

Title: You get a dividend and you get a dividend!

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Is_self: False

RC tweeted last night a photo with [chopsticks up the nose and "PG-13"](<https://twitter.com/ryancohen/status/1417315406272864258>). If you've got your tin foil hat on, follow along!

PG-13 may be a reference to Page 13, perhaps of their [Prospectus](<https://news.gamestop.com/node/18961/html#toc>)? Page 13 is a section on Units. GameStop "may issue **units** consisting of any combination of two or more **securities described in this prospectus**". Neat, it's a combo wombo. Let's see what securities are described in this prospectus. Oh, there's literally a section titled "[Description of Securities We May Offer](https://news.gamestop.com/node/18961/html#supprom192873_19)" which lists Capital Stock (including Common Stock (*boring*) and Preferred Stock), Depository Shares (**Dividends**!!!), Warrants, Stock Purchase Contracts, Subscription Rights, and Book Entry Securities.

Pretty obviously, apes like dividends and GameStop has historically loved giving dividends. There are, of course, two types: cash & non-cash. Apes like the idea of a non-cash dividend like a crypto token (NFT).

What could the crypto token be combined with to make a unit? I think it's preferred shares. "Preferred stock" shows up 122 times in this prospectus and there is no preferred stock on the market right now. That means these preferred stock can't be shorted (yet). And, by combining the crypto token with the preferred stock, that means the preferred stock can't be shorted when issued either. ("These **units** may be issuable as, and for a specified period of time may be transferable as, a **single security only**, rather than as the separate constituent securities comprising such units.") Nice! While these units are held together as a single security, the crypto token authenticates and guarantees uniqueness of the preferred share.

There's a limit of 5M shares of preferred stock that can be issued. With 75M outstanding shares, GS can do a 15:1 ratio of common to preferred crypto units to issue as a dividend. For every 15 shares of common stock, you get 1 preferred crypto unit.

But what if you don't have a nice round multiple of 15 shares? No worries! RC got you! "[We may, at our option, elect to offer fractional interests in shares of a series of preferred stock as depository shares, rather than full shares of preferred stock](https://news.gamestop.com/node/18961/html#supprom192873_21)."
[PG-7] You'll get fractional units which are fractional preferred shares combined with fractional crypto tokens.

Basically, you can have your cake and eat it too. GS shareholders may be getting a unit dividend which is a combination of an NFT and a preferred share. Naked shorts can't produce either a preferred share or an NFT so they're doubly screwed. Squeeze happens and GS shareholders can sell their common stock for tendies *while diamond handing* **preferred shares** *which can't be Xeroxed!* Plus, as an added bonus, preferred shares typically get voting powers and *special rights*. ("Our charter authorizes us to issue up to 5,000,000 shares of **preferred stock**, in one or more series, and to determine the **voting powers**, preferences and relative, optional and other **special rights** of the shares of such series, and the qualifications, limitations or restrictions thereof.")

Disclaimer: I'm reading tea leaves in a PG-13 tweet of a guy with chopsticks up his nose. You do you.