

Title: I need more coffee...

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TL/DR It's possible that Bank of America is holding the biggest bag in the Gamestop saga

Note: This is just a theory, and I am not advocating anyone to do anything with their BofA accounts. Just some information I found and felt an obligation to share. I am not a financial advisor.

>If you owe the bank \$100 that's your problem. If you owe the bank \$100 ~~million~~ billion, that's the bank's problem. -\*J.Paul Getty\*

Good afternoon Apes of the world. For the past couple of weeks, I've been digging into reports, and news articles looking for evidence to connect Bank of America to the naked shorting situation and to postulate who may be holding the bag at the end of this saga.

Now I'm still new to building DD's and if I am incorrect please forgive me and I will try my best to fix this article. If anyone has additional information to refute or support my claims they are welcome as it's the best way to find the truth. I would also like to thank

[u/Alert\_Piano341](https://www.reddit.com/u/Alert\_Piano341/) for their considerable help and hours of research. I won't even touch that their building is always lit up on weekends/holidays (Veterans day...really guys) and that they were one of the trading platforms that restricted trading in January.

**\*\*Hypothesis\*\***: Bank of America is the biggest bagholder in the Gamestop saga.

**\*\*Supporting Evidence\*\***:

**\*\*The 15 Billion Dollar bank bond\*\***.

On April 16th Bank of America issued a \$15 Billion dollar bond. Now given they had an extremely strong quarter, why would BofA need the additional collateral?

[https://www.marketwatch.com/story/bank-of-america-tops-charts-with-15-billion-bond-deal-the-biggest-ever-from-a-bank-11618606409](https://www.marketwatch.com/story/bank-of-america-tops-charts-with-15-billion-bond-deal-the-biggest-ever-from-a-bank-11618606409)

BAC needed that 15B bond for insurance

[https://www.foxbusiness.com/business-leaders/bank-of-america-expects-to-increase-dividend-share-buybacks-ceo-moynihan](https://www.foxbusiness.com/business-leaders/bank-of-america-expects-to-increase-dividend-share-buybacks-ceo-moynihan)

watch this video at the 1:30 mark..... "assuming we get through the stress test...." he catches himself and is like I HAVE TO BE SUPER CONFIDANT HERE.

**\*\*I can't find one other article or media post about the liquidity test anywhere, and here is the CEO mentioning it in an Interview....it was on his mind.\*\***

**\*\*The Citadel Link\*\***

So the MM has a special exemption that allows them to Naked short the securities for the sake of market liquidity and they classify them as "Securities sold but not yet purchased" liabilities. Market Makers have been fined for naked shorting before but nothing has been done to really curb it and the fact that we have two companies with expanding balance sheets show it's being abused right now.

Citadel specializes in Option naked shorting, and because of GME they have an ever-expanding bag of SHit. There "securities Sold but not yet purchased" went up to 57.506 B this year with 32.386B of it in Options. To recap Abbot told us the liabilities are valued at fair value, and that this will be an issue for citadel in the future. \*\*I think it is going to be an issue for someone else as well.\*\*

[ Citadels Liabilities ](<https://preview.redd.it/81qoys0o3c371.png?width=1849&format;=png&auto;=webp&s;=59f520ffac6c99438bdc71bea8828f316bbe5dae>)

\*\*Notes from the financial statement for Sussqhana and Citadel\*\*

[ Susqhannas note makes it perfectly clear that the assist and liability are just on paper, the clearing broker can just sell their shit when needed ](<https://preview.redd.it/tlwr054q3c371.png?width=1795&format;=png&auto;=webp&s;=00e5f2da6bc822929f8ba9256bcd17c3f073183>)

Let's check what Citadel says about its Prime Broker ---->

[ Who is holding Citadel's bag of shit? ](<https://preview.redd.it/jo04yu7s3c371.png?width=924&format;=png&auto;=webp&s;=c73e6bf6450d7cf5da415329d838cfc5fb8d463>)

[T his is also found in Citadels 2020 Annual Finacial report \"A substantial portion of Citadels' options clearing and Financing activities are with BAML\" ](<https://preview.redd.it/cs6ttvrt3c371.png?width=444&format;=png&auto;=webp&s;=ba2786ba9188af17b17ecb9ca7a48db6f9d7aacb>)

BAML (which stands for BANK OF AMERICA MERRIL LYNCH) or now BAC is the prime and clearing broker for 96.69% of all the net derivative assets of Citadel Securities? They are holding the 57.6 Billion Bag on Citadel Poo... 32,386 Billion of it in options, with a ton of those, are going to explode in their face or be worthless.

\*\*Something to consider... \*\*

Virtue Capital annual report

(<https://sec.report/Document/0001592386-21-000005/>)(<https://sec.report/Document/0001592386-21-000005/>)

They could note that their payment for order FLOW more than doubled in 2020 with the rise of RH .....

what do you think about Citadel's Payment for order flow (Virtue is a publicly traded company so we have their expense data you will not find it for citadel) but Virtue and citadel are competitors. this article says Virtue does 9.4% while citadel does 13.4% of the market in December of 2020. so if Virtue is paying 758M for order flow in 2020 Citadel is paying at least a 1B.

(<https://outline.com/SxAFCy>)(<https://outline.com/SxAFCy>)

<https://preview.redd.it/zxiwz08z3c371.png?width=2061&format;=png&auto;=webp&s;=893e2be704b6a4ccf04812be93199ea49c72f9a8>

Virtue Capital payment for order flow

then they could look at Citadel's debt (most MM don't take on debt ....because they print money, they are not supposed to have the liabilities citadels has and they may have a simple line of credit but Citadel got a direct cash infusion last year. They sell options they don't own yet (with the expectation they won't have to purchase most of them).....shit

**\*\*The Loan\*\***

<https://preview.redd.it/dewwxy034c371.png?width=944&format;=png&auto;=webp&s;=d6775a98870a2faae62e4f22b0200f5ef367127b>

They issued a 1.653 billion loan to Citadel, when they also recently raised the 15 Billion for their bond. SMH

**\*\*The New Hire?\*\***

A key piece of information that I came across that I thought might support our thesis was the recent hiring of Executive David Kim. David Kim was the head of equity client solutions at Bank of America and was recently hired by Citadel Securities (link below). Now, this is speculative, lets say there's a new hire named Mavid Jim, would it be possible that Jim has signed off on some terrible credit/increased risk, and jumped ship on some hidden backdoor deal?

[<https://www.efinancialcareers-canada.com/news/2021/04/david-kim-bank-of-america-citadel>](<https://www.efinancialcareers-canada.com/news/2021/04/david-kim-bank-of-america-citadel>)

**\*\*Look for the usual suspect\*\***

I speculate that Bank of America also contributed heavily to the naked short selling of the so-called meme stocks (most likely Gamestop GME and Bed Bath and Beyond BBBY, as they are the stocks their analysts mentioned). In an article as recent as 2018 its been documented that BofA has paid the most fines out of all the major players since the 2008 financial crisis. It would appear that the rules simply don't matter to them.

[<https://www.marketwatch.com/story/banks-have-been-fined-a-staggering-243-billion-since-the-financial-crisis-2018-02-20>](<https://www.marketwatch.com/story/banks-have-been-fined-a-staggering-243-billion-since-the-financial-crisis-2018-02-20>)

<https://preview.redd.it/eedc9nl84c371.png?width=730&format;=png&auto;=webp&s;=9fed4fc37fe0cb5698b3f139fc883b03d1a0ba21>

**\*\*The 13F Filings\*\***

In recent 13F filings on whalewisdom you can see that Bank of America does hold decent-sized Put positions on GME and AMC. As holding these put positions are a legal loophole way of holding a short position and resetting an FTD, I believe it's possible that they also took short positions against these meme stocks. As both organizations would benefit from colluding an aggressively short position, they could drive the price down and both mutually profit.

[[https://whalewisdom.com/filer/bank-of-america-corp-de#tabform4\\\_tab\\\_link](https://whalewisdom.com/filer/bank-of-america-corp-de#tabform4\_tab\_link)]([https://whalewisdom.com/filer/bank-of-america-corp-de#tabform4\\\_tab\\\_link](https://whalewisdom.com/filer/bank-of-america-corp-de#tabform4\_tab\_link))

**\*\*The recent Bank of America Q10 Quarterly report\*\***

I decided to do some digging and when I was looking through the cashflows on their most recent quarterly report a figure under trading and assets/liabilities I found this gem.

The net change in cash from derivative assets/liabilities from 2020 to 2021 was a womping deficit of \$53.756 Billion or a difference of \$83 Billion from the prior year. That's just what is reported. I tend to believe that it's probably worse than that.

[ Page 47 on their recent Q-10 ](<https://preview.redd.it/jcvzlpdm4c371.png?width=1151&format;=png&auto;=webp&s;=09ab13adba7b697d552f7f95ff86da2b7495ecd7>)

(<https://investor.bankofamerica.com/regulatory-and-other-filings/all-sec-filings/content/0000070858-21-000063/0000070858-21-000063.pdf>)(<https://investor.bankofamerica.com/regulatory-and-other-filings/all-sec-filings/content/0000070858-21-000063/0000070858-21-000063.pdf>)

#### **\*\*The Bullshit Push for Silver\*\***

Who else thought it was total bullshit when the media spewed out that Reddit was into Silver, and that it was the new Gamestop? Who on earth would benefit from crowds of people moving to purchase silver? Honestly if/when Gamestop moons everything is Gold Plated. Silver is shit.

(<https://www.cbc.ca/news/business/silver-stocks-surge-1.5895790>)(<https://www.cbc.ca/news/business/silver-stocks-surge-1.5895790>)

(<https://www.northernminer.com/fast-news/bank-of-america-sees-further-upside-potential-for-silver-in-2021/1003825311/>)(<https://www.northernminer.com/fast-news/bank-of-america-sees-further-upside-potential-for-silver-in-2021/1003825311/>)

#### **\*\*The Roaring Kitty\*\***

It seems that our beloved Roaring Kitty knows something is up with Bank of America as well. In his recent Twitter post, he shows a scene from Baby Driver (A great film, check it out). It would appear there has been a Gamestop logo inserted just above a Bank of America ATM. Interesting stuff.

[ Bank of America ATM and the GME logo ](<https://preview.redd.it/f50ifldw4c371.png?width=900&format;=png&auto;=webp&s;=53bf109cb1cffe95cfd3907d1a1a25e8c94da5>)

#### **\*\*The closed locations:\*\***

Currently, hundreds of Bank of America locations across the United States are currently closed. It was definitely sus. To my understanding, some of these locations were being boarded up due to the trial of George Floyd (RIP). This was very strange as some of these banks were being boarded up after the verdict of the trial, and it appeared no riots would happen. I understand that with the shift to mobile/online banking there is less need for physical locations, but does that facilitate about 1/5th of all locations been temporarily closed (I did a sample of several states and came across 1/5th. I wasn't about to spend a day checking all 4600 locations but I welcome someone else with more time on their hands to take a look).

#### **\*\*Bank of America Analyst Shitting On GME\*\***

"GameStop missed EBITDA estimates, which was a big negative for Bank of America analyst Curtis Nagle. The analyst, which rates the stock at Underperform with a price target of \$10, said the company missed EBITDA estimates by 66%"

"This is not a good quarter," Chukumba said. "I will be listening to how they're going to pull a rabbit out of the hat and turn this into a viable company."

Chukumba said [GameStop](<https://www.youtube.com/watch?v=zSoA7T-XCKg&t;=39s>) needed "some magic beans and pixie dust" to help the company going forward. He dropped coverage of the stock in January.

[<https://www.benzinga.com/analyst-ratings/analyst-color/21/03/20322372/gamestop-analysts-react-to-q4-earnings-company-needs-some-magic-beans-and-pixie-dus>](<https://www.benzinga.com/analyst-ratings/analyst-color/21/03/20322372/gamestop-analysts-react-to-q4-earnings-company-needs-some-magic-beans-and-pixie-dus>)

**\*\*Conclusion:\*\*** Based on all the evidence provided above, I asked the question, who else could be the biggest big holder at the end of all this? If Archegos is a much smaller hedge fund and contributed to 10+ Billion dollars in losses to Credit Suesse, then I speculate that the losses from the margin calling of Citadel and Susquehanna could be magnitudes larger. If you also consider the short selling of securities from BofA itself, it is entirely possible for 100+ Billion dollars in losses. Let me know what you think. Again big shout out to [u/alert\\_piano341]([https://www.reddit.com/u/alert\\_piano341/](https://www.reddit.com/u/alert_piano341/)) for their help/contributions.

**\*\*Note\*\*:** If someone could get me some Bloomberg shots for a few of the major banks that would be great! Ideally BofA, JPM, GS please and thanks.

\\*\\*if you choose to use any of this in a DD please reference this article as it took a lot of hard work.