

Title: Why I Believe GameStop is the Greatest Investment in Our Lifetime

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This article is a long time in the making but a recent annual extended-family beach reunion convinced me to complete it. I find myself talking mostly about my interests while around friends and family. Two of mine are crypto and now a particular stock as they're hot topics in this uncertain time we're living through. My hope is that this gives you enough information to decide if investing in GameStop is right for you. So on to the disclaimers - this is not financial advice, just a story explaining what I have chosen to do and why. I am not endorsed by GameStop, Fidelity (or anyone else for that matter) and won't receive anything if you choose to invest except the benefit of knowing that I had an impact on you like so many who have graciously shared life changing information with me on my journey.

The "GameStop Fiasco"

I first learned about the "GameStop fiasco" back in January of 2021. The price of GameStop shot up from under \$18 per share to over \$300 in a day because of a short squeeze potential that had individual investors piling on buy orders. Since many of the people who were following the short squeeze unfolding with GameStop are also into crypto, my Twitter feed, which I curated for crypto knowledge, was bringing awareness of the GameStop situation to me. I began following the activity, which led me to Reddit, where I found a community of people talking about the GameStop stock. I started reading up on all of the DD (due diligence) that users were sharing and began to get a glimpse of just how deep the rabbit hole was.

Over the next 18 months I became absolutely consumed in the movement. That's what this has become. The money is just a byproduct and I want to share with you the top reasons as to why I believe GameStop is the greatest investment in our lifetime.

This Isn't Your Fathers GameStop

Before I dive into what GameStop is becoming, let's address the elephant in the room - what you may be thinking about GameStop. For many, GameStop is a brand associated with an antiquated business model, when spending time in retail stores was how consumers experienced shopping. And if you listen to mainstream media, you've been led to believe that retail brick and mortar establishments are a dying breed. While some of that is true, there's a whole lot more going on with GameStop. Ryan Cohen, the new Executive Chairman said in his first time addressing the shareholders at the annual shareholders meeting in June of 2021, "buckle up".

MFOASS

Back before I became privy to the insane investment opportunity that GameStop presents, many retail investors had done their own research and uncovered something very peculiar. One individual investor who is credited with placing GME on the map for a lot of people is Keith Gill (aka "Roaring Kitty" on Youtube and "Deepfuckingvalue" DFV for short on Reddit). DFV created content sharing his research and exposing the absurd amount of short interest in the stock.

Back in 2020, it was discovered that there was more than 100% short interest in GameStop. What this means is a whole lot of people with a whole lot of money were betting that GameStop would continue to go down in price. And who could blame them? Brick and mortar retail had been on the decline, and GameStop in particular had been diminishing in value due to ignoring business opportunities and mismanagement by the old leadership team. Expensive consultants that were brought on by the previous executive committee are also speculated to have been running GameStop into the ground (that's a whole nother article - cough BCG). And to make matters worse, the covid-19 pandemic was sure to kill any remaining life of this fragile company that had a growing number of underperforming stores.

A short stock bet is essentially a promise to buy back in the future. There was a lot of short interest in GameStop around \$11 and when the price jumped to around \$20, what do you think those with short positions did? If you guessed that they chalked up a loss, closed their positions and moved on - you'd be wrong. They doubled down betting even more that the company would ultimately file for bankruptcy. The shorters bought ads on the internet, paid writers and engaged with influencers to spread disinformation about how ridiculous those investing in GameStop were. GameStop became labeled a "meme stock" to further discredit the opportunity. All the while, individual investors were learning the truth and buying more shares.

Why were they doing this? Because when you have a short on a stock, there is no ceiling on how much money you can lose. You could theoretically suffer millions of dollars of losses on a single share when your short bet goes the wrong way. As those entities with short positions decide (or are required) to close out their positions, they have to buy shares off the market. This places buying pressure on a stock which would make the stock price climb. So the shorters or "bad guys" as I like to call them (note: shorting stocks is a legitimate practice and there is nothing inherently wrong with it, "naked" shorting is what I'm referring to when I label them "bad guys". This is illegal.) Since there was over 100% short interest on GameStop, that means there's not enough shares in existence to buy off the market to close out all of the short positions. This is known as a stock squeeze. The circumstances around GameStop are brewing up a potential for the most explosive short squeeze in the history of stocks, many refer to this as MFOASS or the Mother of All Short Squeezes.

There have been 2 notable cases in recent history that I'm aware of where popular stocks were squeezed. Tesla and Overstock. From the low before the squeeze to the high after the squeeze Tesla climbed around 1776%. Overstock climbed from its low before the squeeze to its high after when it was squeezed around 5079%. If GameStop climbs at a similar rate as Tesla, it would be trading around \$1,332.08. If it climbed at a similar rate as Overstock, it would be trading around \$3,809.29. Many think GME will climb much, much higher by forces that we'll go into later in this article and the math actually checks out.

Because some of the entities who've shorted GameStop are holding long positions in other companies, an overall market decline can benefit GME. As the overall stock market drops in value, additional collateral may be required to continue holding a short position. Otherwise, short positions may be forced to cover and close out their positions. This would place buying pressure on GME, potentially causing a cascading effect of having others cover their short positions because the price of GameStop begins to surge. This could be one of the many catalysts to trigger MFOASS.

You may have heard about the buy button becoming disabled back on January 28, 2021 on Robinhood and other trading platforms, but if you didn't, it did. That's how far these "financial terrorists" as they've become known on Reddit and Twitter are willing to go to fight another day and remain solvent. They break laws, create new rules, spread disinformation and manipulate the price all right under the nose of the SEC.

If you're wondering how the price gets manipulated, it's widely speculated that many of the buy orders placed by individual investors are routed through dark markets so they don't show up in lit markets where true price discovery occurs. The market makers run sell orders through the lit exchanges to bring the price down. There are other techniques used, but that gets out of the scope of this article. I intend to keep this high level and simply touch on some of the more involved and speculated items.

The bottom line is the current price is wrong. As of this writing, GME is trading around \$135. The true price of GameStop is much higher than what the market reports. If you look at the daily report from Fidelity, you'll see day after day that the percentage of buys versus sells are disproportionately higher. While this metric alone is not a definitive indicator, if you combine it with all of these other factors that are being monitored by the individual investors, it strongly suggests that the price is wrong. In fact, very wrong. The website GMEDD.com has a bull case suggesting a price of \$1069.00 by 2023 is on the table based on fundamentals alone.

A Passionate Individual Investor Base That's Never Been Seen Before

Because of the awareness spreading underground, GameStop has cultivated a passionate investor base. Individual investors hold around a 56% stake in the company. This army of activist investors is growing and recognized by the GameStop executives. Matt Furlong, CEO of GameStop, opened the 2022 shareholders meeting acknowledging this support and thanking investors for the support:

"We know that many of you are individual stockholders rather than institutional investors. We never take your enthusiasm, or your investment, for granted and I speak for the full Board when I say that we are proud to be aligned with you."

This gave me chills and further solidified my extreme excitement in being aligned with GameStop! To say I'm proud to be a shareholder of this company would be a gross understatement.

Direct Registering of Shares (DRS)

Wall Street makes the understanding of the stock market and financial system intentionally difficult to understand. I will quickly be getting in over my head but will attempt to touch on some of the high points to provide some insights. When you buy a stock, you don't really own it. It's in the hands of a little known trillion dollar company named Cede & Co. That's right. When you buy a stock - YOU don't own it. What does Cede & Co. do with the stocks they are in possession of? That's up to them. It's speculated that they lend these shares out to those looking to short stocks. Oftentimes coinciding shorting stocks in conjunction with crafting narratives spread by mainstream media to tank a stock's price. That's why it's so important to take control of "your" stock and truly own it.

Direct registering your shares or DRS is how to opt into the “other system”. Direct registering your shares is removing them from the DTCC and placing them in your name and held by a company's transfer agent (think about it like storing your gold in your name at Fort Knox). In this case for GameStop, their stock transfer agent is a company called Computershare. Computershare not only is the stock transfer agent for GameStop but also a multitude of other well known companies such as Google (Alphabet), Amazon, American Express, Coca-Cola and Microsoft to name a few.

To DRS your shares, you'd initiate the request with your broker. Each process is different, but with my broker, Fidelity, their process is simple and straightforward and can be handled through a phone call or chat session with their support staff in a matter of minutes. You can DRS shares of stock that are settled in your brokerage account. If you've recently purchased, it can take several business days for stocks to settle in your brokerage account.

Upcoming Stock Split

On March 31, 2022, GameStop announced it will ask shareholders to approve a dividend stock split. For a company to be eligible to do a stock split, the long term debt must be paid off. Not all “meme stocks” are in this position. I won't mention names, but GameStop is in a much better financial position than so many other companies. This gives them options that other companies can't entertain, which is why they sell popcorn (joke - if you know, you know).

In June of 2022, at the annual shareholders meeting, it was announced that shareholders approved the stock split. At this point, we don't know when the split will occur or what the ratio of the split will be. However, what we do know is that typically when stocks split, the price goes up. This is because it's easier for investors to justify buying whole shares of a stock. For example, if Gamestop, which currently trades around \$135, does a 7 for 1 stock split, this would bring the price down to under \$20 per share. Investors are attracted to owning whole shares and are more willing to buy a share at \$20 versus \$135. Although it doesn't change the total value of the company (market capitalization), by making the share price more attractive, an increase in market cap could ensue. There's more to a dividend stock split that I'll touch on, which is a potential share recall. If a share recall is issued, all short positions on GameStop must be closed. That means the time bomb has been set. Tick tock.

New Leadership

If you're not familiar with Ryan Cohen, he founded Chewy - yes, the online pet supply company, In 2011 at 26 years of age. Ryan created a rapidly expanding company that delivered a delightful customer experience in a very crowded space. He was able to not only compete, but crush much larger rivals with big checkbooks and national name recognition. One such rival that you've probably heard of - Petsmart ultimately bought his company 6 years later for \$3.35 billion.

After taking a few years to figure out what he wanted to do next, he came back onto the scene and surprised many by acquiring a 12.9% stake in GameStop back in December 2020. This investment led him to become the Executive Chairman of the board. This was the beginning of the new GameStop regime and

the creation of one of the most exciting company transformations in recent history.

One of the most telling indicators for me was looking at how the new leadership team is being compensated. They are primarily issued minimal salaries compared to others in similar roles with an incentive structure heavily based in shares of stock. This means they have a unified incentive to increase value for shareholders, themselves included. Also, the SEC requires insider selling to be reported. There has been virtually no insider selling since the company began this transition. In fact, many, including Ryan Cohen, are buying more shares. Those who know the most are on the inside and their actions are speaking volumes!

New Sector

GameStop is transforming away from a brick and mortar retailer to an ecommerce and technology company. Technology companies trade at a higher multiple than retail stocks. A move away from the NYSE to the tech heavy NASDAQ alone could imply an increase in share value. On average, retail stocks trade around a 65 P/E ratio, while tech stocks trade around a 20-25 P/E ratio (generally speaking, the lower P/E ratio, the better). Simply being reclassified as a technology stock could send GameStop up.

New Products

GameStop is actively increasing their product offerings to be a direct competitor with Amazon and Walmart. Some investors have speculated that the product offerings are increasing at around 5,000 new products a week. I've seen first hand how GameStop is venturing outside of games by offering batteries, computers and office furniture. I'll limit my speculation on where they're heading, but I'll say that a rumored name change that is more encompassing to being more than a gaming company is on the table.

New Distribution Centers

GameStop has opened new distribution centers in the US to handle additional inventory and expedite delivery. New fulfillment centers have recently opened in Reno, Nevada and York, Pennsylvania, allowing them to offer rapid shipments to both east and west coasts.

New Delivery Methods

GameStop is now offering same day and expedited delivery domestically. This is a game changer. This is the clearest indicator I've seen yet at showing the direction GameStop is heading. Combining this with the increase in new products and fulfillment centers, it's not difficult to see where this is going.

New Markets

Digital assets are the future. In fact, depending on where you look, they've already been here for over a decade. To be able to transact with digital assets and digital currencies, a digital wallet is instrumental. Guess what, GameStop has already created and released one. This will be the centerpiece of their soon to launch NFT marketplace. The creation of the NFT marketplace is just the beginning, GameStop is tight lipped about what else is on the horizon as to not tip off competitors and those with nefarious interests. With blockchain partners like Immutable X and Loopring, GameStop is creating web3 applications on Ethereum.

Summary

To recap, the top reasons on why I believe GameStop is the most incredible investment in our lifetime:

Potential for the Mother of All Short Squeezes (MFOASS)

Passionate investor base - GameStop has developed a very dedicated following of investors who buy the stock both during ascents and declines

Direct registering of shares (DRS) - Investors have removed around 44% (at the time of this writing and increasing daily) of the available float to Computershare for safe keeping

Stock split- GameStop shareholders have already approved the board to split shares. The announcement could come at any point in time

As if the above items weren't exciting enough, additional reasons making GME attractive are:

New leadership - GameStop is attracting some of the best from Amazon, Chewy and Zulily to join as executives and other leadership roles

New sector - GameStop is transforming away from a brick and mortar retailer to an ecommerce and technology company

New products - GameStop is actively increasing their product offerings to be a direct competitor with Amazon and Walmart

New distribution centers - GameStop has opened new distribution centers in the US to handle additional inventory and expedite delivery

New delivery methods - GameStop is now offering same day and expedited delivery domestically

New markets - the creation of the NFT marketplace is just the beginning, GameStop is tight lipped about what else is on the horizon

Closing Thoughts

An investment in GameStop stock represents a perfect storm of events and circumstances that I've never seen before. Some of what I'm seeing is provable through SEC filings and data released directly from GameStop, while other insights are speculative, but highly credible. There has never been a stock as researched by people representing all walks of life and professions with experience across the board. This includes ex-SEC employees, Attorneys, Financial advisers and professional analysts. Collectively, there have been hundreds of thousands of hours spent creating due diligence reports, engaging in constructive discussions and sharing theories based on findings uncovered by a multitude of individual investors.

The "Mother of all short squeegees" (or MFOASS) theory has never been disproven - only muted by the mainstream media. The underground movement is very much alive and not only thriving, but intensifying. Investors are buying GameStop (GME) when the price goes up and down. There has been very little news released from GameStop over the past 18 months during the transformation that is occurring. This is intentional and part of the strategy that Ryan Cohen has brought over that he implemented at Chewy.

A note of caution, for several reasons, investing in GameStop is not for the faint of heart. If you can't stomach extreme declines and volatility, this may not be an investment you should consider. However, if you are looking for hope and an opportunity to get in on one of the most exciting investments (or movements - or both) consider buying a few shares, or, like my wife and I, a lot! We maxed out our retirement and investment accounts and reduced our crypto exposure to increase our GameStop position over the last 18 months. In fact, like many others, we continue buying GameStop when the price drops and rises.

You may choose to invest in GameStop simply because you think it'll be worth more in the future. Or, like literally hundreds of thousands of others, you may want to join the movement. People are tired of these legacy systems we've been born into full of corruption by corporations and government, suppressing the working class. By investing in GameStop and then removing your shares from the corrupt system, you are fighting back, and potentially setting yourself up to enjoy a very lucrative future. The journey may be brief or take longer than we all hope, but hope is what it gives us. Life is all about taking calculated risks and taking a stand. I'm placing my trust in Ryan Cohen and standing up against corruption.

There is so much more to discover as I've only scratched the surface with this writing. My goal was to share enough to entice you to do some digging on your own and provide you with a concise summary of what you won't find on mainstream media.