

Title: Optional Side Quest: Bain Capital

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(X-posted from r/Superstonk)

Edit #3: I'm putting this edit on top because this is really huge: [A guy just got swatted/raided for whistleblowing against Bain Capital as well as Goldman!](<https://medium.com/@laserdliquidator/my-whistleblower-choice-be-disparaged-arrested-or-dead-7bab6e2708bc>)

I noticed all of the recent DD that's been shedding light on the zombie companies, and how they've mysteriously come back from the grave.

So this morning, I woke up, had some eggs and bacon, and kept my head clear. I am now sitting on the toilet, as where all other great DDs get written, and am typing up this quick weekend side quest DD for ya'll.

I genuinely couldn't stop thinking about the forced liquidation/bankrupting of all these retail companies from yesteryear.

The one fund that came to my mind was Bain Capital.

Do ya'll remember that socially awkward Mormon guy, Mitt Romney? You know, the dude that ran for president back in '08 and '12?

Yeah, well now he's a Senator for the state of Utah. \*mormon sounds intensify\*

[Here's his 2020 annual report with the SEC, I noticed his positions in Goldman, JP Morgan, BofA, and Golden State Capital, along with his own fund, Bain captital.](<https://sec.report/Senate-Stock-Disclosures/Romney//W.+Mitt/8f7c6783-10b1-43e8-8130-0f00683bbc5e>)

Let's take a closer look at Bain Capital.

This private equity fund was notorious for vaporizing companies to death in the past. Basically, death by dividend. They would buy the company, cut funding, and then funnel all of the extra money to go towards dividends, effectively sucking the company dry.

**\*\*List of some companies Bain Capital has killed:\*\***

\-American Pad & Paper

\-Dade Behring

\-DDI Corporation

\-GS International

\-Stage Stores

But Bain isn't the only fund that has Mitt Romney's interest. Here's another:

Golden State Capital, another fund that it looks like Mitt has a position in (refer to the SEC report linked above)

Golden State Capital, along with Blum Capital, ran [Payless ShoeSource into bankruptcy.](<https://www.google.com/amp/s/mobile.reuters.com/article/amp/idUSKBN19C05W>) And you wanna know what the aftermath of it was?

\$400 million in dividends.

Golden State and Blum killed the company for the dividends.

But do you wanna know what really sparked my interest?

Bain's position on Toys-R-Us

Toys-R-Us, one of the "zombie companies" that has caught attention among us apes, was the most recent company that Bain has devoured.

Although I couldn't figure out if Toys-R-Us paid dividends before bankruptcy, I did notice two red flags:

[Red Flag #1 - \$32 million in bonuses following bankruptcy, meanwhile the previous year bonuses were only \$8 million.](<https://www.marketplace.org/2018/04/10/how-companies-toys-r-us-get-approval-pay-executive-bonuses-during-bankruptcy/>)

[Red Flag #2 - Toys-R-Us paid huge and suspicious fees to executives of Bain Capital, KKR, and Vornado,

each quarter.](<https://pitchbook.com/news/articles/toys-r-us-creditors-sue-former-bain-capital-kkr-execs>)

What else did Bain Capital have in store for Toys-R-Us? Did they potentially conspire with whoever shorted them into oblivion? I'll leave it at that, as I don't know where else to look from here on out.

[Also worth mentioning is Eddie Lampert's handling of the Sears Bankruptcy:](<https://www.institutionalinvestor.com/article/b1c33fqdnhf21s/Eddie-Lampert-Shattered-Sears-Sullied-His-Reputation-and-Lost-Billions-of-Dollars-Or-Did-He>)

**\*\*Conclusion:\*\*** I think there are too many predatory funds out there, and they've all contributed to the collapses of retail, which more or less has indirectly aided Amazon+Bezos in their quest for world domination. Bain capital is a great example of what a predatory fund looks like, and I think we need to be on the look-out for more people that run funds like these.

**\*\*TL/DR:\*\*** Big hedge funds and big private equity funds r bad. Bain Capital is bad for destroying Toys-R-Us, and other companies.

Edit #1: Removed the part where I said Romney ran against Obama.

Edit #2: Bain Capital is technically a private equity fund, and not a hedge fund.