Title: The Smoking Gun Author: disoriented_llama

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TL:DR - Here's the proof... we were lied to.... the numbers don't add up.. shorts did not cover during January and I still don't see how they could have. Read this FULLY and tell me I'm wrong

My fellow Apes,

Lately I've been thinking about the short-interest publication by S3 last year when Ihor (yeah, remember him?) tried to explain how the short-interest reached 140%. This was a central topic to our conversations on previous subreddits and it seems to have been forgotten. We kind of glazed over it during the hype and I don't think we ever documented the process or properly defined WTF happened.

I'm putting this DD together to analyze the timeline of events. Just so there are no doubts about the actual SI %, I grabbed this screenshot directly from the [SEC's report](https://www.sec.gov/files/staff-report-equity-options-market-struction-conditions-early-2021.pdf) last October.

[page 21 of the PDF](https://preview.redd.it/kdmui3s8llm81.png?width=891&format;=png&auto;=webp&s; =7bc018c0bc88d2eefe65706e21110323806ca31e)

When everyone found out the SI% was this high, there were suddenly SOOOOO many questions asking how it can even happen. Without a way to accurately determine the SI% using public info, several of us used S3 and lhor because they had been relatively objective in the past.

Anyway, prior to January no one really paid enough attention to actually give a sh*t about these figures. Or better yet, there weren't enough eyes on the issue to dig into it. That obviously changed after January and people like lhor were suddenly faced with some serious questions, primarily *"HOW THE F*CK DO THESE PEOPLE SELL MORE SHARES THAN EXIST"*

...I remember it like yesterday....

There was a *very* quick narrative change from the S3 team.. Ihor quickly went from supporting the traditional (and more objective) equation ...to Frankenstein's monster of a formula....

Let's dissect this sh	n*t one step	at a time because	e there's A LOT going	g on in this post ________

Step 1: WTF is a synthetic long?

Ihor states that every short sale CREATES a synthetic long..

Whenever you short sell a stock, the obligation to repurchase that share at a later date is created. Therefore, what Ihor is saying is that each obligation to purchase a FUTURE share should be treated as

an ADDITIONAL share to those that already exist..

His own words..... **"the traditional float number in the SI % Float calc is** **WRONG"**... Keep in mind this was literally during the peak of the event in January... convenient timing, right?

Get ready because sh*t is about to throw you for a f*cking loop... Ihor is literally suggesting that the SI% should include the short positions IN THE DENOMINATOR of the calculation, AS WELL AS THE NUMERATOR.... If you keep the same figures I reported above (70 m / 50 m) and recalculate SI% the way that Ihor suggests, here's the result: **70m shorts / (50 m float + 70 m SYNTHETIC shares) = 70 m shorts / 120 m TOTAL SHARES = 58.3%**

Surely to GOD we haven't been reduced to this level of desperation... but here's his post from the **VERY NEXT DAY**.

[https:\/\twitter.com\/ihors3\/status\/1355194252674953219?lang=en](https://preview.redd.it/k5miphuhylm 81.png?width=590&format;=png&auto;=webp&s;=bd434d0f02026369b5339f801336fbb3b0d6401a)

Now I'm no genius, but it REAAAAAAAALLY looks like Ihor reported the actual SI% using the new figures after 1/28/2021 **AND reported his new S3 calculation using the synthetic longs in the denominator....**

Want more evidence? Take the 57.83m shares that Ihor reported as sold short, add those to the number of shares that were in the float (50m or so), then divide that total by the 57.83m.....

57.83m / (50m float + 57.83 synthetic shares) = 53.63%.... f*cking WHAT!?

Ihor reports 53.12% and I calculated 53.63% by shooting from the hip?! GTFO...

Based on the SEC's report, we know there was a small amount of covering during this time and I'm not doubting that the short interest dropped to 113%, but if the ACTUAL short interest was still 113% after we hit our peak, then when the f*ck did they cover? (I'll come back to this, later)



^{**}Step 3: You can't get 5 quarts of milk out of a gallon jug!**

Apparently, this guy is appealing to the common sense of the average investor by playing dumb. Why do I think he's 'playing' dumb?

HODL my f*cking beer and watch this..

If you haven't read the HOC series and don't know about the ways that companies fail to mark the short sale indicator on their shares, then I would suggest you go back and do that. It's the most obvious way for a company to conceal short positions. It can go on for years without people knowing and it creates millions of phantom shares, which I'm pretty sure everyone knows about at this point. When phantom shares are lent multiple times because they are never documented to begin with, you most definitely have a 5th quart of milk, dumbass.

But let's assume you DON'T know about that... Check out this FINRA violation from Barclays:

[https://files.brokercheck.finra.org/firm/_19714.pdf](https://preview.redd.it/zbl73bat0mm81.png?widt h=771&format;=png&auto;=webp&s;=cf52a95aa0846ea699aead4bb8ba81dece62c459)

^{**}Step 2: Redefine the SI % calculation to include synthetic longs**

So people like Ihor use numbers that are provided from a source, which is usually these f*ckheads. The biggest issue that most of us have been talking about is the ACCURACY of those reports. When Ihor gets his report, there's no way to validate the numbers because it's not his calculation to validate.

Instead, someone like Barclays (listed above) uses their own "methods" to determine if they are long or short on a given stock (or derivative). Therefore, if they include a number that is calculated erroneously, people like Ihor have to use that faulty information.

Here in lies the problem and this is why I think Ihor is full of sh*t. For someone that's a "Managing Director of Predictive Analytics" at a Financial Analytics Firm, you can't assert that you are unaware of these errors within your source information.... I have half a wrinkle and I can put this sh*t together so there's no way in Hell that you can't.

Anyway, Barclay's over-tendered 270,000 shares in a company because it miscalculated it's long position. They manually calculated their long position using multiple systems which **ultimately excluded a short position** that was housed in (yet) another system...

Now we know this isn't a major f*ck up compared to the crimes I listed in the HoC, but it's plenty of ammunition to blow more holes in Ihor's milk jug theory. If Ihor's source report excludes these shares, it means that all of the shares which SHOULD have been included in his report, WEREN'T...

Furthermore, I pulled this from the SEC's report:

https://preview.redd.it/0n3tjjobdmm81.png?width=868&format;=png&auto;=webp&s;=09944a1fe01627180 0b4af7b21cae070d95d79f1

So not only does the 5th quart **exist**, but you never **included** the 4th quart, either...

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Now then... where was I?

Aside from Ihor's proprietary SI formula and his blatant gaslighting, what actually happened to the shorts during January?

*....Well HODL on to your f*cking hats...*

Let's get back to the timeline... on 1/29/2021 Ihor comes out with a new SI figure which shows the new S3 calculation. I truly believe this was the beginning of the media campaign to pump FUD into retail investors. At this time, many people were referring to the run-up as the short squeeze, or even a gamma / delta squeeze. We had no idea what it was because there was no financial information about it... HOWEVER.... It LOOKED a lot like a short squeeze.

As we moved into the first week of February, it's as if all of the news outlets were trying to shout the same story: **the rally has GameStopped and the shorts have covered**. Here's just ONE from CNBC..

[https:\/\www.cnbc.com\/2021\/01\/29\/gamestop-short-sellers-are-still-not-surrendering-despite-nearly-20-billion-in-losses-this-year.html](https://preview.redd.it/74hewsm5bmm81.png?width=1014&format;=png&auto;=webp&s;=20003b4273059b977f7590b4766eaa25e4366bd9)

We all saw how many tactics that were used to simultaneously promote the same story in favor of

corporate interests. They acknowledged that Redditors had caused some damage to the hedgies, but ultimately it was over and **"MOST OF THE SHORT COVERING OCCURRED ON THURSDAY, WHEN THE STOCK FELL FOR THE FIRST TIME IN SIX DAYS."**

Note the comments regarding other short sellers holding and / or taking new positions against the stock.. Anyway, this was also published on 1/29/2021 and includes quotes directly from S3... right after S3 publishes new figures which indicate declining short interest..

Several of us thought they would cover once the buy button was blocked by certain brokers.. It was the perfect opportunity to do so because supply went WAAAAAAAAAAAYYYYY up...

...and yet, the total amount of SI on 1/29/2021 was still over 100% and covering would have meant financial suicide... these f*ckers have been shorting meme stonks for literally a decade.... back when the price was like \$4 - \$5 a share... imagine still paying \$100 or even \$50 a share to get out of that bet..

So what's a better thing to do..... nuke your long positions and cover, or spend the cash to pump media FUD and make it look like it's game over?

Yet again, I reference the SEC's official report..

https://preview.redd.it/646h1fmmdmm81.png?width=857&format;=png&auto;=webp&s;=46ab1a42ad2f7bd44f430566bb6edc3b39f16b28

It's nothing new... we know the SEC reported that most of the buying was from retail and not shorts... but look at that last line..... ".. sustained the WEEKS-long price appreciation...."

..Well tickle-my-balls.... so what exactly happened to the shorts?

[Figure 6 from the SEC's report](https://preview.redd.it/wc0j36uxdmm81.png?width=847&format;=png&aut o;=webp&s;=7496333e1c4142088fa82a2650efeae72dd823b5)

The blue bars are total buy volume and the red bars are buying from short sellers...

Look at all of the dates between 1/19/2021 and 1/29/2021... remember what Ihor said about this time frame?

...we dropped from around **140% to 113%**... as of 1/29/2021, Ihor said the ACTUAL short interest was 113%.... that's BEFORE using S3's new SI% calculation.....

Now go back to the red bars..... assuming 140% was the high... you mean to tell me that ALL of that buying was only a 27% reduction... (let me double check my maff.... 140 - 113... yup... 27%) in the outstanding short interest?....

Did they cover after the price dropped while the buy button was disabled?

IDFK, you tell me... does it look like there was much activity from short sellers covering after 1/29/2021? To me, it looks like these mother f*ckers spent money trying to gaslight the population and hope we washed our hands of it....

There is NO F*CKING WAY short interest dropped below 100% after all of this...

Not to mention this PROVES the media lied to us for MONTHS about shorts covering because the SEC determined that was a HUGE F*CKING NO.
We weren't wrong: we were gaslighted and lied to.
Here's the smoking gun.
Someone's not telling the truth.
DIAMOND.F*CKING.HANDS
\#GMEtotheMOON