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Shares of **GameStop Corp.** (NYSE:GME) have rallied 46% in the past five days, giving meme stock investors renewed optimism a turnaround is just around the corner.

Whitney Tilson, former hedge fund manager and CEO of Empire Financial Research, says meme stocks are simply experiencing a phenomenon known as a dead-cat bounce.

Dead-Cat Bounce Explained: A dead-cat bounce is a temporary, short-lived recovery in a stock that has been in a long-term decline. The term comes from the idea that even a dead cat will bounce if it falls from a great enough height.

Dead-cat bounces are often triggered by short sellers cashing out of their profitable positions by buying back the stock. Once the dead-cat bounce ends, the stock resumes its longer-term downtrend.

GameStop's share price declined from all-time highs of $483 in 2021 to as low as $77.58 earlier this month. In his daily newsletter, Tilson said the stock's recent rally back to $134 is a textbook dead-cat bounce.

In early January, Tilson included GameStop in his "dirty dozen" list of 12 stocks to avoid in 2022, which also included meme stocks **AMC Entertainment Holdings Inc** (NYSE:AMC) and **Digital World Acquisition Corp** (NASDAQ:DWAC). Eleven out of the 12 stocks subsequently crashed by more than 30% over the following three weeks.

Related Link: Is AMC Entertainment Getting Desperate?

GameStop and other meme stocks have allied alongside high-quality growth stocks since March 14, but Tilson says investors should be cautious of the sucker's rally.

"While I think this growth stock rally might have legs, what's happening with the Dirty Dozen is a classic 'dead-cat bounce'... so avoid these stocks at all costs, especially the three worst: DWAC, AMC, and GME," Tilson said.