

Title: The Day, Hedge Funds turned the spotlight on themselves - A Comment on the Aftershock since Multibillion Dollar Companies removed the Buy Button / by AnnihilationGod

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The 28. January 2021 was a day, that changed the paradigm in the history of investing. For the first time in history, retail investors were excluded from trading the stocks they were interested in. The broker App Robinhood, a company that lost 3/4 of its value since their IPO in 2021, decided to not fulfill their margin requirement and for this reason, restricted trading in multiple stocks. These stocks are now known as the so called "Meme-stocks" - a phrase widely used by main stream media to describe a conglomerate of listed companies, that are not related in any kind, beside the fact that they were labeled "meme-stocks".

The narrative spread in many newspaper articles and comments on the news, tv or newspapers sounded all very similar: Because of retail investors colluding, short selling Hedge Funds and other market participants were forced to cover their short positions, what lead to sharp price increase in different stocks - while the most discussed and mentioned company was and is GameStop. The information released by SEC in Autumn 2021 proved all these authors and experts wrong and provided another perspective on price increase in January 2021: An incredible demand for shares - that was stopped by preventing people from buying more shares of these companies. Many people and researchers came to this conclusion way earlier than the SEC report, while these people were discredited in any possible way while the media didn't even take a look at the arguments and research done by many people in their free time. But instead of correcting their former statements, newspapers and media decided to ignore the filing published by the SEC and followed a pattern one could describe as a pure distraction psyop.

Over the course of the year 2021, the number of articles telling their reader that "GameStop is done" reached an uncountable height, always combined with the promotion of other stocks and tickers. The first distractions that focused the buying power of the retail community were the so called "silver squeeze" and "weed squeeze" - taking place shortly after the January incident. While some retail investors joined these orchestrated pump and dumps, others warned that this was a plan to distract from the real story, the GameStop story. While the stocks promoted on r/WSB followed a very inorganic growth in likes, average account age and other meta data facts - one thing was astonishingly unique: The hedge funds holding these companies prior to their appearance on r/WSB - something, no newspaper ever took a look or even reported - while retail investors did. But instead of lending an ear to this group, the media decided to follow an undisclosed path of ignoring facts.

The result was the development of multiple reddit subs, twitter communities and discord servers, spread all over the internet. For the first time in history, retail investor realized that they had been played by billion dollar companies. Companies, that had been short on the stocks they were not able to purchase in January 2021. While the communities kept on digging into many topics, from taxes to company structures, options and swaps, their research and findings were completely ignored by the free press and for this reason, these companies missed out on doing their job - to provide objective news and information to the public. The result of this exclusion and ignorance was a unification of the retail community - a community that did not have any binding feelings to each other in the beginning.

At no point, there had been anything that could be seen or described as collusion or market manipulation, at least speaking for the retail community. While companies like Citadel Securities or Point72 bailed out Melvin Capital, a company that was short GameStop and other "Meme Companies", their role and influence on the happenings since January 2021 was not disclosed to the public, the media and retail community. Beside the few information retail have access to, these billion dollar companies were not put into the focus of newspaper articles or critical comments - it was like someone forgot about their existence. This fact resulted in the indignation and frustration inside the retail community that was and is still waiting for legal actions against these companies. While the first lawsuits against Robinhood were dismissed, the biggest question, who sold more than 100% of GameStop float short, is not answered.

This mostly originates in the lack of reporting duties, coming along short selling shares. The self regulatory institute didn't show a sign of real interest in investigating these incidence - while the research of the community made everyone aware of the fact, that the issue of naked short selling was an issue that was already known before the financial crisis 2008. But instead of enforcing rules, to prevent criminal short selling and the resulting bankrupt of these companies and people losing their jobs, every step towards a fair market got delayed or weakened, that the new rules didn't force market participants to fully disclose their short positions. As a result from this and many other information the community researched and discussed, the hedge funds accidentally cultivated a group of highly skilled digital natives that have long and intense experience in participating in the digital work and how to cooperate through the internet, unbound to location and time.

Instead of splitting the community with false newspaper articles and propaganda, they underestimated a generation that educated itself. Instead of getting out of their positions, like they tried to let retail believe, they tried to double down and get away with their rule violations and crimes. But this tactic failed. The retail community that grew around an old brick and mortar company and the passion of gaming was something, no one expected in the beginning. And while Ryan Cohen started to turn the sails for this gaming company, retail did the same for themself by starting to educate each other and supporting each other. The result was not a split crowd or a bunch of silent sheep, the result is a still growing mind hive, interested in exposing the criminal behaviors on Wallstreet and in the international Stock Market.

One could say, short sellers turned the spotlight on themselves - over and over again.

While their strategy, to be forgotten never succeeded, more highly questionable behaviors could be linked to hedge funds, owners or even politicians - like the CumEx scandal or political patronage of politicians or politicians trading on insider information. Instead of going back into the shadows, hedge funds, their members, owners and billionaire friends are once again in the spotlight of the public - with million eyes watching every step law enforcement does and hedge funds do. The GameStop story has still not reached the end beside one fact if you short sell shares you should be aware of the fact that retail investors and law enforcement is watching closely. Very very closely.