

Title: ■■ SEC implements new 'Buy to Cover' Requirement, impacting short-sellers of GME ■■

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The Commission also voted to propose a new provision of Regulation SHO, Rule 205, which would establish \*\*\*a new “buy to cover” order\*\*\* marking requirement for broker-dealers. Regulation SHO, which is the Commission’s primary short selling regulation, requires broker-dealers to identify each sale order that it effects as either “long,” “short,” or “short-exempt,” but it does not currently have a corresponding requirement for purchase orders. Proposed Rule 205 would require a broker-dealer to mark a purchase order as “buy to cover” if the purchaser has any short position in the same security at the time the purchase order is entered. This information will be especially useful to the Commission \*\*\*in reconstructing significant market events\*\*\* and identifying potentially abusive trading practices including \*\*\*short squeezes\*\*\*.

[<https://www.sec.gov/news/press-release/2022-32>](<https://www.sec.gov/news/press-release/2022-32>)

This is clearly in line with [the active DOJ investigation into short-sellers](<http://www.wsj.com/articles/justice-department-is-pursuing-wide-ranging-investigation-of-short-sellers-sources-say-11645019122>) (in which [Citadel](<https://frankneez.com/breaking-citadel-under-investigation-by-department-of-justice/>) and [Melvin Capital](<https://www.bloomberg.com/news/articles/2022-02-04/vast-doj-probe-looks-at-almost-30-short-selling-firms-and-allies>) were individually listed as criminal subjects). Charges are racketeering, mass-market-manipulation, 'spoofing', 'scalping'; the case utilizes the Racketeer Influenced and Corrupt Organizations Act (RICO, which is what was used to take down the Mafia). Citadel, which appears to be crumbling, lost 75% of its future customers and up to 50% of its active customers, and also [just emergency-pulled \$2Billion from Melvin Capital](<https://www.wsj.com/articles/citadel-is-further-paring-back-2-billion-melvin-investment-11645710666>). Melvin Capital too lost 60% of its capital in the last two months.

As Federal Investigators, Federal Prosecutors, and the SEC clamp down on this historic short-and-distort campaign against the innocent company known as GameStop Corp (\*\*\$GME\*\*), you can count on me to hold and add more \*\*\$GME\*\* shares to my portfolio. A price runup is likely in the short-term: these illicit firms are clearly being forced to buy-to-cover their short positions under the law. The DTCC shows that they have to cover the trades, even if those bad actors can't penny up.

Even with this historic, market-freeing bonus, I do buy \*\*\$GME\*\* based on company fundamentals which are looking incredible with the increased e-commerce sales numbers, brick-and-mortar post-pandemic recovery, global reputational dominance with brand and gaming, Esports dominance, the metaverse push, the Microsoft partnership, and the to-be-launched-any-moment-now NFT marketplace which is supported by break-through achievements in digital technology and blockchain with friends Loopring and Immutable X.