

Title: Mr. Hanky : The Christmas Poo Part 1 – Cooking the Books for a happy new years eve  
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Twass the time before Christmas... and I was thinking what The Christmas Poo would have for our SHF. In January I wouldn't have believed that this whole story would take this long, so I was kind of forgetting that naked shorts eventually are on the books. Atobit got this covered in Citadel has no clothes with this wonderful „sold, not yet purchased“ in HF's financial statements. Also [u/ThatGuyOnTheReddits](<https://www.reddit.com/u/ThatGuyOnTheReddits/>) did a great DD about those indeed 57b on Citadel's books in 2020.

[Christmas Poo explaining on how to cook the books and how fukd HF are.](<https://preview.redd.it/y7r1munbng581.jpg?width=720&format=pjpg&auto=webp&s=474b53d4eaf23d9052380e30b62da2374ebc58a6>)

With new years eve nearing most companies prepare their financial statement, mostly for December 31st. As of this date the fair value goes into the statement which will be release roughly two to three months after. First the number of shorts increase a lot during the year (unbelievable volume in Jan/Feb anyone?) and second the price increase a lot (GME \$160 as of Dec 12 vs roughly \$19 so 8x).

# So lets look at last year, who sold a lot what isn't his'n? (Sold not yet purchased hot list)

Company	2020 (\$m)	% of liabilities	Source	2019 (\$m)	increase
SUSQUEHANNA SECURITIES, LLC	80,818	97.17%	[ <a href="https://www.sec.gov/Archives/edgar/data/0000920417/000092041721000003/sssfc.pdf">https://www.sec.gov/Archives/edgar/data/0000920417/000092041721000003/sssfc.pdf</a> ]	32,138	151%
MORGAN STANLEY & CO. LLC	72,024	18.67%	[ <a href="https://www.sec.gov/Archives/edgar/data/0000068136/000119312521060871/d24083dfull.pdf">https://www.sec.gov/Archives/edgar/data/0000068136/000119312521060871/d24083dfull.pdf</a> ]	23,235	210%
Citadel Securities LLC	57,506	84.75%	[ <a href="https://www.sec.gov/Archives/edgar/data/0001146184/000161634421000004/CDRG_StmtFinCndtn2020.pdf">https://www.sec.gov/Archives/edgar/data/0001146184/000161634421000004/CDRG_StmtFinCndtn2020.pdf</a> ]	25,270	128%
J.P. MORGAN SECURITIES LLC	48,734	8.58%	[ <a href="https://www.sec.gov/Archives/edgar/data/0000782124/000078212421000003/jmppublic2020.pdf">https://www.sec.gov/Archives/edgar/data/0000782124/000078212421000003/jmppublic2020.pdf</a> ]	35,037	39%
CTC LLC	28,291	95.48%	[ <a href="https://www.sec.gov/Archives/edgar/data/0001053725/000105372521000001/CTCPublic14.pdf">https://www.sec.gov/Archives/edgar/data/0001053725/000105372521000001/CTCPublic14.pdf</a> ]	10,014	182%
DEUTSCHE BANK SECURITIES INC.	11,950	19.83%	[ <a href="https://www.sec.gov/Archives/edgar/data/0000058056/000005805621000019/SOFCShort_Dec20_Final.pdf">https://www.sec.gov/Archives/edgar/data/0000058056/000005805621000019/SOFCShort_Dec20_Final.pdf</a> ]	12,079	-1%
BNY MELLON CAPITAL MARKETS, LLC	2,328	31.4%	[ <a href="https://www.sec.gov/Archives/edgar/data/0000785069/000078506921000001/bnymcmsofc.pdf">https://www.sec.gov/Archives/edgar/data/0000785069/000078506921000001/bnymcmsofc.pdf</a> ]		
WELLS FARGO CLEARING SERVICES, LLC (since we got a credit line there)	43	.3%	[ <a href="https://www.sec.gov/Archives/edgar/data/0000809008/000071155321000005/pubwfcs2020.pdf">https://www.sec.gov/Archives/edgar/data/0000809008/000071155321000005/pubwfcs2020.pdf</a> ]		

Also checked the following companies, but their values were negligible (only means their statements look "good"): Goldman Sachs, Vanguard, UBS, BNP PARIBAS SECURITIES CORP, ING, INTERACTIVE BROKERS LLC.

How will their position „sold not yet purchased“ look like on December 31st this year?

[Accountants leessssgo - clean it!](https://preview.redd.it/rllfy2jcg581.jpg?width=300&format=pjpg&auto;=webp&s;=3f6f543c24520d0b70aa9a882d2819dc327a0d38)

This would depend on which assets were sold short, how their „basket“ looked like and how it evolved over this year. Also the quantitative distribution has to be taken into account. If this would be done one could estimate the numbers – roughly.

Just imagine Citadels 57bn going up 8x to about 456bn. Holy... What can they do? Hide the bag, sell it to another company, bring the price of GME down for the books (any wrinkle brain here who can check for fair value and how one could „adjust“ it?) and/or increase the other assets so there is no bankruptcy-looking loss on the books.

Open Questions – Please help Apes:

1. Can anybody produce a financial statement for Point72 or Melvin Capital? Don't they need to provide a financial statement?
2. How can one modify the fair value on the books for the financial statement? With this 8x price increase this wouldn't look so good?
3. What are your takes how meaningful the price on December 31st is for their books?
4. What further measures do they have to hide naked shorts?

**\*\*TL;DR\*\*:** In 2020 there was already a lot of probably naked shorts (sold not yet purchased) on their books. 2021 will look like a shit show unless they take countermeasures (hide the bag somewhere else, lower the price for the meme-basket, show higher assets). Need some help what fair value of the asset on 31 December really means.

Any thoughts are appreciated!

BUY, HOLD, DRS.

Not financial Advice.

Edit 1: added tldr, added pictures