out of the blue that GME related subs went down every rabbit hole possible to prove it wrong.

Anyways. In the letter to the board of BBBY, RC outlines some steps the board should take to help unlock share holder value and turn the company around. I thought this was interesting since we are waiting on RC to do the same with GameStop. I am not complaining, but like, why bother with this other company and rile up your followers?

Well, I suspect that letter was actually to GameStop Share holders and RC doesn't really care that much about BBBY. Why else would he feel the need to put the following in the letter? "Given that I am the Chairman of GameStop and overseeing a systematic transformation, I am not in a position to join Bed Bath's Board and personally drive the initiatives outlined in this letter". (<https://s.wsj.net/public/resources/documents/bbbletter030622.pdf>).

That's RC calming the nerves of all the investors he just shocked. Reassuring his rabid followers that he is focused on GameStop. Yet, here is a detailed plan he has been drafting up for BBBY...or is it just his recycled GME plan?

In the letter, RC suggests either the selling or spin-off of Buy Buy Baby because it is worth more on its own. RC also wrote "Spinning off shares of BABY would be an even more efficient way to transfer value to shareholders".

A spin off sounds pretty dope for share holders. So let's pivot back to GME and apply some more tinfoil.

#Gamestop Entertainment Spin-off.

As other threads have speculated, a spin off of GameStop Entertainment could be an independent company that focuses on web3. So the NFT market place, game development and anything metaverse. GameStop leadership has been hiring top crypto/NFT talent to head this team. It's not that far off of an idea at this point.

Wait! Hol up. Where did GameStop Entertainment come from? Well, let's take a trip down memory lane. That speculation is based on the IMX partnership and his letter to the board.

From the 8-K:

"On January 28, 2022 ("Transaction Date"), GME Entertainment, LLC ("GME Entertainment"), a subsidiary of GameStop Corp. (together with GME Entertainment and its other subsidiaries, the "Company") entered into a Protocol Services and License Agreement with Immutable X Pty Limited ("Immutable X") pursuant to which Immutable X will become a technology partner and platform for the Company's non-fungible token ("NFT") marketplace". (<https://news.gamestop.com/static-files/713417ad-e18f-4f2c-bc1c-312f536d8b36>)

Ok, so we have a partnership with GameStop Entertainment/GameStop Corp/ IMX. Let's spin this shit!

Assuming they do this, we can look at OpenSea as a comparison for value. Opensea was last valued around \$13bn. So lets assume that GameStop Entertainment, with the launch of a NFT market place, will be valued similarly. Could be less but probably still more than GME is valued at today.

In a spin-off, you can just "give" shares of the new company to existing shareholders. Forcing shorts to cover or suffer. This move could unlock massive value for share holders.

Think about it, at 13bn, the share price of the new company would be ~\$170 with the new valuation of 13bn. This is assuming a 1:1 distribution ratio for GameStop Entertainment shares. So if you own 20 GME shares, you would recieve 20 GameStop Entertainment shares, and only 76,XXX,XXX shares would exist (real ones, that is). Identical to GameStop.

That's massive. Not only does it put shorts in a tough spot but it brings INSANE VALUE to share holders. GME is trading at sub \$100 while this spin off could put the new shares valued at \$170 in each persons account. In the most simplistic view, GameStop should be trading at \$270 right now! \$100 GME + \$170 for Gmerica. Fuck yeah!

In reality, GME share value will likely continue to decline with a spin off since the new company is taking some of their assets, products, etc with them but the price of the new company almost always adds value long term. I would highly suggest looking into past spin-offs to understand how the price will change.

#Why even involve BBBY? Just launch this ship!

Ok, so why invest in BBBY if he can just launch the rocket?

Because he is a diamond balled, crazy ass motha fucka that would like to eat the meal he prepared for us.

If there is a spin-off, then RC cannot purchase more GME until that information is available to the public. It would be considered illegal insider trading.

Instead, RC bought indirect GME moon tickets through BBBY. It's a heavily shorted stock that is tied to the same short basket GME is in. Same as KOSS, EXPR, movie stock, etc. But, unlike movie, it has a small float and RC could lock up a substantial amount of it. Share price was low and options were cheap. KOSS is also cheap but doesn't have options so he couldn't leverage his massive fucking balls. I am guessing the other companies don't have a viable (or obvious) turn around plan. It would probably be worth looking into why BBBY was the best positioned for this play...

This is a masterful play. Is it insider trading if he buys shares in a totally different company and hits the launch button? Maybe. If the SEC can prove that these companies are connected through an illegal shorting scheme. The SEC/DOJ would have to prove all of our DD is correct to prove it. Ooooooooo fuck ya bud.

Best part? He can sell BBBY as he pleases. I bet RC isn't going to sell a single GME share. He set himself up to make insane profit on BBBY when GME squeezes the absolute fuck out of the shorts.

#Closing thoughts

My fingers are tired so let's wrap this up.

Remember what RC said about GameStops goals during the Annual shareholder meeting?

Here is a refresher: "We're trying to do something that nobody in the retail space has ever done but we believe we're putting the right pieces in place and we have clear goals: delighting customers and driving shareholder value for the longterm". (

<https://gmedd.com/transformation/ryan-cohen-at-agm-we-ushered-in-a-whole-new-era-of-gamestop/>)

Something, something share holder value!

Once more... this is speculation, but it is obvious he feels strongly about unlocking shareholder value. Just seems so weird to dive into BBY and lay out a plan that could also work for GameStop.

Obligatory rockets:

