

Title: Units of "two or more securities" coming soon? Traded on a DEX marketplace? Possibly the missing piece that fills in the jigsaw puzzle of RC's plan

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Hi all my favorite apes. I'm not sure this qualifies as a full on DD, but it's at least a mini-DD, and I had to share my smooth-brain ravings with y'all or I'll just stew on it, or bore my wife to tears with it...

First off, this doesn't change The Way: buy, HODL, and DRS. Perhaps it increases the need for you to DRS, to ensure you get an actual 'unit' and aren't fighting your broker over whether it has an equivalent cash value.

So, the first bit of data to diligence (or Double Down for the shills in the back row), and the news of the day was the Loopring wallet transfer by the CEO of Loopring in the amount of 61.3m LRC tokens:

<https://preview.redd.it/2zch6jurl2081.png?width=640&format=png&auto=webp&s=701efdc9a4044b592be57eac43c9d4ab0b058887>

Very exciting, very interesting, it gets the people going. But does it have anything to do with GME?

Well, we know that GME's crypto team has some ex-Loopring people, so there's those connections, and the job postings are openly discussing Ethereum and an NFT marketplace. GME also will want to be seen as being ecologically conscious, and also not spending huge amounts of investor cash on gas fees, so they're going to choose an L2 solution with rollups, which LRC provides. And L2/LRC enable a DEX (Distributed Exchange) where one could exchange tokens, NFTs, or say, crypto securities (more background: [<https://decrypt.co/73356/top-decentralized-exchanges-dex-uniswap-sushiswap>])(<https://decrypt.co/73356/top-decentralized-exchanges-dex-uniswap-sushiswap>)).

Secondly, RC's tweet about "small wee wee" isn't about the size of his "unit", it's about only needing small amounts of "wei", or the smallest unit of Ethereum, to transact the exchange of "units". He's saying that GME can make low-cost, secure transactions happen now, not just for an NFT Marketplace of games or in-game items, which is pretty exciting on its own and I believe that GameStop will do that, but for stocks. And not just any stocks, but digital crypto tokens with smart contracts. Next-gen stocks that can't be rehypothecated, naked shorted or otherwise abused.

Thirdly, let's talk share count: after deducting insiders and restricted shares, that is currently published as 61.76M by Yahoo. So that's 460k short of the 61.3M LRC. Not a huge difference and I think it's fair to suppose that some insiders (perhaps even RC himself) have bought 460k shares since the last quarterly report. GameStop knows the exact count from ComputerShare, per other DD, so they have the most current numbers.

Fourth, from reading job posts for GameStop's NFT/crypto group and some of the Twitter traffic, it seems they have set it up in Seattle and given it a lot of autonomy, which is exactly what I would have done in their situation. They couldn't attract top crypto talent to Texas, and a high functioning engineering group would have a hard time co-existing with the more traditional retail corporate environment of GameStop HQ. Plus, they've been poaching top Amazon talent (Director of Finance yesterday), so allowing them to stay in Seattle makes a ton of sense.

The important aspect of this is that the NFT group is already a separate organization within the company. Spinning them off would not be hard. GMErica? Maybe.

Finally, and perhaps most importantly, let's take a trip back to June 9th, and the GameStop prospectus for their share offering that raised \$1.2B. mmmm... good times. They took care of us and only raised the cash they needed, unlike certain popcorn CEOs. But I digress! Buried in there without much fanfare was a

section that describes exactly what they're going to do, just wrapped in legalese and generalized descriptions that at the time didn't give a lot to go on. But now that I have the information above, I think it is the missing piece that ties it all together:

[Link: [https://news.gamestop.com/node/18961/html#supprom192873\\_24](https://news.gamestop.com/node/18961/html#supprom192873_24)] (<https://preview.redd.it/vu3rkucs63081.png?width=832&format=png&auto=webp&s=5fa271c5779b8e875e3f5463b00120afef6ca526>)

This may be hard to read and it's pretty dense. I'll try to summarize as best I can:

- \* GameStop defined a new type of offering: a "unit" for any future "prospectus supplement".
- \* The June 9th offering was also a "prospectus supplement", so they are planning at some point to publish a new prospectus filing with the SEC defining the specifics of the "units."
- \* The units will be issued in "distinct series," ie. numbered items in a collection. They cannot be duplicated. NFT fits this like a glove.
- \* They will be issued by a "unit agent" to be designated in the supplement. Could be CS, could be the NFT spinoff, who knows?
- \* Units will combine "two or more securities". Unit holders will hold each security in it with all shareholder rights. Hold AND Hodl? Will do.
- \* Units will be transferable "for a specified period of time" only by themselves. I think this is to bundle the price of GME and "GMErica" together for a while, until the spinoff has gotten momentum, revenue and is ready to be out as a public company.
- \* There will be "material U.S. federal income tax considerations." Really? Why would that be? Oh, wait, that would probably mean shareholders are getting something of value that they must pay taxes on. OK, so what if every shareholder trades in their GME share for a new GME Unit that contains their GME share plus 1 GMErica share? That'd be like getting a dividend, especially if the LRC it took to make the share cost \$3 USD. But it's not a cash dividend, and not a generic crypto NFT that has some undefined value. The cost basis for taxes is \$3 and it has some unknown market value.
- \* You can't break out the GMErica share and resell it. Aw, too bad, SHFs! Better get started closing your naked shorts! oops, MOASS!

In conclusion, I think that GameStop is poised to announce that they are spinning off their NFT Marketplace division as a separate company with its own stock, but are issuing new "units" that will contain 1 share of GME and 1 share of the spinoff NFT Marketplace. These units will be tradable on their NFT marketplace or a DEX of a similar kind, and cannot be separated for some period of time.

MOASS is inevitable, my apes. Stay strong, hydrate, hold with diamond hands and I'll see ya on the rocket!

**\*\*Edit:\*\***

A few related thoughts after chatting with more people about this:

\- RC's tweet about "Hold or HODL" could be interpreted as "stock or crypto", with the natural question of "why not both?" A unit with stock AND crypto could be both Held and HODL'd.

\- If GameStop makes units a voluntary conversion for any shareholders who want it, then you really will have to decide between Hold or HODL: keep your old stock or get the new units. AND, there will be a mad rush by apes for those units, and once they're gone, they're gone. Ooops, MOASS, their bad!

\- The unit can contain "two or more securities." What if units contain not just a carveout share of the NFT company, but also an NFT that secures ownership of a physical limited edition Pokemon card in their vaults. That would be completely in line with their business (lawsuit proof), have a cash value for tax basis (retail single card price? \$0.01?), and yet have the characteristics of an NFT dividend (limited availability, not fungible for cash). Because units cannot be separated until some time period ends, the price of the unit will rise to include all three items' perceived values. And SHFs cannot get one until that time expires (6-12 months?)