

# TLC: THE LONG CON:

The markets are **frothing with liquidity.**



AN APES GUIDE TO CRYPTO

DD 🧑

How Wall St. conquered the wild west of crypto by laundering funds obtained from illegal naked short selling practices through stock market exchanges worldwide.

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**Let me first state that I am an advocate of crypto currency. I believe that Decentralized Finance and blockchain are a disruptive and innovative technology that will usher in a new online ‘industrial revolution’. That being said; it is my belief that members from shadow banking institutions and the Wall St. elite have sought to enforce a dominating presence across the entire sector. In doing so, prohibiting crypto currency from truly being a free and decentralized platform for the masses, they have used its democratic potential to launder trillions of dollars from the proceeds of illegal activities including naked short sales not just in the United States of America but worldwide.**

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| .... |

## PREFACE:

I am only but a humble ape.

I am not a financial adviser. I do not provide any financial advice below.

Many thoughts here are my opinion, and others can be speculative.

I worked in private banking and savings & investments for a big bank in the UK before moving to a competitor in which I worked in ISA investments for some time.

I have always been entrepreneurial and have for some time now been GPU mining and running passive incomes through PoW mining and then evolved to using LP token creation and DeFi (Decentralized Finance) usage to further my portfolio progress.

I run both a crypto portfolio and a stocks and shares portfolio. At this moment in time however I only hodl one position and that is GME.

I decided to question why this is the only position I chose to hodl when it came to my portfolio overall;



**Buckle up**

# CHAPTER 1:

## AN APES INTRODUCTION TO CRYPTO:

In crypto you have multiple ways to create it.

### PoW - [Proof of work mining](#). (Mining)

It is the use of GPU graphics cards or ASICs to solve algebra / algorithmic equations to continue the blockchain often done in pools of combined resources from many miners.

It is needed to make the online currency work without a company or government running the show. It is a necessary part of adding new blocks to the blockchain

### PoS - [Proof of stake](#) (Staking)

The main idea is that participants can lock coins (their “stake”), and at particular intervals, the protocol randomly assigns the right to one of them to validate the next block. Typically, the probability of being chosen is proportional to the amount of coins – the more coins locked up, the higher the chances.

## [DeFi \(Decentralized Finance\)](#) & the use of LPs (Liquidity Provider tokens)

DeFi platforms allow people to lend or borrow funds from others, speculate on price movements on a range of assets using derivatives, trade crypto, insure against risks, and earn interest in savings-like accounts.

DeFi uses a layered architecture and highly composable building blocks. Some DeFi applications promote high interest rates but are subject to high risk

The majority of which are built on the [ERC20 network](#) however alternative networks are available for the same practices.

The E network is prevalent due to the ability to create [smart contracts](#)

A smart contract is a self-executing contract with the terms of the agreement between a buyer and a seller being directly written into lines of code. The code and the agreements contained therein exist across a distributed, decentralized [blockchain](#) network. The code controls the execution, and transactions are **trackable and irreversible**.

Smart contracts permit trusted transactions and agreements to be carried out among disparate, anonymous parties without the need for a central authority, legal system, or external enforcement mechanism.

While blockchain technology has come to be thought of primarily as the foundation for bitcoin, it has evolved far beyond underpinning BTC itself.

**Smart contracts render transactions traceable, transparent, and irreversible.**

ELIA: I make a spreadsheet, add a column that the person who I send it to can insert their username, they then send the spreadsheet to the next user and so on. The information submitted by the previous member isn't erasable, once that information is submitted onto the spreadsheet it will always remain, the only thing you can do is to add a new entry and pass it along.

**How Smart Contracts Work:** (A brief history)

Smart contracts were first proposed in 1994 by Nick Szabo, an American computer scientist who invented a virtual currency called "Bit Gold" in 1998, fully 10 years before the invention of bitcoin. In fact, Szabo is often rumored to be the real Satoshi Nakamoto, the anonymous inventor of bitcoin, which he has denied.

Smart contracts are defined as computerized transaction protocols that execute terms of a contract. He wanted to extend the functionality of electronic transaction methods, such as POS (point of sale), to the digital realm.

Szabo also proposed the execution of a contract for synthetic assets, such as derivatives and bonds. "These new securities are formed by combining securities (such as bonds) and derivatives (options and futures) in a wide variety of ways. Very complex term structures for payments can now be built into standardized contracts and traded with low transaction costs, due to computerized analysis of these complex term structures."

**In simple words, he was referring to the sale and purchase of derivatives with complex terms.**

Many of Szabo's predictions in the paper came true in ways preceding blockchain technology. For example, derivatives trading is now mostly conducted through computer networks using complex term structures.

**Smart Contracts today are used in DeFi (Decentralized Finance) to create & generate wealth through Liquid provider tokens (LPs)**

This is a non physical way of creating crypto and it is based around the fundamentals that you can stake your asset, or you can use DeFi by which you add your funds to a giant liquidity pool in which the more funds in it, the easier the flow of transactions in and out to bounce off other currencies against it. In short you get paid handsomely to be an automatic market maker through what's called 'smart contracts'

In return for staking your assets in these liquidity pools you are paid a live constantly rolling interest payment that works out on average maybe 100% per annum. These interest payments can be capitalized and compounded in your initial investment.

**In other words, whilst you buy and hold a crypto, you are earning a constant high yielding dividend payment on it and still have the ability to move funds in and out without any hindrance or clauses.**

**Here are 2 of the DeFi platforms that are popular that I have experience in using:**

**PANCAKE SWAP** <https://coinmarketcap.com/currencies/pancakeswap/>

&

**UNI SWAP** <https://coinmarketcap.com/currencies/uniswap/>

**To put the incentives into perspective:**

Currently right now on one of the most popular DeFi exchanges, you can earn up to **120.47% APR** (at time of writing) compounded and capitalized as often as you want. At the start of the year some of these pools were running at **500-600%+ APR** compoundable.

<https://pancakeswap.finance/pools>

The SHF model worked prior to May 4th by utilizing these exchanges. NSCC 802 curtailed the bulk of that leaving little choice but to store excess funds on **0%** in overnight reverse repos, essentially going from highly profitable assets to assets being eaten by inflation.\*

**More perspective:**

The US 2yr treasury is **0.16% yield**

The US 5yr treasury is **0.78% yield**

The US 10yr treasury is **1.49% yield**

The average ETF investor earns **8% APR**

The average SP Index investor earns **10% APR**

\*at time of writing, now currently increased to 0.05% 21/06/21

## CHAPTER 2:

### SO YOURE WONDERING RIGHT NOW WHY IN THE FUCK AM I TALKING CRYPTO ON SUPERSTONK?

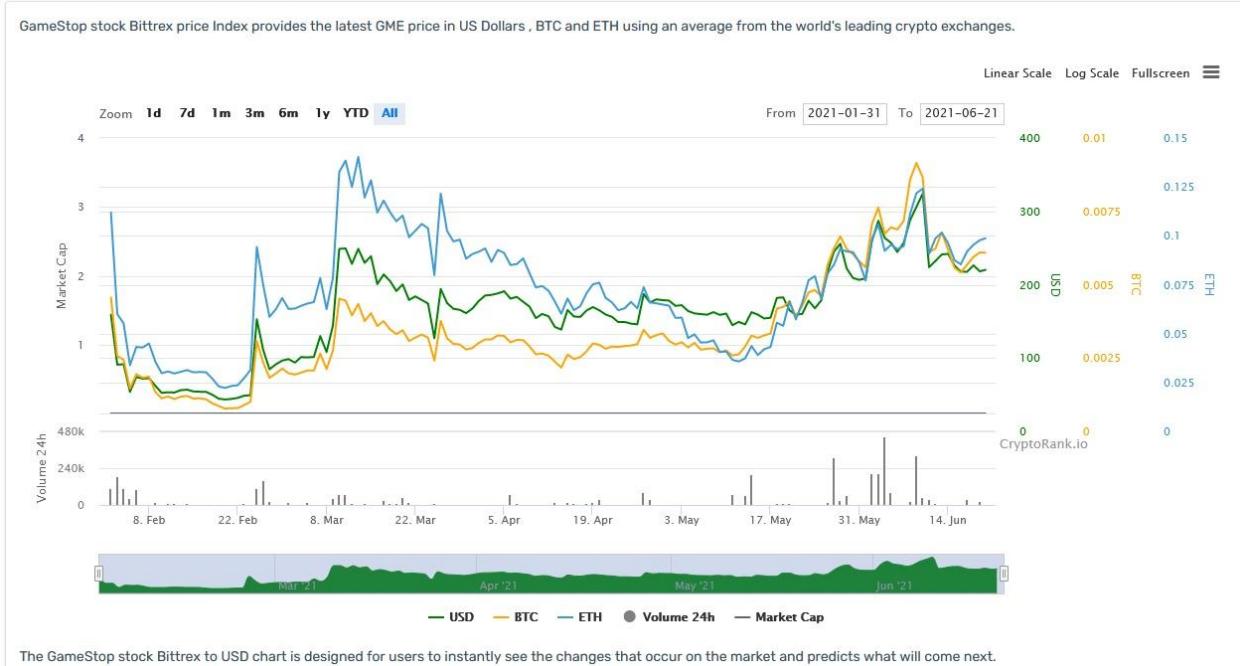
First we need to consider what money we are talking about, where is it coming from, any previous proof, paper trails to consider or unusual correlations.

We know of the correlations with KOSS and other meme stocks.

#### THE BACK STORY: Looking closer:

#### Please check below a chart of GME VS USD/ETH/BTC

GameStop stock Bittrex Price Chart



<https://cryptorank.io/price/game-stop-stock-bittrex>

When there is a large price **INCREASE** in GME the price of **ETHEREUM** goes **DOWN** \$1USD compared to GME

When there is a large price **DECREASE** in GME the price of **ETHEREUM** goes **UP** compared to 1\$USD GME.

**If it is is a small change in gme price the correlation is not necessarily there but it is ALWAYS there when there a substantial net change and ALWAYS follows the same pattern**

Compared to the day before.

**Basically the price of ethereum compared to 1\$USD changes based on large changes in GME price and it is dependent on a rise or fall and **ALWAYS** follows this pattern**

compared to the day before price

**All we need to do is see the closing price of ethereum and other tokens compare them to gme price and you can find significance based on price change **ALWAYS****

In a very quick TLDR:

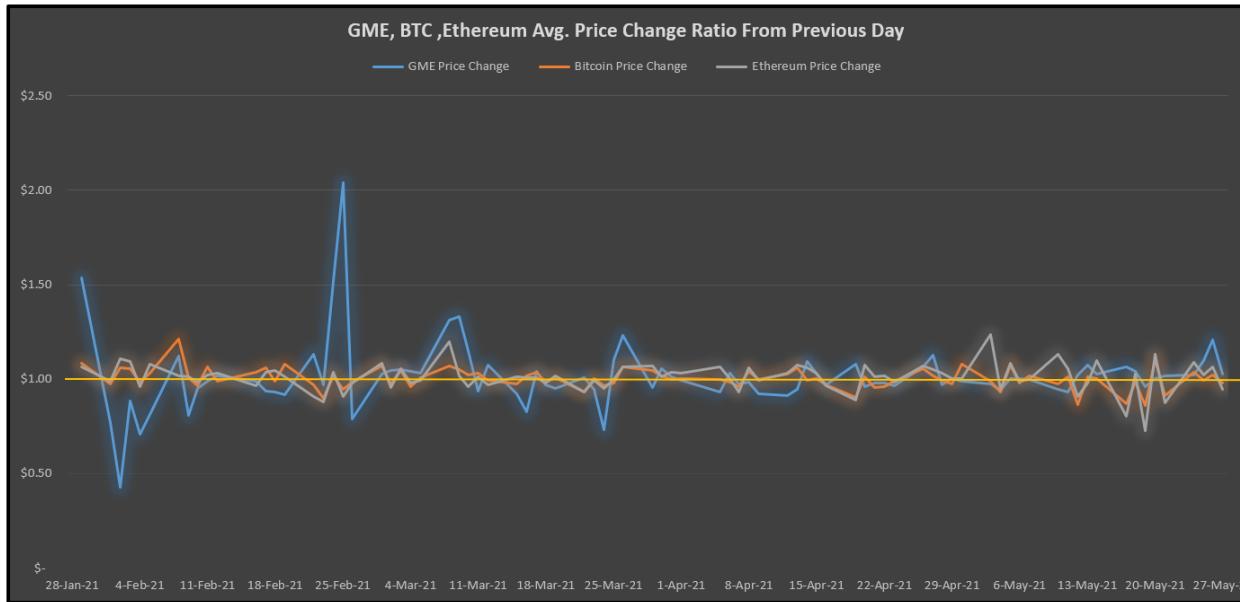
**You can use Bitcoin to purchase tokenized stocks which are then convertible to the real stock so if you purchase the stock with Bitcoin while Bitcoin is high then it costs less bitcoin to buy the stock especially if you pumped the market in preparation for it.**

**so pump crypto market then buy your GME shares through tokenized stocks. The broker comes out even or a bit ahead since the tokenized stock trades a couple dollars higher than the real stock and the short hedge funds just bought GME with an inflated currency compared to \$USD.**

**The crypto rule that dropped the price may have prevented this and it shows on the inflation comparison of crypto compared to GME**

**The tokenized stock market was a way to purchase their FTDs at a lower price then screw crypto holders after**

**I included a graph in the analysis of the change in price from the previous day of GME, ETH, and BITCOIN. I misunderstood the data when I first reported it, it appears ethereum and bitcoin get pumped with GME**



As you can see there is some correlation for sure with GME and the Top two Cryptos. The correlations seem to diverge after march and correlate strongly on the highest FTD cycles and accompanying price drops.

I will dive deeper into this correlation later in this DD.

Credit: [u/SajiMeister](#)

## WHY IS THERE A CORRELATION?

Where is all the money going to from naked short selling?

**It is my belief that It is the same money**

**This leads me onto my follow up question:**

## WHERE'S IT COMING FROM AND GOING TO?

**Naked short selling globally, Lucy Kosimar stated the UK was far worse than the USA - its a global problem.**

Being a British Ape this caused alarm bells to go off in my head and then it dawned on me just how large a scale of a problem this is.

## An interesting example:



Image: Marialkraj/adobe stock.com

12 February 2021  
US   
Reporter Alex Pugh 

Share this article

# International brokers sued over naked short selling allegations

CIBC, Bank of America, UBS and TD Bank stand accused of coordinating “abusive” naked short selling and spoofing strategies in US and Canadian stock markets by a Bermuda hedge fund that claims to have lost tens of millions of dollars as a result.

Harrington Global Opportunity Fund has filed a suit at the US District Court for the Southern District of New York alleging that various US and Canadian financial institutions, through their broker divisions, manipulated markets and drove down pharmaceutical company ADVANZ PHARMA’s (formerly Concordia) share price in 2016.

The specialist pharmaceutical recapitalised and rebranded in 2018 after being embroiled in a long-running dispute over apparent price hikes and accusations of mismanagement by its founder and CEO Mark Thompson, who stepped down in 2016.

According to the suit, the defendants, which include several unnamed US and Canadian individuals, allegedly flooded the market with false sell signals by simultaneous naked short selling — in which the trader does not borrow a stock, or determine that it can be borrowed, before they short sell — and spoofing — a form of high-frequency trading that artificially inflates perceived demand of a security — which created millions of ‘phantom’ shares.

These practices violate the US Securities Exchange Act 1934 and Regulation SHO.

The result, Harrington suggests, is that Concordia’s stock price tumbled from \$34.77 to \$1.83 over 11 months.

[https://www.securitiesfinancetimes.com/securitieslendingnews/industryarticle.php?article\\_id=224548&navigationaction=industrynews&newssection=industry](https://www.securitiesfinancetimes.com/securitieslendingnews/industryarticle.php?article_id=224548&navigationaction=industrynews&newssection=industry)

Citadel Securities banned for 5 years in china because of illegal practices:

# **Citadel Securities Pays \$97m to Settle with China Regulators**

**In 2015, Citadel Securities saw one of its accounts, managed by a Shanghai-based futures firm, barred from trading shares**

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<https://www.financemagnates.com/institutional-forex/regulation/citadel-securities-fined-97m-in-china-for-malicious-short-selling/>

Citadel Securities, a unit of US hedge fund Citadel, said one of its accounts in China has been barred from trading shares by securities regulators, making it one of the first foreign institutional investors to be caught up in Beijing's crackdown on "malicious short-selling" that the central government has blamed for the recent market rout.

The targeted account was managed by a Shanghai-based futures trading firm owned by Citadel, the Chicago-based hedge fund said. It was among 24 accounts barred from the mainland's two major stock exchanges on Friday for three months.

"We can confirm that while one account managed by Guosen Futures - Citadel (Shanghai) Trading - has had its trading on the Shenzhen Exchange suspended, we continue to otherwise operate normally from our offices, and we continue to comply with all local laws and regulations," Citadel said.

The order to bar the Citadel account was given by the Shenzhen stock exchange.

The China Securities Regulatory Commission has said "coordinated stock dumping" and "selling-off of heavily weighted stocks" as well as automated, algorithm-driven trading caused market turbulence. Citadel is being probed for "spoofing", a practice that involves placing and then cancelling orders, distorting prices in the process.

Beijing's moves show the regulators are "cleaning up" what they believe to be the black sheep in the market, said Oliver Rui, a finance and accounting professor at the China Europe International Business School.

"Some hedge funds might have taken advantage of the regulatory loopholes in China for arbitrage opportunities," Rui said. "Automated trading is an area Beijing ought to be concerned about as it has been a major driver of US stock market crashes."

<https://www.scmp.com/business/markets/article/1846104/us-hedge-fund-citadel-banned-share-trading-shanghai-account>

**The key points we need to take away from this article:**

- The usage of HFT (High Frequency Trading) taking advantage of loopholes for arbitrage purposes (don't worry we will briefly cover arbitrage) **This will be important later on.**

- Futures trading
- **Citadel** were probed for “**SPOOFING**” a practice that involves placing and then cancelling orders, distorting the price in the process\*\*\*

## HEDGE FUND PREDATORY USAGE OF GLOBAL “MALICIOUS SHORT SELLING”

Q. Now where have we seen that happening before?

A. Well stonks!



**It will take for them to be liquidated to be covered.**

iborrowdesk.com

## Recent Data

Fee	Available	Updated
62.6 %	550,000	2021-01-26 14:00:02
62.6 %	550,000	2021-01-26 13:15:02
62.6 %	550,000	2021-01-26 13:00:02
62.6 %	600,000	2021-01-26 12:45:03
62.6 %	950,000	2021-01-26 12:30:03
62.6 %	950,000	2021-01-26 12:15:03
82.9 %	950,000	2021-01-26 12:00:03
82.9 %	950,000	2021-01-26 11:45:03
82.9 %	950,000	2021-01-26 11:30:02
82.9 %	950,000	2021-01-26 11:15:03
82.9 %	950,000	2021-01-26 11:00:03
82.9 %	1,000,000	2021-01-26 10:45:03
82.9 %	1,000,000	2021-01-26 10:30:03
82.9 %	950,000	2021-01-26 10:15:03
83.6 %	850,000	2021-01-26 10:00:03
83.6 %	950,000	2021-01-26 09:45:03
83.6 %	1,100,000	2021-01-26 09:30:03
83.6 %	950,000	2021-01-26 09:15:03
83.6 %	1,000,000	2021-01-26 09:00:03

**Interest fee % has been from anywhere between 0.6% and 1.2% for months but just a friendly reminder that the interest fee % for borrowing shares on 26/01/2021 was 82.9%**

**They never intended to cover and never will cover.**

**This interest is bleeding them dry however at the time of borrowing they looked for ways to make that money work for them to outstrip those very borrow costs.**

If a short sold GME share is costing Citadel securities in interest for example, then to at least make the balances a net position, they need to look for somewhere that they can place the funds. All of a sudden the influx of buy orders increases; this was not part of the plan. Citadel needs somewhere that can get a return of more than the interest on the borrowed shares to remain net neutral at best.

*Time to put on the thinking cap.*

**Holding cash it's expensive, time is your enemy. TICK TOCK.**



Say for example: I had a **MOUNTAIN** of cash like Pablo Escobars then as long as it can be parked somewhere safe, I don't care if I lose a small % due to rats and inflation. At the end of the day I own it, it's my money, I can do what I want with it.

#### **The Short Hedge Funds dilemma:**

Not just Citadel Securities, but numerous financial institutions have the same problem.....they currently hold **TOO MUCH MONEY**. But get this...it's a bit harder to fix.  
You see, they don't own the pile of money, but just possess it.

Naked short selling, simply put, is borrowed money.

**Let me remind you how this compares to what a bank does..... It uses other people's money to make profit for itself and then hands it back when asked nicely.**

So having sold short hundreds of millions of shares not just across the NYSE but **globally** on many companies ([https://whalewisdom.com/short\\_position/holder/citadel-advisors-llc](https://whalewisdom.com/short_position/holder/citadel-advisors-llc) ), all of a sudden this giant pile of cash needs a new home on the books, BUT, the fundamentals are different. It's still borrowed money.

**Unless as a bank you never intended to cover that is.....**

For example, interest on say lets see, a GME share, currently works out at 1% on ave. Back in January this interest was hitting **82.9%**

## **82.9% APR**

A SHF needs to start looking outside the box. They have amassed so much capital through short selling that accruing interest is no longer a viable option. **Citadel can't just sit on all this extra cash. It has to be put to work or else there will be problems....**

**The fundamentals haven't changed; Short sold shares are still borrowed money.**

Here is how the short sale process works:

1. You place the short sale order through your online brokerage account or financial advisor. Note that you have to declare the short sale as such, since an undeclared short sale amounts to a violation of securities laws.
2. Your broker will attempt to borrow the shares from a number of sources, including the brokerage's inventory, from the margin accounts of one of its clients or from another broker-dealer. Regulation SHO from the Securities and Exchange Commission (SEC) requires a broker-dealer to have reasonable grounds to believe that the security can be borrowed (so that it can be delivered to the buyer on the date that delivery is due) before effecting a short sale in any security; this is known as the "locate" requirement. [2]
3. Once the shares have been borrowed or "located" by the broker-dealer, they will be sold in the market and the proceeds deposited in your margin account.

Your margin account now has \$7,500 in it; \$5,000 from the short sale of 100 shares of Conundrum at \$50, plus \$2,500 (50% of \$5,000) as your margin deposit.

## **CHAPTER 3: The Long Con begins;**

### **LEVERAGE IN CRYPTO**

*"They mistook leverage for genius" - Steve Eisman*

**The industrialization of crypto currency and adoption of crypto wealth creation by the shadow banking sector:**

On April 24, 2018 the DTCC submitted new filings that essentially gave shadow banking free reign to have their cake and eat it, quite literally (Cake LP tokens).

Please find below a press release submitted by the DTCC which was enacted by 1 may 2018,

Apr 24, 2018 • Press Releases

# **CHALLENGES AROUND DERIVATIVES DATA CONSISTENCY, AGGREGATION AND ACCESS CONTINUE TO HINDER EFFECTIVE SYSTEMIC RISK MONITORING AND REDUCTION, ACCORDING TO NEW DTCC WHITE PAPER**

*Eight years since derivatives trade reporting was first introduced, DTCC's latest white paper assesses progress against G20 goals and proposes recommendations to further improve the global reporting framework*

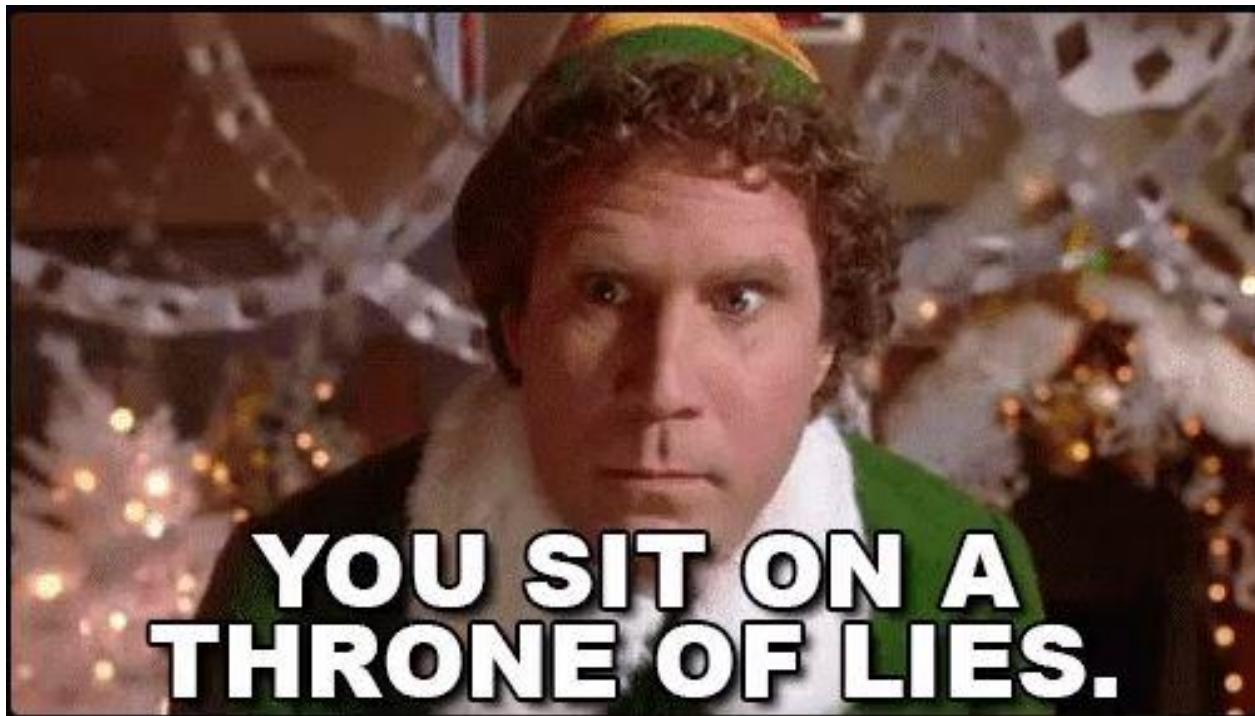
New York/London/Hong Kong/Singapore/Sydney, April 24, 2018 – While significant progress has been made during the last eight years towards establishing a global reporting framework for over-the-counter (OTC) derivatives transactions, substantial work remains in the areas of data consistency, aggregation and access in order to be able to effectively monitor and reduce systemic risk, according to a white paper published today by The Depository Trust & Clearing Corporation (DTCC), the premier post-trade market infrastructure for the global financial services industry.

In its latest white paper, 'A Progress Report on OTC Derivatives Trade Repositories: Many Miles Travelled, More Yet to Go', DTCC calls for continued focus on the definition and adoption of data standards and the exploration of opportunities to leverage new and emerging technologies.

<https://www.dtcc.com/news/2018/april/25/challenges-around-derivatives-data-consistency>

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Enter the use of DeFi crypto currency & LP (Liquidity provider) token yield farming.

- Stablecoins
- The use of Liquidity Provider tokens & [smart contracts](#)
- Crypto synthetic assets. (hol' up say whut now!?)  
<https://cointelegraph.com/explained/crypto-synthetic-assets-explained>

## STABLE COINS IN A NUTSHELL:

Stablecoins try to tackle price fluctuations by tying the value of cryptocurrencies to other more stable assets – usually fiat. Fiat is the government-issued currency we’re all used to using on a day-to-day basis, such dollars and euros, and it tends to stay stable over time.

Usually the entity behind the stablecoin will set up a “reserve” where it securely stores the asset backing the stablecoin – for example, \$1 million in an old-fashioned bank (the kind with branches and tellers and ATMs in the lobby) to back up one million units of the stablecoin.

This is how a digital stablecoin and a real-world asset are tied together. The money in the reserve serves as “collateral” for the stablecoin. A user can theoretically redeem one unit of a stablecoin for one unit of the asset that backs it.

There is a more complex type of stablecoin that is collateralized by other cryptocurrencies rather than fiat yet still is engineered to track a mainstream asset like the dollar.



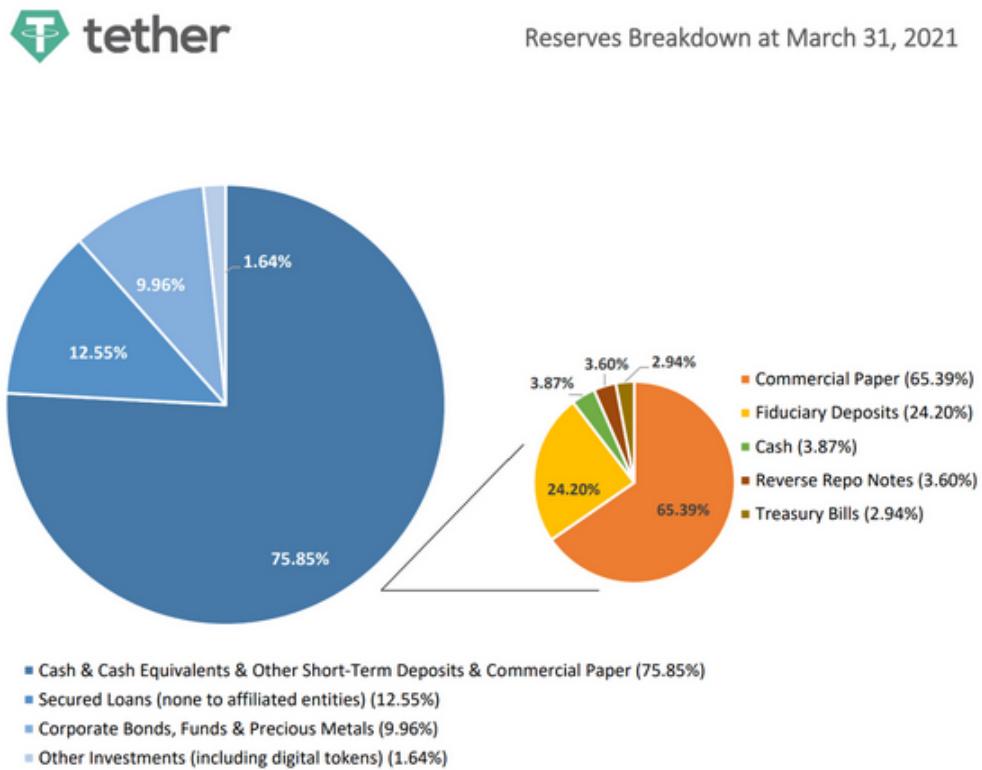
The problem with #Crypto, as in most things, is the leverage. If you don't know how much leverage is in crypto, you don't know anything about crypto, no matter how much else you think you know.

*And thus there lyeth the problem.....*

## LETS GET ACQUAINTED WITH TETHER:

Tether ([USDT-USD](#)) has issued what it calls a "breakdown of its reserves."

It actually consists of two pie charts. Here they are:



1. Tether's total consolidated assets exceed its consolidated liabilities
2. Tether's total consolidated liabilities exceed the quantity of tokens in issue
3. Therefore Tether's reserves exceed the quantity of tokens in issue

Following this logic, "reserves" must equal total consolidated assets.

About Tether Tokens; General Restrictions: Tether issues and redeems Tether Tokens. Tether Tokens may be used, kept, or exchanged online wherever parties are willing to accept Tether Tokens. Tether Tokens are 100% backed by Tether's Reserves. Tether Tokens are denominated in a range of Fiat. For example, if you purchase EURT, your Tether Tokens are 1-to-1 pegged to Euros. If you cause to be issued EURT 100.00, Tether holds Reserves valued at €100.00 to back those Tether Tokens. The composition of the Reserves used to back Tether Tokens is within the sole control and at the sole and absolute discretion of Tether. Tether Tokens are backed by Tether's Reserves, including Fiat, but Tether Tokens are not Fiat themselves. Tether will not issue Tether Tokens for consideration consisting of the Digital Tokens (for example, bitcoin); only money will be accepted upon issuance. In order to cause Tether Tokens to be issued or redeemed directly by Tether, you must be a verified customer of Tether. No exceptions will be made to this provision. The right to have Tether Tokens redeemed or issued is a contractual right personal to you. **Tether reserves the right to delay the redemption or withdrawal of Tether Tokens if such delay is necessitated by the illiquidity or unavailability or loss of any Reserves held by Tether to back the Tether Tokens, and Tether reserves the right to redeem Tether Tokens by in-kind redemptions of securities and other assets held in the Reserves.** Tether makes no representations or warranties about whether Tether Tokens that may be traded on the Site may be traded on the Site at any point in the future, if at all.

The fact that Tether's *reserves* are cash equivalents doesn't matter. But what does matter is capital.

For banks, funds and other financial institutions, capital is the difference between assets and liabilities. It is the cushion that can absorb losses, from asset price falls, whether because of fire sales to raise cash for redemption requests or simply, from adverse market movements or creditor defaults.

Tether has very little capital. The gap between assets and liabilities is paper-thin: [on 31st March 2021 \(pdf\)](#)

*Stablecoin holders are thus seriously exposed to the risk that asset values will fall sufficiently for the par peg to USD to break – what money market funds call “breaking the buck”.*

*The money market fund Reserve Primary MMF [broke the buck in 2008](#) due to significant losses from its holdings of Lehman paper. Its net asset value (NAV) only fell to 97 cents, but that was enough to trigger a rush for the exit. Reserve Primary became insolvent and was eventually wound up.*

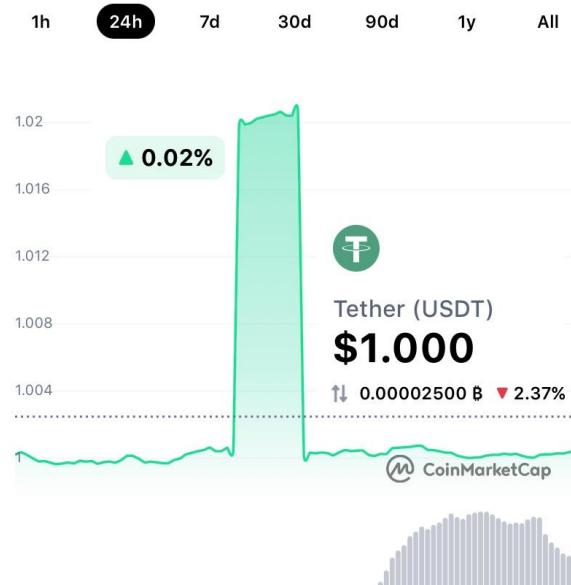
*Asset price falls could similarly result in Tether “breaking the buck.”*

*But unlike Reserve Primary, stablecoin holders wouldn't be able to get their money out if asset values fell. They would either have to try to sell their stablecoins on exchanges or sit tight and hope that asset values recovered*

*It's the risk of asset price falls that is the real problem for holders of Tether stablecoins, not lack of cash for redemptions. Tether's asset base consists almost entirely of assets that are exposed to the risk of default, illiquidity and sudden price falls.*

**I will demonstrate how stablecoins are being used for liquidity later on with my introduction of NSCC 802.**

Tether's asset base consists almost entirely of assets that are exposed to the **risk of default, illiquidity and sudden price falls**. We don't know how serious this risk is, but it's reasonable to assume that the worse the rating of the assets, the greater the likelihood that the par peg will break.



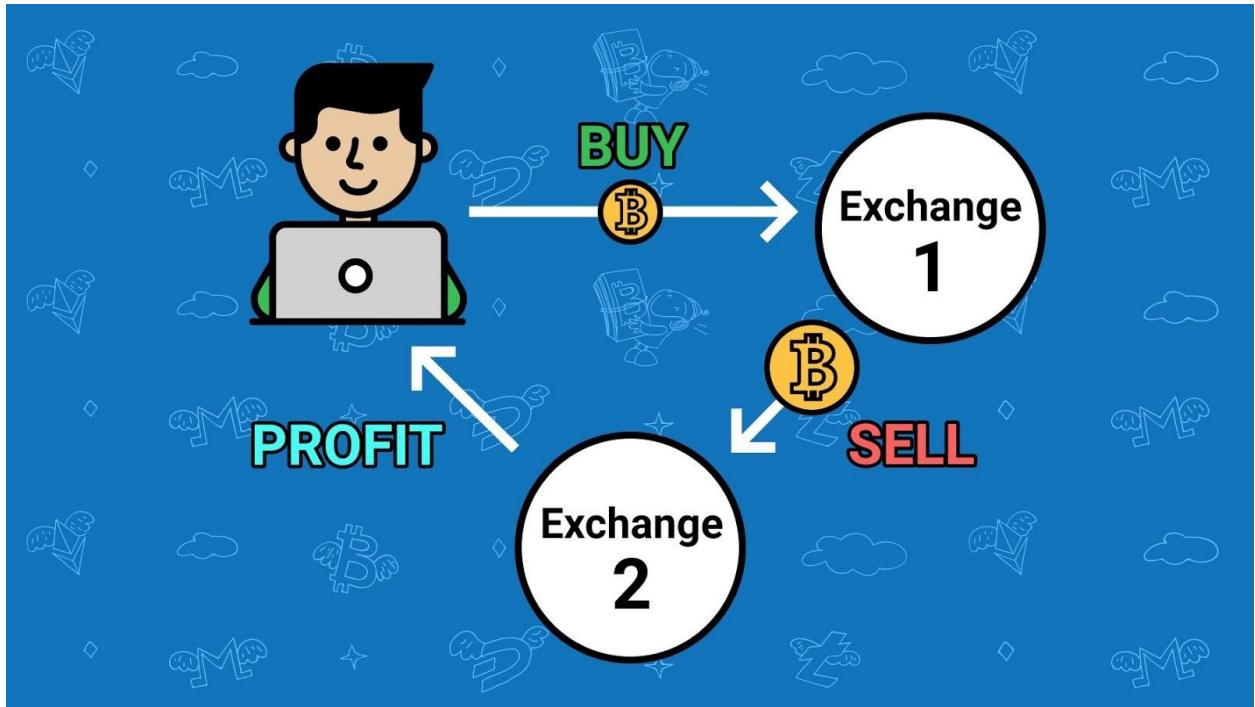
Tether : 17/06/2021

### Arbitrage:

In economics and finance, arbitrage is the practice of taking advantage of a price difference between two or more markets: striking a combination of matching deals that capitalize upon the imbalance, the profit being the difference between the market prices at which the unit is traded.

It is a chain of transactions whose purpose is to make a profit on the difference in crypto prices on different exchanges. In other words, we buy for less in one place then sell for more in another place. The main thing is not to confuse yourself with all the movement of funds.

The most common reason for the difference in price is a **lack of liquidity** on one exchange vs another.



Pic: Visual on a traders approach to arbitrage.

**NOTE:** Hedge fund prolificacy & their usage of HFT(High Frequency Trading) in Wall St. constantly scouring all markets using AI searching for arbitrage (price differences) to profit from.

The addition of crypto to the financial world therefore would be no different. It simply just increases the size of the pool of liquidity for the fish to swim in

## ANOTHER QUICK EXAMPLE OF AN UNSTABLE STABLECOIN:



<https://coinmarketcap.com/currencies/liquity-usd/>

On May 20th @ 1.00am UK GMT you can see a deviation, “Breaking the Buck”

This coin also has synthetic assets in the form of tokenized coins tied to it.

**Arbitrage ref:** \$0.88 when it is supposedly tied to the \$USD 1:1. More than a 5% deviation indicates a “Breaking of the buck”

On May 19th - Wall St had liquidity tests - this is **ARBITRAGE** in an **UNSTABLE** stablecoin.

**Ask the question; Who is authorizing a currency to be created out of thin air backed by the federal reserve in \$\$\$s? Where is the money going to?**

**It's an under the counter form of shadow inflation. Physical Dollars get printed, eDollars get minted. 1:1**

Tether is minting 1 bil UST at a time but understand this, it is also a private entity NOT in US jurisdiction but even more, it's anonymous WTF?!?

Now let's look at what can be built on the back off Tether / UST

## **SYNTHETIC ASSETS:**

Despite sounding confusing and kind of *sci-fi*, [synthetic assets](#) aren't all too difficult to wrap your head around.

To understand synthetic assets, the first thing to know is that they're *derivatives* & derivatives are **LEVERAGE**

**Let's define what derivatives are. A derivative is any asset that derives its value from an underlying asset or index.**

Suppose a derivative's value is tied to the value of another asset via a contract. In that case, we can trade the movement of that value using trading products like futures and perpetuals.

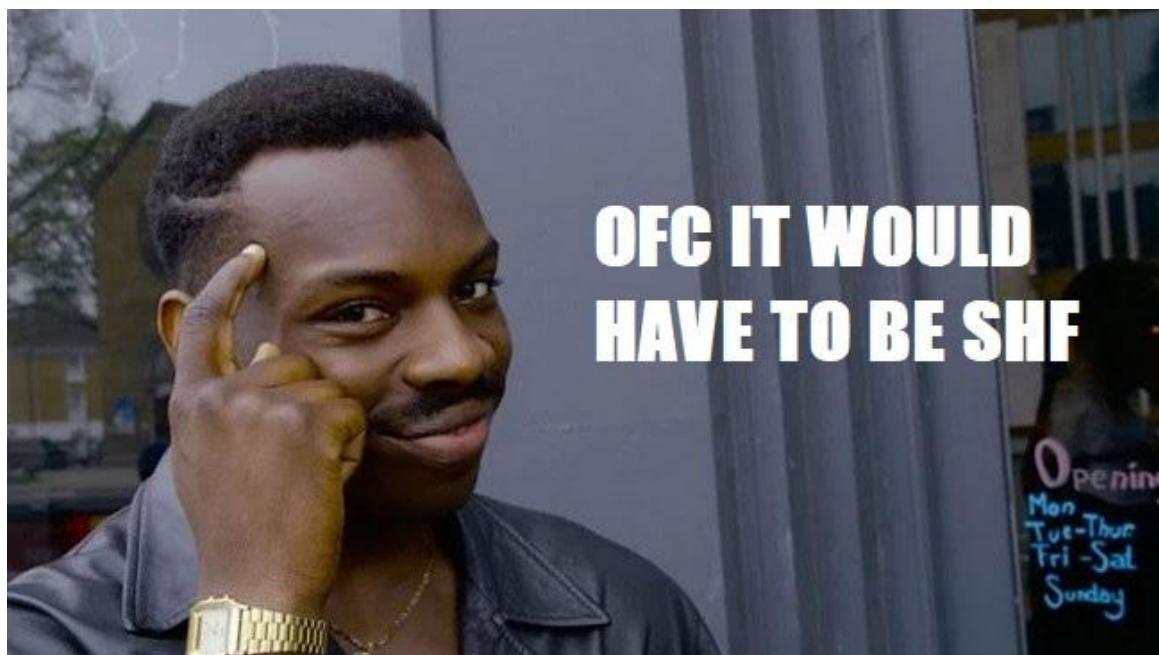
Instead of using contracts to create the chain between an underlying asset, the derivative product, synthetic assets tokenize the relationship. This means that synthetic assets can impart exposure to any asset in the world — all from within the crypto ecosystem.

A synthetic asset is simply a tokenized derivative that mimics the value of another asset.

**Imagine that you want to trade Gamestop stocks without holding the \$GME asset itself. Using a synthetic, you can trade \$mGME (synthetic mirroredGME) instead, which behaves like the underlying asset by tracking its price using data oracles such as Chainlink.**

**Q: Who could potentially go long on an anonymous mGME when they know the brakes may be applied on a short sale for example?**

**A:**



**Advantages of crypto synthetic assets vs. traditional derivatives**

Traditional derivatives were once groundbreaking in their ability to unlock additional value from assets like equities. However, crypto synthetic assets are taking liquidity access to a whole new level.

**Here are just a few advantages synthetic assets have over traditional derivatives:**

- Anyone can issue them: Blockchain-based synthetic assets can be minted by anyone using open-source protocols like Synthetix and Mirror.
- Worldwide liquidity: Synthetics can be traded on any crypto exchange in the world, including unstoppable decentralized exchanges.
- Borderless transfers: Synthetic assets are blockchain assets like ERC-20 tokens; you can send and receive them between standard cryptocurrency wallets.
- Frictionless movement: Switch between equities, synthetic silver/gold, and other assets without having to hold the underlying asset.

**Generally speaking, synthetic assets enable far more liquidity across global exchanges, swap protocols, and wallets than traditional derivatives are even *remotely* capable of.**

**SYNTHETIC ASSETS MAKE TOKENIZING AND TRADING ANYTHING A REALITY:**

**The sheer power of crypto synthetic assets becomes more obvious the closer you look.**

Imagine that anything — not just assets like equities — can be represented as a synthetic asset token and, therefore, be brought onto the blockchain.

**By enabling anything to be tokenized and brought onto the blockchain, synthetic assets unlock untold pools of global liquidity.**

**Apart from simple market buying/selling and derivatives trading, synthetic assets create possibilities for seemingly **infinite** markets and combinations for new sources of value.**

**Example:**

Imagine a synthetic asset token that tracks corporate co2 emissions in an industrial zone.

When emissions rise, token holders (these may be locals living nearby, city officials, and outside speculators) profit as the companies issue *co2 tokens*. However, when emissions decrease, the companies profit by retaining tokens, incentivizing them to continually reduce co2 emissions.

**Synthetic asset-based markets like these are just *some* of the ways synthetics break trade out of the mold.**

## LETS DIVE INTO TOKENIZED STOCKS

(full credits to [u/SajiMeister](#))

This section will dive deeper into regulations surrounding tokenized stock coins and their potential connection to GameStop FTDs. Please see posts from \_\_\_\_\_ who was the original bell ringer for the conundrum.

What are Tokenized Stocks?

The screenshot shows the FTX website interface for the GameStop tokenized stock. At the top, there's a breadcrumb navigation: Cryptocurrencies > Tokens > GameStop tokenized stock FTX. The main title is "GameStop tokenized stock FTX" with a logo consisting of a stylized 'G' and 'S'. To the right of the title are two small buttons: one labeled "GME" and another with a star icon. Below the title, there are several interactive buttons: "Rank #3415", "Token", "On 1,765 watchlists", a link to "ftx.com/tokenized-stocks...", a "Community" dropdown menu, and a "Chat" button with a speech bubble icon.

“[Tokenized stocks](#) are tokenized derivatives that represent traditional securities, particularly shares in publicly listed firms traded on regulated exchanges such as Tesla, Apple and Facebook or ETFs like SPDR S&P 500. The key benefits of tokenized stocks include fractional ownership of traditional securities, 24/7 access to markets, and greater liquidity to name a few. These digital assets are backed 1:1 to traditional stocks, entitling holders to the same economic benefits of owning the underlying stock.”

“Tokenized stocks are a tokenization of a digital total return swap contract (“TRS”) (similar to contracts for differences). The Tokenized stocks value is based on and collateralized with the underlying asset, a traditional security (typically a publicly traded equity) and the value of the digital asset is determined by the value of the traditional security. For example, they are collateralized by an equivalent notional amount of the traditional security (i.e., \$100 of the debt

derivative would be collateralized with \$100 of the traditional security). This allows Tokenized stocks to mirror the economic performance of the applicable reference traditional securities.”

“Tokenized stocks may also represent innovative baskets or indexes of traditional securities as well as traditional securities plus cryptocurrencies (for example, the S&P 500 AND BTC). Tokenized Equities may also include leverage as well as long or short exposure..” – From bittrex.com

Well, that is interesting, it is a derivative of an actual stock. It is essentially a convertible. Remember this because it will become important later.

One thing to mention briefly here because I will not touch on it later is that the last paragraph says Bittrex also has convertible ETFs. A bonus tidbit is that they have a tokenized ETF basket which contains.... Well just read it straight from the press release.

“The WallStreetBets Index, or WSB, officially trades under the ticker WSB-0326, and tracks the price of 5 stocks and 2 cryptocurrencies. Thus the index is made up of shares from Nokia (NOK), BlackBerry (BB), AMC Entertainment (AMC), GameStop (GME), iShares Silver Trust (SLV) and Dogecoin tokens (DOGE) and the FTX Token (FTT).”

[Source](#)

January 27

Guess what tokenized stock gets added to FTX during the height of the January squeeze... You guessed it GME.

EXCHANGES

## FTX lists GME stock for tokenized spot and futures trading



by [Yogita Khatri](#)

January 27, 2021, 7:00AM EST · 1 min read

Crypto exchange FTX has listed the viral GameStop (GME) stock for tokenized spot and futures trading.

ADVERTISEMENT

‘etoro’

Wait, that is not the only one. They also added a bundle of WallStreet bet favorites. You also can guess this was done on January 27th .

## FTX has listed Wall Street Bets Index (WSB-0326)



### Citadel and FTX

Guess who gets added as their first president on May 14. A FREAKING CITADEL executive. [Source.](#)

"Harrison will be in charge of helping FTX.US "massively scale out," FTX.US CEO Sam Bankman-Fried [said in a statement](#) Thursday. Harrison's expertise is in developing trading technology. In his most recent role at Citadel Securities, Harrison was head of semi-systematic technology, where he oversaw a team of more than 100 engineers."

EXCHANGES

## FTX.US hires former Citadel Securities exec to 'massively scale' its crypto exchange



by [Yogita Khatri](#)

May 14, 2021, 8:09AM EDT · 1 min read



## Robin Hood and FTX

The chief Operating officer is Sina Nader who previously headed the crypto business at RobinHood. OH BOYYYYY.

FTX expects to generate \$400 million in revenue this year, which marks an increase of over 350% compared to \$85 million garnered last year. More than \$100 billion worth of futures were traded on the exchange last month.

The exchange was founded by Sam Bankman-Fried, a former trader on Jane Street Capital's international ETF desk, and former Google engineer Gary Wang. Brett Harrison, the former Head of Semi-Systematic Technology at Citadel Securities, acts as the President while COO of the exchange is Sina Nader, who was previously heading the crypto business at Robinhood.

## So, let's summarize ownership...

- Founder is a former trader on Jane Street Capital's ETF Desk
- President is Former Citadel Exec of Semi-Systematic Technologies – May 2021
- Chief Operating Officer is the former head of crypto at Robin hood – Sina Nader.\* – August 2020

\*A little more information on Sina Nader. Previously, he held positions at Morgan Stanley and Credit Suisse and was a former director at private crypto investment firm CryptoLux Capital.

*Nothing to see here..... No conflicts of interest for sure....*

## FTX and Head of SEC Gary Gensler

FTX US ✅ @ftx\_us · Apr 21

Some things that we are excited about:

#1 is Gary Gensler joining the SEC

Having someone who literally taught a course on Bitcoin at the highest levels of regulation is an amazing step forward.



Biden SEC pick Gary Gensler on fintech, regulation, and blockchain | MIT Sloan  
🔗 mitsloan.mit.edu

16

107

557

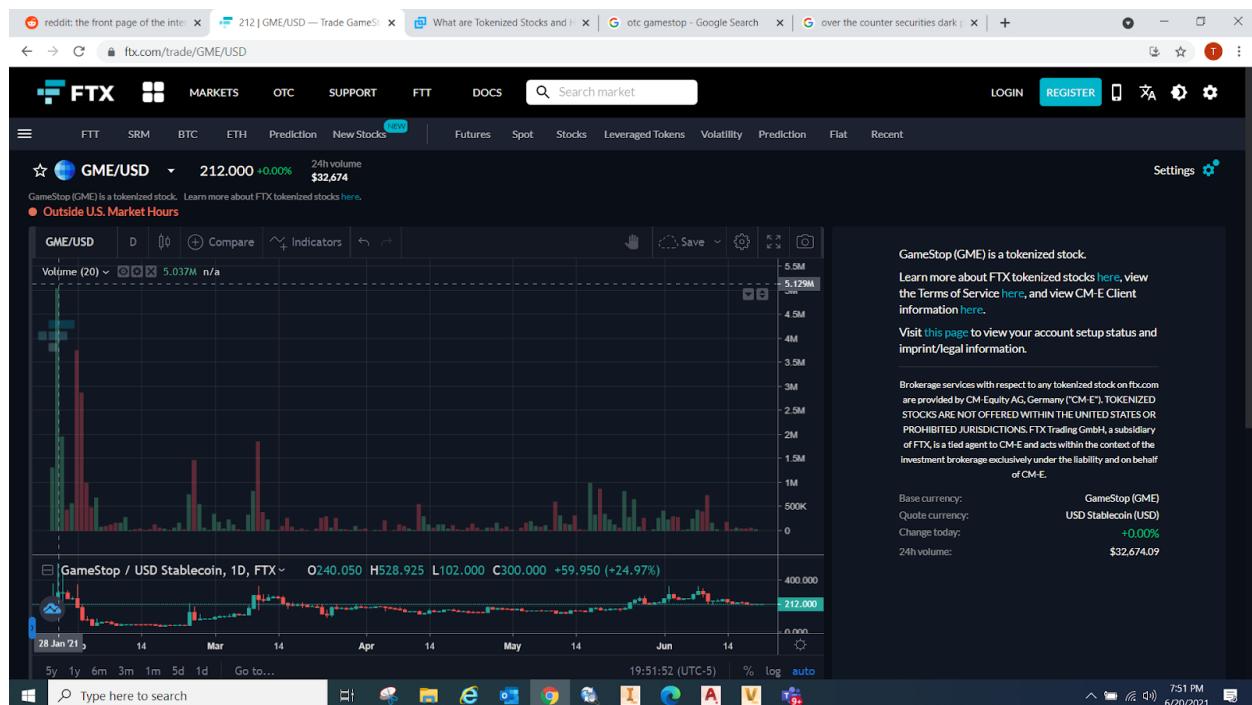
↑

FTX US ✅ @ftx\_us · Apr 21

2/

Former CFTC chair Giancarlo (@giancarloMKTS) joins BlockFi's board via

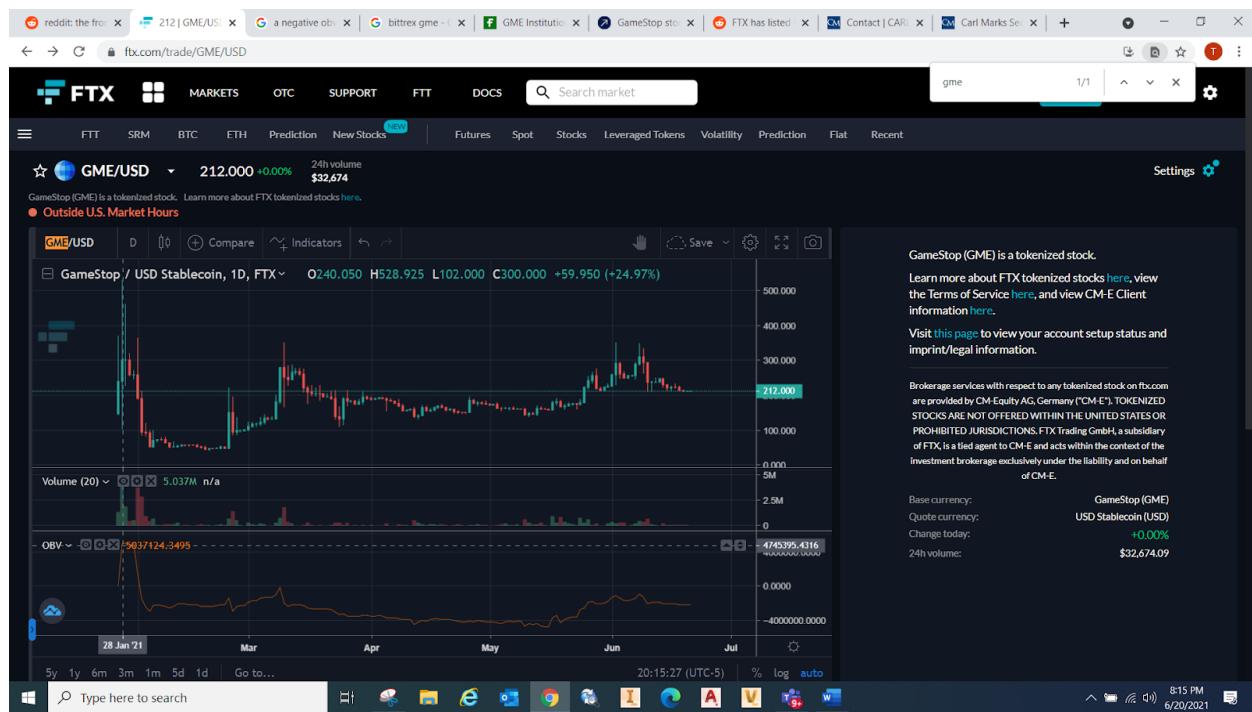
## A LOOK INTO VOLUME OF TOKENIZED STOCKS IN FTX



As you can see in the graph above, on January 28th the volume of synthetic GME Traded was somewhere at 5.129 million. I believe this in USD so let us use 200\$ as the average price for this day. 5,129,000 divided by 200 equals roughly 25,000 shares. This doesn't seem like much but in order to trade this number of shares then you would need to have the token backed by actual shares.

Well the broker who purchases the shares to back the coin is CM-Equity. Well as you probably already have guessed and can look up yourself... CM-Equity does not claim to have any ownership of shares in SEC filings... Did you also know that Bittrex and Binance also have tokenized GME stocks as well as other meme favorites? Bittrex and Binance are also backed by stocks purchased from CM-Equity. So, 3 major tokenized stock dealers who are backed by actual stocks custodied through CM-Equity but yet CM-equity does not have any SEC filings. Very Strange.

Next we will look at on board volume for FTX GME Tokens.



So the onboard volume shown starts from the first day GME was offered, January 27th. The volume starts positive then goes to negative... So OBV is just the volume from second day minus the volume from the first day and then accumulates every day. Why would the OBV go negative to -5,000,000 volume. That is a 10 million change since the original position and appears to show a net short position among traders... SHORT POSITIONS HMMM.

Search FTX all day and night and you won't find anything about short positions on tokenized stocks except in their FAQ.

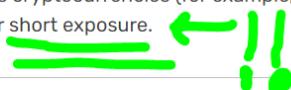
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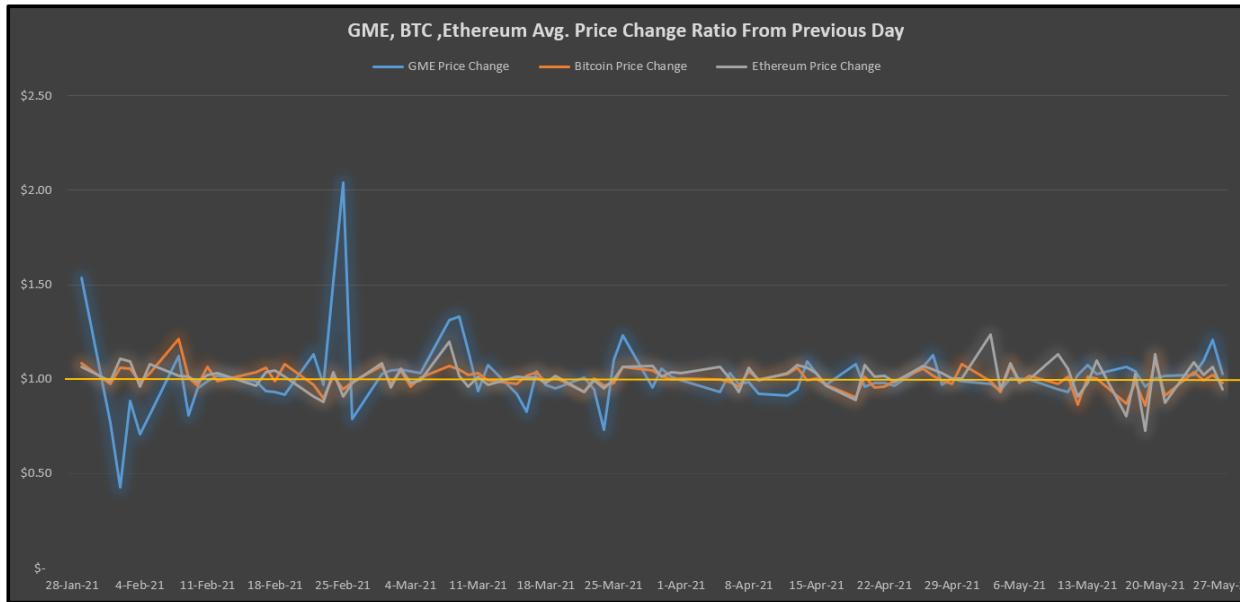
So something, something short exposure. It will take more digging to figure out exactly what is going on with the short exposure but I WILL FIND IT EVENTUALLY.

Tokenized Stocks FTD Theory 1 – Pump and Dump Crypto to Purchase GME FTD's at a Lower Price.

So now that we have a clear understanding of what tokenized stocks, let's dive into a theory one on how shorters and FTD holders can take advantage of this.

As you know, you can purchase tokenized stocks with any accepted crypto on the exchange. You can then trade in your token for the actual share using CM-Equity.

The first theory is straightforward. You can pump up the crypto market when buying your FTD's through CM-Equity so that your crypto is worth more when purchasing your FTD's. You then liquidate your pump in order to not have some other whale take advantage of your pump. For this to be true you would see crypto prices increasing from the previous day as GME goes through major FTD cycles. The below chart represents some correlation regarding change from previous day on GME, Bitcoin and Ethereum.



As you can see there is some correlation for sure with GME and the Top two Cryptos. The correlations seem to diverge after march and correlate strongly on the highest FTD cycles and accompanying price drops.

This is only Bitcoin and Ethereum. Mapping out other altcoins such as DOGE would also give more Data points.

The theory is simple start pumping crypto prior to January because you see the writing on the wall. Doing this allows you to use some of your inflated assets to purchase GME shares. You could always liquidate crypto to do this but my gut feelings is something happened in January where the liquidation of crypto was not giving them the best bang for their buck so they got with their friends in FTX, Bittrex, and Binance to create these stock tokens for the “wallstreet bet meme stocks”. The claim by these companies was to give retail the opportunity to trade these without the fear of trading interruptions that were going on with Robinhood.

So when did Robinhood prevent users from selling on their app? 1/28/2021. These companies created these tokens the day before and even got all of that approved in hours through their custodied partner CM-Equity just to fight off the evil RobinHood for retail. Yea... OKK.

Tokenized Stocks FTD Theory 2 – Using Tokenized Stocks to Move their FTD Cycle to T+35

SEC Regulations on Short Sales



Let us get into the boring SEC stuff. I had to pry my eyes open for hours to understand this mess.

So what are the borrowing and delivery requirements for a short sale? Below is taken straight from the SEC rule book that is in effect today

“(b) Short sales. (1) A broker or dealer may not accept a short sale order in an equity security from another person, or effect a short sale in an equity security for its own account, unless the broker or dealer has: “

“(i) Borrowed the security, or entered into a bona-fide arrangement to borrow the security; or “

“(ii) Reasonable grounds to believe that the security can be borrowed so that it can be delivered on the date delivery is due; and “

“(iii) Documented compliance with this paragraph (b)(1).”

That seems straightforward and reasonable but wait of course the rules don’t apply to everyone. See the next clause which is an exceptions clause. I only pasted over the two important ones relating to this post. The rest can be found [here](#) in section 242.203.

“(2) The provisions of paragraph (b)(1) of this section shall not apply to:

(ii) Any sale of a security that a person is deemed to own pursuant to §242.200, provided that the broker or dealer has been reasonably informed that the person intends to deliver such security as soon as all restrictions on delivery have been removed. If the person has not delivered such security within 35 days after the trade date, the broker-dealer that effected the sale must borrow securities or close out the short position by purchasing securities of like kind and quantity; “

“(iv) Transactions in security futures.”

So as long as you can deem to own it following any of the exceptions laid out in § 242.200 then you now have extended your delivery timeline to 35 consecutive days from the day of purchase. You can also legally have short sale transactions in security futures. HMMMMM INTERESTING. Did you know there are security futures in tokenized coins... Don't worry we will get into that later.

What the hell is in section 242.200 short sell and marking requirements? Let us dive in.

“§ 242.200 Definition of “short sale” and marking requirements.

“(a) The term short sale shall mean any sale of a security which the seller does not own or any sale which is consummated by the delivery of a security borrowed by, or for the account of, the seller.

(b) A person shall be deemed to own a security if:

(1) The person or his agent has title to it; or

(2) The person has purchased, or has entered into an unconditional contract, binding on both parties thereto, to purchase it, but has not yet received it; or

(3) The person owns a security convertible into or exchangeable for it and has tendered such security for conversion or exchange; or

(6) The person holds a security futures contract to purchase it and has received notice that the position will be physically settled and is irrevocably bound to receive the underlying security.

Well now we can see that there are three possible ways already under 242.200 where it is possible to do some tokenized coin fuckery. Rules 2, 3 and 6 are what we are going to focus on but let's get into some terminology that we will have to get familiar with first.

### Security Futures Contracts

“A security futures contract is a legally binding agreement between two parties to buy or sell a specific quantity of shares of a security (i.e., common stock or an exchange-traded fund) or a narrow-based security index at a specified price, on a specified date in the future (known as the settlement or expiration date). If you buy a futures contract, you are entering into a contract to buy the underlying security and are said to be "long" the contract. Conversely, if you sell a futures contract, you are entering into a contract to sell the underlying security and are considered "short" the contract. The price at which the contract trades (or the “contract price”) is determined by relative buying and selling interest on a regulated.” – Finra

So it is a contract between two parties to buy a security or index security in the future at a specified price.

One common asset that this is done with is oil. The price of oil is very volatile so to handle some of that volatility, a refinery will negotiate a futures contract of oil. Let's say oil is trading at 80\$ a barrel and one entity on the deal thinks oil will rise and the other thinks oil price will drop. To make a win-win contract for the future and handle your balance sheets better, you negotiate future contracts on the price of oil. So, you may agree to pay 90\$ in a month for 1 million barrels of oil.

How do futures on tokenized stocks work?

Information from Tokenized Stockbroker FTX below.

"FTX also lists futures on tokenized stocks, including tokenized futures.

Tokenized stock futures will track FTX spot markets as their index. They will work the same as futures on other FTX products, with the following conditions:

- 1) In the case of an ordinary dividend, the futures will not have any adjustments
- 2) In the case of many other corporate actions, including stock splits, significant spinoffs, etc., futures will adjust, either by changing denominators or by turning into a future on the whole basket in the case of spinoffs.
- 3) FTX reserves the final right to determination.
- 4) Futures expire to their index (generally the FTX spot markets) over the relevant TWAP period."

[Source.](#)

**So what is the difference between options and futures?**

An [options contract](#) gives an investor the right, but not the obligation, to buy (or sell) shares at a specific price at any time, as long as the contract is in effect.

By contrast, a [futures](#) contract requires a buyer to purchase shares—and a seller to sell them—on a specific future date, unless the holder's position is closed before the expiration date. - [Investopedia](#)

**So can you get out of a futures contract at any time? Well let us look into Investopedia again.**

What about getting out of a futures contract?

"The investor may instead decide to buy a futures contract on gold. One futures contract has as its underlying asset 100 troy ounces of gold. This means the buyer is obligated to accept 100 troy ounces of gold from the seller on the delivery date specified in the futures contract.

Assuming the trader has no interest in actually owning the gold, the contract will be sold before the delivery date or rolled over to a new futures contract.

As the price of gold rises or falls, the amount of gain or loss is credited or debited to the investor's account at the end of each trading day. If the price of gold in the market falls below the contract price the buyer agreed to, the futures buyer is still obligated to pay the seller the higher contract price on the delivery date."

So initial collateral is needed. In the case of tokenized stock futures you also have to have collateral in your account that can purchase the entire futures contract. There is a leverage allowance for crypto but not tokenized stocks.

You can use tokenized stocks as collateral for crypto futures and vice versa. Here is a snippet regarding using the tokenized stock as a collateral like Crypto tokens.

"Tokenized stocks are spot tokens, like BTC/ETH/FTT/etc. They can also be used as collateral for futures trading on FTX, with a [collateral weight](#) of 0.85 (total) and 0.80 (initial)."

[Source](#)

FTX Futures

Here is how you post collateral for futures in FTX. [Source](#)

"Collateral for the futures is in stable coins. The current set of accepted stablecoins is USDC, TUSD, and PAX."

To deposit or withdraw collateral, go to your wallet page and deposit either USDC, TUSD, or PAX. Depositing either will credit your account with 'USD', which is automatically used as collateral for all of your futures trades.

By default all margin is posted in 'USD' in your [wallet](#). USD can be funded by depositing USDC, TUSD, PAX, BUSD, and HUSD.

Balances of the following coins also count towards collateral:"

Coin	Weight (total)	Weight (initial)
Non-USD fiat	0.99	0.98
USDT	0.975	0.95
BTC	0.975	0.95
ETH	0.95	0.9
BNB	0.95	0.9
PAXG	0.95	0.9
XAUT	0.95	0.9
KNC	0.95	0.9
BCH	0.9	0.85
LTC	0.9	0.85
TRYB	0.9	0.85
LINK	0.9	0.85
TRX	0.9	0.85
CUSDT	0.9	0.85
XRP	0.9	0.85
SOL	0.9	0.85
BVOL	0.85	0.8
IBVOL	0.85	0.8
OKB	0.85	0.8
HT	0.85	0.8
MKR	0.8	0.8
SUSHI	0.8	0.8
SNX	0.8	0.8
YFI	0.8	0.8
SXP	0.8	0.8
BTMX	0.8	0.8
OMG	0.8	0.8
TOMO	0.8	0.8
AAVE	0.8	0.8
OKB	0.85	0.8
HT	0.85	0.8
MATIC	0.8	0.8
LEO	0.85	0.8
Tokenized Stocks (e.g. AAPL, TSLA, etc.)	0.85	0.8
SRM	0.9	0.85
FTT (optional)	0.95	0.95

Tying this into GME:

So how can this help shorties? Well look at rule 6 that allows you to use the T+35 rule.

(6) The person holds a security futures contract to purchase it and has received notice that the position will be physically settled and is irrevocably bound to receive the underlying security."

Well, well, well. So shorters such as Citadel can make a futures contract that they hold full collateral and will purchase the stock at a certain price in the future. FTX allows for leaving the contract at any time so in order to meet SEC rules they would have to pre-arrange a future settlement where Citadel has to purchase the shares at the end.

(3) The person owns a security convertible into or exchangeable for it and has tendered such security for conversion or exchange; or

So as long as shorters OWN a convertible and have tendered such security for conversion or exchange, they can use T+35. Basically, shorters can purchase stock tokens and make an arrangement for future conversion. That's where the grey area is and Citadel hiring an SEC

official can help them out. The futures contracts can also work out here, arrange a bitcoin conversion in the future based on the current inflated rate and pay the bitcoin up front knowing the bitcoin price is very inflated.

(6) The person holds a security futures contract to purchase it and has received notice that the position will be physically settled and is irrevocably bound to receive the underlying security.

Well with this loophole you do not have to pay up front. You only have to have a legally binding contract to purchase the security at a future date. Make the future contract with inflated crypto prices then liquidate and purchase shares with your liquidated bitcoin price.

*Pump a coin, trade a synthetic asset mirror stock at a high base coin price, coin falls in price, you still own 1 synthetic gme. The synthetic GME is still like for like but the underpinning coins value is volatile and fluctuating. This creates ARBITRAGE to buy and sell mGME based on the foundation of a volatile underlying coin for example Doge, BTC, ETH or even a private coin, allowing for windows to profit in.*

### Mirrored stocks & shares:

Maybe someone doesn't want you to see ;P

### mGME/UST

The screenshot shows the CoinMarketCap page for Mirrored GameStop Corp (mGME). The page title is "Mirrored GameStop Corp". The status is listed as "Market data is untracked". A note states: "This project is featured as an 'Untracked Listing'". Below this, there is a link to "Criteria Section B - (3)". There are several navigation links: "Website", "Community", "Chat", "Source code", and "Whitepaper". Under "Tags", the term "Tokenized Stock" is listed. At the bottom, there is a section titled "mGME Price Live Data" with a brief description of the token and a link to "https://mirror.finance".

<https://coinmarketcap.com/currencies/mirrored-gamestop-corp/>

Heres one they prepared a little earlier:

The screenshot shows the CoinMarketCap profile for 'Mirrored AMC Entertainment Holdings Inc'. The page title is 'Mirrored AMC Entertainment Holdings Inc' with the symbol 'mAMC'. The status is 'Market data is untracked'. Below the title, there's a 'Website' button, a 'Community' button, a 'Chat' button, a 'Source code' button, and a 'Whitepaper' button. Under 'Tags', it lists 'Tokenized Stock'. The main section is titled 'mAMC Price Live Data' and describes the token as a synthetic asset tracking the price of an AMC Entertainment Holdings stock, minted on Mirror Protocol. It also mentions CW20 and ERC20 versions, trading on Terraswap and Uniswap respectively. A link to 'https://mirror.finance' is provided.

<https://coinmarketcap.com/currencies/mirrored-amc-entertainment/>

UST/mAMC

**BUT HOLD ON. WHY STOP THERE?**

Planning on shorting ETFs? Remind me who was shorting ETFs? **Lets make some money.**

**Linear Finance** @LinearFinance · Mar 10  
We are pleased to confirm that **\$LXLCI & \$LXBCI** are now live on [exchange.linear.finance](https://exchange.linear.finance)

Details: [shorturl.at/xyA04](https://shorturl.at/xyA04)

**\$LINA \$LUSD #LinearFinance #LinearExchange**

**Xangle Large Cap Index & Xangle Blue Chip Index are now listed on Linear Exchange**

**Linear | Xangle**

**lXLCI + lXBCI**

6 60 173

<https://twitter.com/linearfinance/status/1369648943068549120?lang=en>

[Pornhub.com/Citadel-Home-page/Futures-Fetish](https://Pornhub.com/Citadel-Home-page/Futures-Fetish)

I reiterate the use of tokenized assets futures FX!!!

[Pornhub.com/SEC-profile-page/Fetish-69/hard-w00d](https://Pornhub.com/SEC-profile-page/Fetish-69/hard-w00d)

Well look at what else peaked around the same time as nearly everything I've covered in this DD.. talk about morning glory in May!

**Even better still it's a mirrored synthetic asset based off yet another privately unstable stablecoin**

There's a lot of synthetic asset derivatives tokenized off the stock market based on unstable stablecoins isn't there?

That sure is a lot of layers isn't it?

### **QuickFire Question..**

**Q.** Do you know what else has layering in it?

**A. Money laundering.**

So let's ask ourselves,

**Where do these synthetic assets originate from?**

A bit like our little HoC Due Diligence and our discovery of rehypothecation, let's see where the rabbit hole takes us.....

## CHAPTER 4:

### THE CRYPTO CARTEL

- JP MORGAN
- GOLDMAN SACHS
- CME
- BofA
- BARCLAYS

**Some examples of platforms currently trading publicly, without a doubt there are many more off exchange / out of view:**

#### Meet Oxygen.org

\*Interesting tidbit for you: <https://www.oxygen.org/index.html>

Implemented financial solutions tested  
on trillions of dollars in the “real world”.

Now applied to digital assets and shared with the community  
by the same people who structured, sold, traded these at



Oxygen is a **DeFi Prime Brokerage** protocol to help:

- Get trading leverage
- Generate yield
- Get liquidity
- Borrow to short

Against your portfolio of digital assets.

They state:

*'Tested on trillions of dollars in the "real world".'*

### More projects of the same kind:

**Mirror finance**: Synthetic asset protocol for creating & exchanging fungible tokens tracking the price of off and cross-chain assets.

<https://finance.yahoo.com/news/mirror-completes-bridge-binance-smart-020000240.html>

**Synthetix.io**: Decentralized synthetic asset exchange protocol enabling anyone to mint, exchange, and provide liquidity for a vast range of assets.

<https://synthetix.community/docs/staking-snix-overview>

## Trading Overview

The ability to trade synthetic assets is the core value proposition of Synthetix. In contrast to trading "real" assets, trading on Synthetix provides two key differentiating features.

First, synthetic assets don't require a counterparty. Traders are trading against the global debt pool. When a trader exchanges sUSD for sBTC, that sBTC is essentially generated out of thin air. No one sold it.

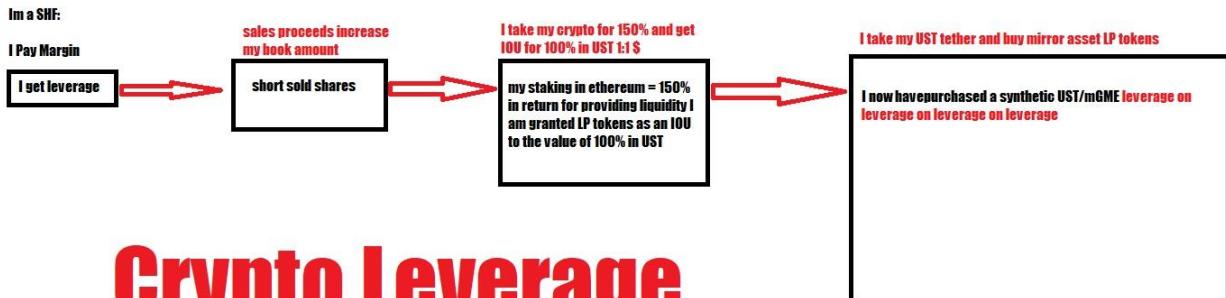
Second, Synthetix Exchange offers something called `infinite liquidity`, which essentially means that higher volume trades won't lead to price slippage, as is common on typical exchanges. However, as Synthetix scales, the "infinite" element is a bit of a misnomer, because trade size is capped by total sUSD in existence which is capped in turn by the market cap of SNX.

— STRATEGIES

HOW TO TRADE —

<https://synthetix.community/docs/trading-synths>

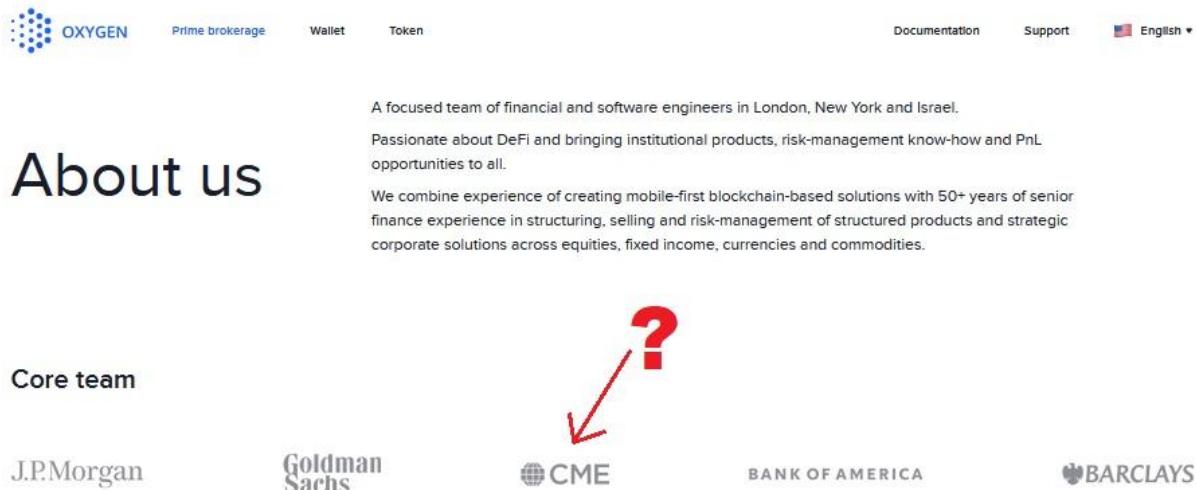
<https://ftx.com/en> who we referenced above in the 'Tokenized Assets' section. I say no more.



# Crypto Leverage

Box sizes to demonstrate off the cuff book value

A look at some of those credentials :



## Partners



And who might have close ties to CME?

**Meet the FUD maker himself: 'I don't know what a digital token is Ken' - feb 19th 2021**



Isn't that an interesting turn of events, slap bang in the middle of it all, Kenny himself.

[https://www.cmegroup.com/company/center-for-innovation/melamed-arditti-innovation-a ward-winner-2019.html](https://www.cmegroup.com/company/center-for-innovation/melamed-arditti-innovation-award-winner-2019.html)

**NOTE THAT ALL PREVIOUS RECEIVERS OF THIS AWARD HAVE ALL BEEN  
RECOGNIZED FOR DISRUPTIVE TECHNOLOGIES ADVANCEMENT.**

**Why did Ken 'I don't know what A digital token is for' Griffin get awarded?**

Q. You're telling me that the head of the largest handler of retail order flow in the US markets, who won an award for innovative contributions in his field, doesn't know about the innovative disruptive technology that is going to revolutionize the very industry he champions? **BULL**

Their involvement in the crypto markets is to ensure that they came out on top.

It's all about power

Look at the core team, all are common names on the SHF news headline cycles, the same names keep cropping up

Even if you take CME out of the equation and look at the other banking institutions involved; it normally always has the same appearances in the credits.

Just a little fine print fact:

The rules that apply to every single one of us don't apply to Ken, he's special & well tbh I just love reading the back of shampoo bottles when Im sat on the toilet so if I see Ts & Cs Im all over that like a fly.



## Legal Documents

### OXYGEN TERMS AND CONDITIONS

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- Unfair or abusive transacting, such as activities which:
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  - II. utilise or apply technological abilities or foreknowledge not exploited or available to other users, to perform (including off Service) transactions parallel to those performed by users on the Service, and/or create unequal terms among users regarding the use of Content on the Service, or influence the terms of transactions on the blockchain (including activities commonly referred to as Front-Running) and/or create an unfair or abusive advantage over other users.

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If he was a retail customer he would have to ban himself.

EXCHANGES

# FTX.US hires former Citadel Securities exec to 'massively scale' its crypto exchange



by [Yogita Khatri](#)

May 14, 2021, 8:09AM EDT · 1 min read

Cryptocurrency exchange operator FTX.US has hired former Citadel Securities executive Brett Harrison as its first president.

<https://www.theblockcrypto.com/linked/104870/ftx-us-former-citadel-securities-brett-harrison-crypto-exchange>

NEWS EXCHANGES

# FTX.US goes live, CEO says the crypto exchange has 'tons of liquidity' to offer



by [Yogita Khatri](#)

[Download PDF / Print](#)

May 22, 2020, 7:00AM EDT · 2 min read

<https://www.theblockcrypto.com/post/66157/ftx-us-goes-live-ceo-says-the-crypto-exchange-has-tons-of-liquidity-to-offer>

**NOW THIS ROUNDS US ONTO AN EXCHANGE CALLED LINEAR FINANCE:  
I dug into that rabbit hole too; you really should go play dot to dot too...**

**Let me just repeat what I mentioned a few pages ago:**

"Apart from simple market buying/selling and derivatives trading, synthetic assets create possibilities for seemingly **infinite** markets and combinations for new sources of value."

## How Does Linear.Finance Work?

Linear Finance allows its users the ability to mint and trade various synthetic assets that are based on actual financial assets. Each synthetic asset created by users is over-collateralized by the ℓUSD stablecoin.

The use of over-collateralization ensures that the system remains viable and doesn't break, even in times of extreme volatility, including black swan events.



### WHAT IS A BLACK SWAN?

**A black swan is an unpredictable event that is beyond what is normally expected of a situation and has potentially severe consequences. Black swan events are characterized by their extreme rarity, severe impact, and the widespread insistence they were obvious in hindsight.**

#### Key Takeaways

- A black swan is an extremely rare event with severe consequences. It cannot be predicted beforehand, though after the fact, many falsely claim it should have been predictable.
- Black swan events can cause catastrophic damage to an economy by negatively impacting markets and investments, but even the use of robust modeling cannot prevent a black swan event.
- Reliance on standard forecasting tools can both fail to predict and potentially increase vulnerability to black swans by propagating risk and offering false security.

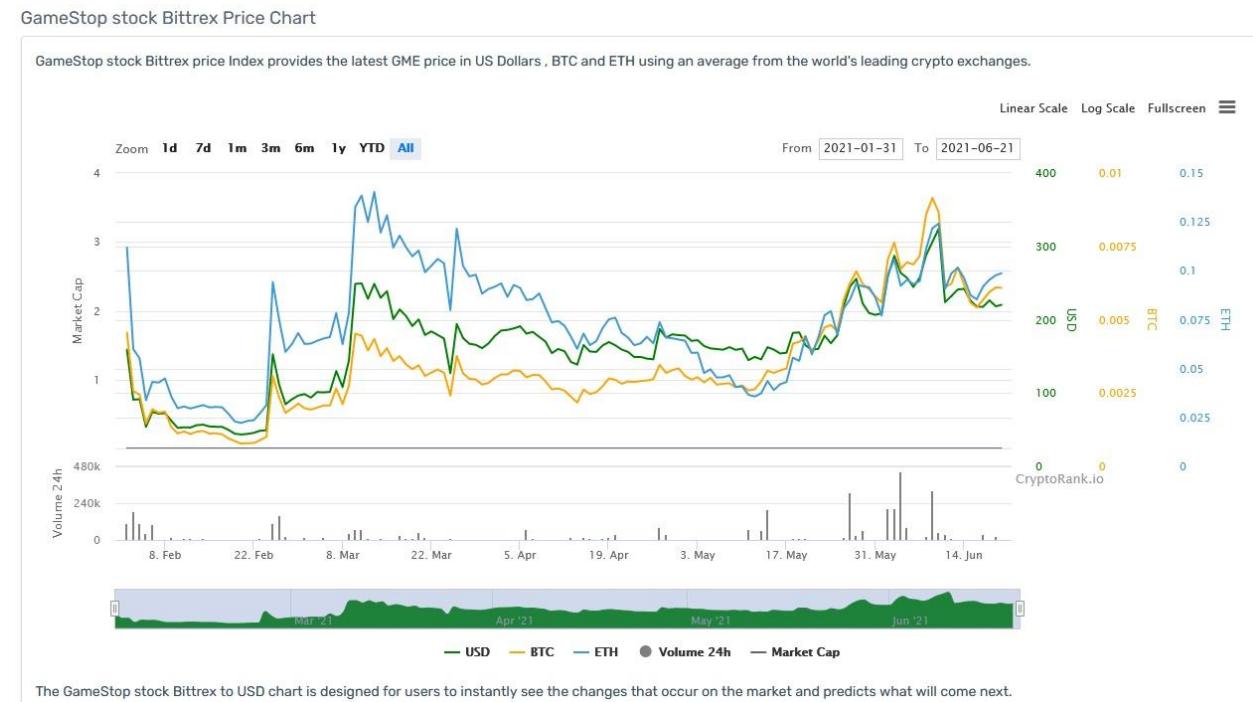
## Examples of Past Black Swan Events

- The crash of the U.S. housing market during the 2008 financial crisis is one of the most recent and well-known black swan events. The effect of the crash was catastrophic and global, and only a few outliers were able to predict it happening.
- Also in 2008, Zimbabwe had the worst case of hyperinflation in the 21<sup>st</sup> century with a peak inflation rate of more than 79.6 billion percent. An inflation level of that amount is nearly impossible to predict and can easily ruin a country financially.

## Now reconsider how GME / BTC ETH Correlation looked at in Chapter 2.

**Do you see now?**

Let me show you that correlation again, its justified:



Ah voila; The result of hedge fund & marketmaker fuckery with **synthetic assets**

**Do you see now?**

## CHAPTER 5:

### THE TETHER BETWEEN CRYPTO, RRRP'S & NSCC 802

(I know you know what I did there)



I noticed something interesting..

This piqued my curiosity and I dove a bit into a few different coin charts and had a look at volumes traded.

We can only assume that stablecoins do not fall into the same categories as the majority of other crypto currencies. Due to DTCC reporting we can only see outlines of initiatives that are enforced however rarely do we get to see the inner workings of the fine print on the paperwork. In my interpretation, a stablecoin, being pegged directly to the \$USD would not be subject to 'material adverse change' as it is a like for like coin. This is a strong conviction of mine however

the NSCC 802 filing breakdown simply confirms legislation but that we as the average person are not privy to the inner workings of that information.

May 14, 2021	\$1.00	\$1.02	\$0.992	\$1.00	\$61,792,441,252
May 13, 2021	\$0.995	\$1.03	\$0.968	\$1.00	\$99,280,439,306
May 12, 2021	\$1.00	\$1.01	\$0.967	\$0.999	\$73,220,003,355
May 11, 2021	\$1.00	\$1.01	\$0.989	\$1.00	\$59,798,028,413
May 10, 2021	\$1.00	\$1.02	\$0.951	\$0.991	\$74,184,223,037
May 9, 2021	\$1.00	\$1.03	\$0.955	\$1.01	\$71,909,367,113
May 8, 2021	\$1.00	\$1.01	\$0.987	\$1.00	\$59,645,846,089
May 7, 2021	\$1.00	\$1.01	\$0.984	\$1.00	\$81,938,233,972
May 6, 2021	\$1.00	\$1.02	\$0.960	\$1.01	\$94,429,429,175
May 5, 2021	\$1.00	\$1.04	\$0.990	\$1.01	\$81,751,463,285
May 4, 2021	\$1.00	\$1.02	\$0.969	\$1.00	\$81,978,386,102
May 3, 2021	\$1.00	\$1.01	\$0.987	\$1.00	\$47,320,559,639
May 2, 2021	\$1.00	\$1.01	\$0.987	\$1.00	\$31,417,486,374
May 1, 2021	\$1.00	\$1.01	\$0.996	\$1.00	\$35,693,770,496

Tether, one of the StableCoins,

**RED BOX:** Funny how the volume dramatically increased right around the time NSCC 802 was enacted, surely it's not just a coincidence?

**ORANGE BOX:** What happened on either may 13th and subsequently may 19th that could affect this increase again? something happened on may 13th as this interestingly coincides with the day that \$GME started its uptrend.

BTC & ETH also bottomed out around this time at a flat 30k\$ per BTC and 2k\$ flat per ETH.

**Another coincidence?** No, it was because of wall street liquidity stress tests and subsequent follow up tests on May 13th & May 19th because someone has been trying to hide too much cash.



When the filing: SR-NSCC-2021-802 was posted I can remember at the time hearing grumblings about crypto not being accepted as liquidity on balance books but had never considered its ramifications.

**please find below some of my findings.**

**on page 14 of SR-NSCC-2021-802 April 29, 2021**

Section 806(e)(1)(I) of the Clearing Supervision Act,<sup>35</sup> notify NSCC that it has no objection to the proposed changes in this advance notice no later than April 26, 2021, which is five business days prior to the May 4, 2021 effective date of the Current Renewal. NSCC requests Commission action five business days in advance of the effective date in order to ensure that there is no period of time that NSCC operates without this essential liquidity resource, given its importance to NSCC risk management and protecting NSCC settlement.

Rule 17Ad-22(e)(7)(ii) under the Exchange Act requires NSCC to “establish, implement, maintain and enforce written policies and procedures reasonably designed to ... [e]ffectively measure, monitor, and manage liquidity risk that arises in or is borne by the covered clearing agency, including measuring, monitoring, and managing its settlement and funding flows on an ongoing and timely basis, and its use of intraday liquidity by, at a minimum ... [h]olding qualifying liquid resources sufficient to meet the minimum liquidity resource requirement under [Rule 17Ad-22(e)(7)(i) described above] in each relevant currency for which the covered clearing agency has payment obligations owed to clearing members.”<sup>32</sup> Rule 17Ad-22(a)(14) under the Exchange Act defines “qualifying liquid resources” to include, among other things, lines of credit without material adverse change provisions, that are readily available and convertible into cash.<sup>33</sup>

**So in the NSCC filing it defines that the only acceptable form of 'qualifying liquid resources' to include, among other things, lines of credit without material adverse change provisions, that are readily available and convertible into cash.**

**Now this filing was on april 29th and had 5 business days to be enacted.**

This takes us to May 4th.

Remember how I briefly touched on DeFi UNISWAP AND PANCAKE SWAP?

Well, have a look at this.....



<https://coinmarketcap.com/currencies/pancakeswap/>



<https://coinmarketcap.com/currencies/uniswap/>

**you can see volume increases similar to short sold volume on GME : every spike in volume relates to a movement in GME**

**They were parking their money in places where the daily returns were better than the daily interest costs to borrow the shares**

**NOTE: LP TOKEN VOLUME CONNECTION TO GME SHORT VOLUME**

**Nearly all the DeFi pools peaked on May 3rd evening time rolling into May 4th**

## THE DOGECON PUMP & DUMP

Please find below an unusual Dogecoin eWallet that the quants checked out:

This wallet has been analyzed by our quant-ape team and we have deduced that there is a high probability that this account in particular has been active in illegal / fraudulent market manipulation.

If you look within the account to here:



Please see in the above sample, image 1, which is this account for doge coin holdings:

<https://bitinfocharts.com/dogecoin/address/D8vFz4p1L37jdg47HXKtSujChhP9f3doTK>

If you see the section I have highlighted you can see very clear unusual activity. We believe that this specific account in advance mass purchased Dogecoin with the sole intention of a future pump and dump scheme. The purchase was made long before any true media spotlight or notable increases in volume from retail investors.

The spike took place on 8 july 2020. The days prior to and after also had unusual activity.

If you look at both accounts:

Please find below attached dogecoin wallet #2:

#

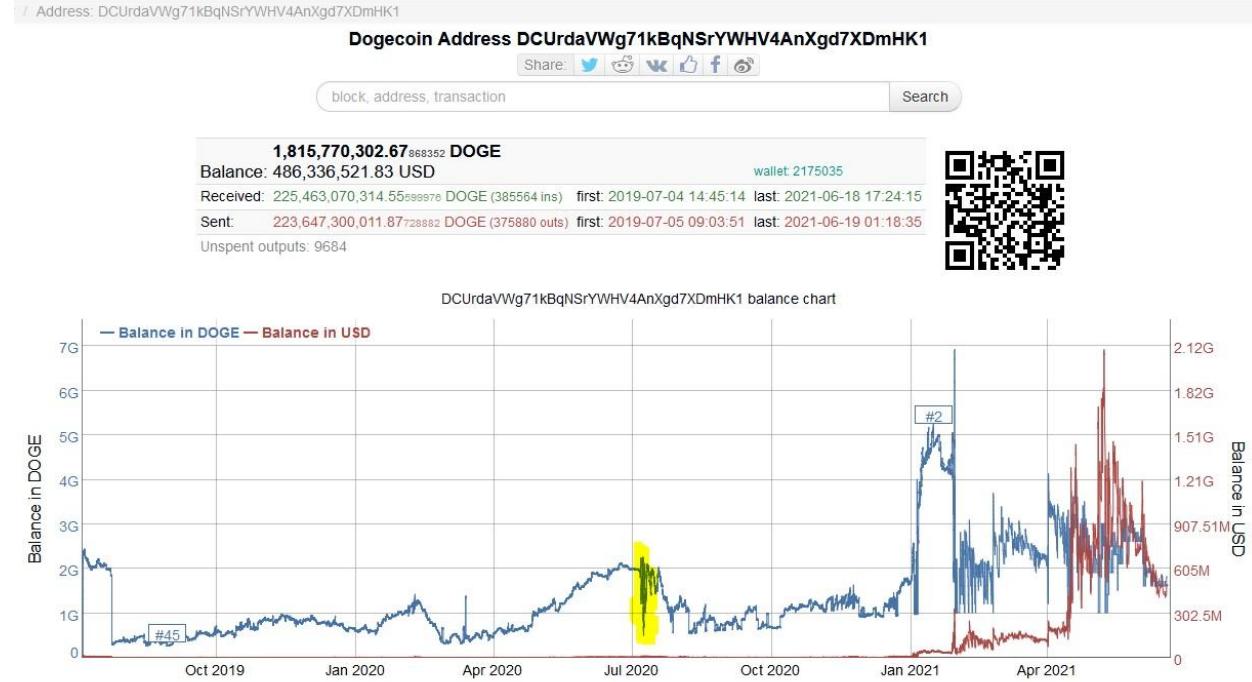


Image 2.

<https://bitinfocharts.com/dogecoin/address/DCUrdaVWg71kBqNSrYWHV4AnXgd7XDmHK1>

This account has also been flagged by our quant team as having transacted under suspicious circumstances.

If you look at the section I have highlighted, this is 8 July 2020. The day before and after there was unusual activity on the account. This activity correlates with the account in image 1.

Please then see image 3 below:

Currency in USD

[Download](#)

Date	Open	High	Low	Close*	Adj Close**	Volume
Jul 16, 2020	0.003086	0.003098	0.002893	0.002995	0.002995	78,457,844
Jul 15, 2020	0.003287	0.003303	0.003074	0.003085	0.003085	69,399,827
Jul 14, 2020	0.003169	0.003369	0.003061	0.003294	0.003294	103,213,409
Jul 13, 2020	0.003630	0.003636	0.003059	0.003178	0.003178	143,177,055
Jul 12, 2020	0.003811	0.003844	0.003614	0.003630	0.003630	87,562,043
Jul 11, 2020	0.003528	0.003920	0.003476	0.003811	0.003811	155,299,369
Jul 10, 2020	0.004394	0.004394	0.003438	0.003515	0.003515	225,424,869
Jul 09, 2020	0.004732	0.005014	0.004148	0.004397	0.004397	511,315,527
Jul 08, 2020	0.003097	0.005420	0.003061	0.004750	0.004750	1,226,813,925
Jul 07, 2020	0.002614	0.003259	0.002600	0.003090	0.003090	283,970,310
Jul 06, 2020	0.002309	0.002624	0.002302	0.002616	0.002616	132,105,139
Jul 05, 2020	0.002307	0.002327	0.002277	0.002309	0.002309	110,140,542
Jul 04, 2020	0.002315	0.002340	0.002289	0.002309	0.002309	109,218,071
Jul 03, 2020	0.002361	0.002366	0.002304	0.002316	0.002316	111,575,143
Jul 02, 2020	0.002330	0.002382	0.002302	0.002361	0.002361	110,789,127
Jul 01, 2020	0.002320	0.002376	0.002301	0.002354	0.002354	152,549,214

Looking at image 3, you can see the deviation between the high and low prices throughout the day on Jul 8th 2020. If you look at days either side of these transactions you can see further unusual activity between the same 2 accounts on July 7th and July 9th.

It is on this evidence that I conclude that these accounts were used to artificially inflate the price of Dogecoin by:

making transactions back and forth at overinflated prices, by doing so inflating the market cap and on paper making it look like they have a lot more assets on their books than they actually do, but also by inflating the coin they essentially test the viability of a pump and dump scheme.

If you look again on images 1 & 2 you can see another connection in which transfers were made between accounts on the 13 march 2020 a further spike and retrospective dip. I believe this was a ‘test round’.



Image 4.

The spike on May 8th 2021 was due to an appearance on, SNL, Saturday Night Live @ 11.30pm ET

**This is only a running thought on a certain ominous TV appearance.**

Said person dealt with a history of shorts on their company themselves over the latter half of the 2010s.

With short positions having been squeezed out it resulted in many long positions being opened in that company.

Said person was stuck between a rock & hard place, if Doge tanked, his company tanked (Doge was used to inflate SHF books who were long on other companies)

Therefore if Doge increased it gave hedges time to fight another day.

**I THEREFORE ASK YOU TO THINK AGAIN THE USE OF FTX WITH DOGE. WHO WAS RUMOURED TO BE THE LARGEST HOLDER OF DOGE? DO YOU SEE?**

## The BTC accounts with unusual activity:

As identified by some members of our Quant-ape team

The worlds 4th largest bitcoin account

eWallet 1p5Z & a workin slush subsidiary eWallet

<https://bitinfocharts.com/bitcoin/address/1P5ZEDWTKTFGxQjZphgWPQUpe554WKDfHQ>

<https://bitinfocharts.com/bitcoin/address/38UmuUqPCrFmQo4khkomQwZ4VbY2nZMJ67>

	A	B	C	D	E	F	G	H	I	J
1	Accumulated Holdings Accounts		Account Special Notes		Block	Time	Send	Qty	Receive	Qty
2	Main Account 1 (M1)	<a href="#">1P5ZEDWTKTFGxQjZphgWPQUpe554WKDfHQ</a>			<a href="#">591145</a>	8/21/2019 HPT1		-386	M1	386
3	Main Account 2 (M2)	<a href="#">38UmuUqPCrFmQo4khkomQwZ4VbY2nZMJ67</a>			<a href="#">592510</a>	8/30/2019 HPT2		-461.66	M1	461.66
4					<a href="#">592510</a>	8/30/2019 HPT1		-1044.27	M1	1044.27
5	High Value Pass Through				<a href="#">592513</a>	8/30/2019 HPT1		-975.94	M1	975.94
6	HPT1	<a href="#">1FzWLkAhHtOaV3kzTgyx6qsswXj6sCXsR</a>			<a href="#">592513</a>	8/30/2019 HPT2		-200.37	M1	200.37
7	HPT2	<a href="#">1CAhFPhKKTLWlincxNDHNpDwkvwktks</a>			<a href="#">592513</a>	8/30/2019 LPT1		-309.98	M1	309.98
8	HPT3	<a href="#">bc1qua29mutkgxmjfd7ayi3zd9ad0ld5mrhh8912</a>			<a href="#">593468</a>	9/4/2019 Main		-786	HPT1	786
9	HPT4	<a href="#">1NYAd6fa2dc5xowuweFUSDReRTErDwk28</a>			<a href="#">593258</a>	9/5/2019 Main		-1000	HPT1	1000
10					<a href="#">596566</a>	9/25/2019 HPT1		957.00	M1	957.00

One of our quant apes ran some analytics on several interesting BTC accounts that have flagged up multiple times

<https://drive.google.com/file/d/1zC3Ooy-smF-Ub-Lpkoy7d6hh3I8NpVLh/view>

Please look at the attached doc folder containing a list of the high volume pass working downwards to lower volume pass in order of significance.

If you look at significant dates such as January you can see interesting activity and through other date ranges I have mentioned spikes.

As much as these accounts are interesting, unfortunately there is no conclusive connection to draw from them but I felt that they are worth mentioning as they were part of my research into GME & crypto.

Take this information as you wish.

Also note the list of subsidiary temporary holding accounts.

## CHAPTER 6:

### THE REPERCUSSIONS OF NSCC 802

If you notice on every single graph and chart I have presented to date, all have peaked in early May 2021.

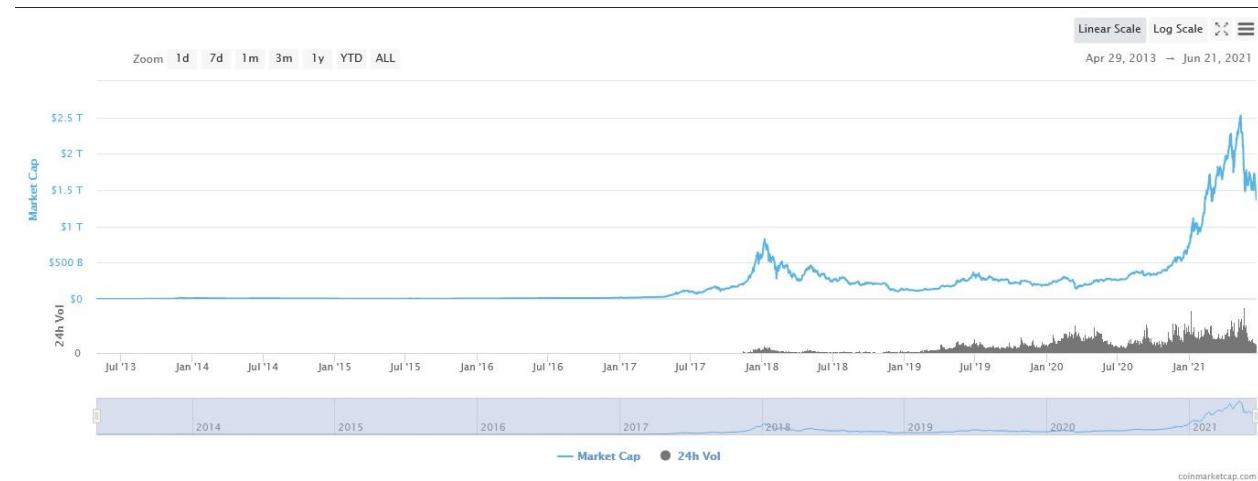
From StarWars day the crypto markets started a downturn.

Interestingly, on introduction of NSCC 802 on april 26th whilst awaiting to be initiated Bitcoin rallied as Wall St. emptied DeFi [TVL](#) (Total Value Locked) and consolidated their portfolios into BTC.

Post StarWars day all crypto TVL began its decline.

This led to some \$900 billion dollars loss in total value of the crypto markets.

The global crypto market cap was **over \$2.5T** only to decline to \$1.37T as of 09:00am UK GMT 06/21/21 from 05/04/21



**Too. many. god. damn. coincidences. FOLLOW THE MONEY!**

from my understanding of reading the legislation in NSCC 802 with 'qualifying liquid resources ....without material adverse change provisions.' means that Tether likewise many other stablecoins are not classified under the same asset grouping and therefore are not impacted by this ruling.

It is certainly possible that we are looking at some of Kennys *potentially* laundered tendies right here.

In essence the money that was withdrawn from interest yielding projects was cashed out and converted into stablecoins and B coin ensuring books would balance as needed. There are still large sums of hedge fund capital amassed in these projects , not everything was withdrawn, only enough is withdrawn as necessary to balance books.

So you would think that with NSCC 802 in place that would be the end of it but hol' up Kenny figured out how to buy himself another few days.

Please find below a few charts of recent activity of a small sample of many searchable coins all of which show interesting patterns in and around early May:



There are a whole host of similar coins all with similar upticks and start dates in 'n' around the start of May 5th - May 13th, above is a small sample

If you scroll back up and check that Tether chart with the orange and red boxes, look at around the start of May and May 13th for me could you? See?

## Privacy coins & their suspected use by hedge funds avoiding margin calls:

Q. CAN YOU HOLD A PRIVACY COIN SYNTHETIC ASSET ON PAPER THAT IS UNTRACEABLE?

You could maybe even call it CAPITAL X, boomers aren't creative, I bet it was actually recorded in the books under the name Capital X, WHO knows?

Privacy coins are a class of cryptocurrencies that power private and anonymous blockchain transactions by obscuring their origin and destination. Some of the techniques used include hiding a user's real wallet balance and address, and mixing multiple transactions with each other to elude chain analysis.

However, privacy coins handle two different aspects; anonymity and untraceability. Anonymity hides the identity behind a transaction, while untraceability makes it virtually impossible for third-parties to follow the trail of transactions using services such as blockchain analysis.

See below: PRiVCY coin purchased en masse from 1 hour after NSCC 802 was enacted.



The coin lay in wait until it was called upon on June 15th, yes, only yesterday, to help balance the assets/liabilities in a hedges books.

They buy the coins for pennies, then sell a couple back and forth at overinflated prices in the \$,\$\$\$'s, by doing so inflating the market cap and on paper making it look like they have a lot more assets on their books than they actually do, to balance out their liabilities (naked short positions).

**So when did our reverse repo rates kick off, oh go on lets have a wee lookie look and see.....**

It looks like the exponential rocket ignited some time between May 3rd overnight and oh my god May the forth be with you right before Cinco De Mayo day happened.

Reverse Repos simply signify that at this current moment in time there is nowhere safe to park spare capital whilst being able to hold it in assets to balance books.

Therefore I cannot deduce that the increase in RRRPs are directly caused by SHF shortselling however it does indicate that *the markets are frothing with liquidity*.

Another interesting connection is the date in which NSCC 802 26/04/21 was presented. Look at the date our RRRPs started, even before the May 3rd dip.

I also refer to the chart of BTC showing the NSCC 802 enactment and liquidity test day.

Making the connection that it was [shadow](#) banking sector / hedge fund money in crypto that was rug pulled and hence initiated the decline of the crypto markets.



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Categories > Money, Banking, & Finance > Monetary Data > Factors Affecting Reserve Balances

### ★ Overnight Reverse Repurchase Agreements: Treasury Securities Sold by the Federal Reserve in the Temporary Open Market Operations (RRPONTSYD)

DOWNLOAD

Observation:  
2021-06-11: 547.808 (+ more)  
Updated: Jun 11, 2021

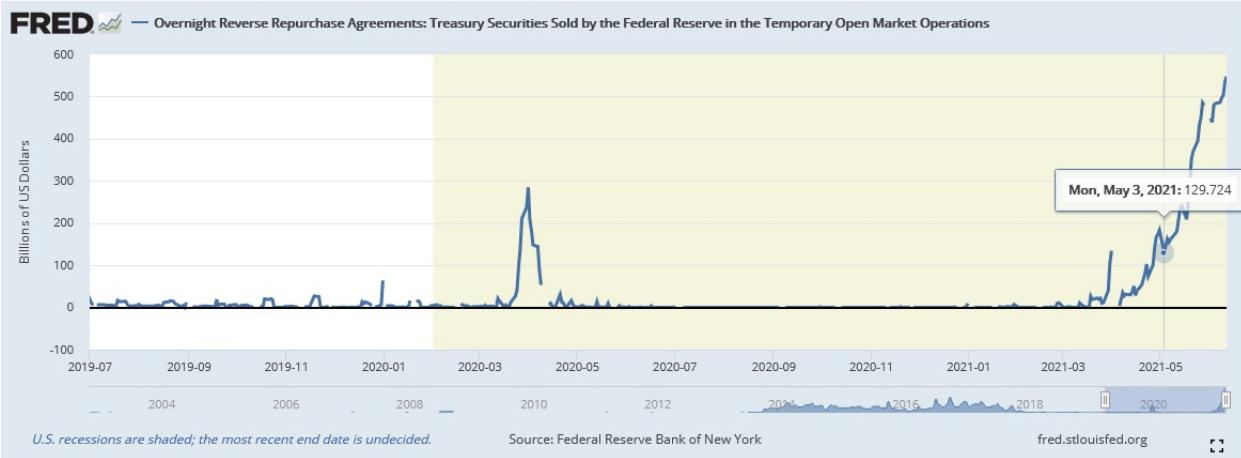
Units:  
Billions of US Dollars,  
Not Seasonally Adjusted

Frequency:  
Daily

1Y | 5Y | 10Y | Max

2019-06-30 to 2021-06-11

EDIT GRAPH



<https://fred.stlouisfed.org/series/RRPONTSYD#>

I believe that prior to the NSCC filing being passed and enacted, the SHF have been using DeFi Proof of stake coins to hide a lot of the cash that had been amassed from having sold short so many shares across the field, not only in GME.

If you look at the correlation of when the Reverse Repo Rates ignited, it is the same time of this filing, the same time crypto PoS tanks, and the same time that the NSCC enacts the filing to prevent crypto being used as liquid.

I believe that prior to May 4th, these coins have been the primary location for hiding funds gathered through naked short selling, and prior to May 4th these coins were considered liquid assets on the bank balance sheets. Post May 4th, they are no longer considered liquid but rather assets and so we then saw the overall downturn of the crypto markets.

There was further information late April/early May that precluded that Crypto due to reclassification as an asset rather than liquid would be eligible for different tax status (commodities/equities taxes)

## **THE FLIGHT TO QUALITY:**

### **MAY 4TH and Cinco De Mayo day**

That wonderful little bit of NSCC 802 legislation that was key to try and stop the hiding of illegal funds from malicious short selling in the markets.

On page 14 <https://www.sec.gov/rules/sro/nscc-an/2021/34-91720.pdf> it states that “Qualifying liquid resources” to include, among other things, lines of credit without material adverse change provisions, that are readily available and convertible into cash.

By parking money with the Fed in the form of reverse repo rates, many institutions are no longer receiving the hefty profits they once were achieving through crypto, DeFi or Staking, not just SHF but all of Wall st.

### **Timeline courtesy of [u/Taimpeng](#) tyvm kind ape, you rock**

End of Q1/March: DTC/creditors realize this is not going away.

[April 1st, SR-DTC-2021-005 announced for review](#) - The nuclear option ("MAD"). Would blow up GME shorts and also everyone else in the market running similar scams.

[April 8th, SR-NSCC-2021-802 announced for review, comments, etc.](#) - A tactical nuke revealed. By removing the ability to leverage crypto markets *simultaneously for revenue and collateral reqs*, the short position will be unsustainable.

[April 12th, SR-DTC-2021-005 PULLED \(INDEFINITELY\) FOR "REFORMATTING"](#) - With the tactical nuke in place, no need to keep full-scale Armageddon on the table, right?

[May 4th, SR-NSCC-2021-802 takes effect](#) - Tactical nuke detonation.

[May 5th+ Overnight repos explode](#). Many DDs suggest the ON RRP is "a liquidity problem framed as a collateral problem". It's both because the tactical nuke hit both.

**Now remember the way I mentioned several dates:**

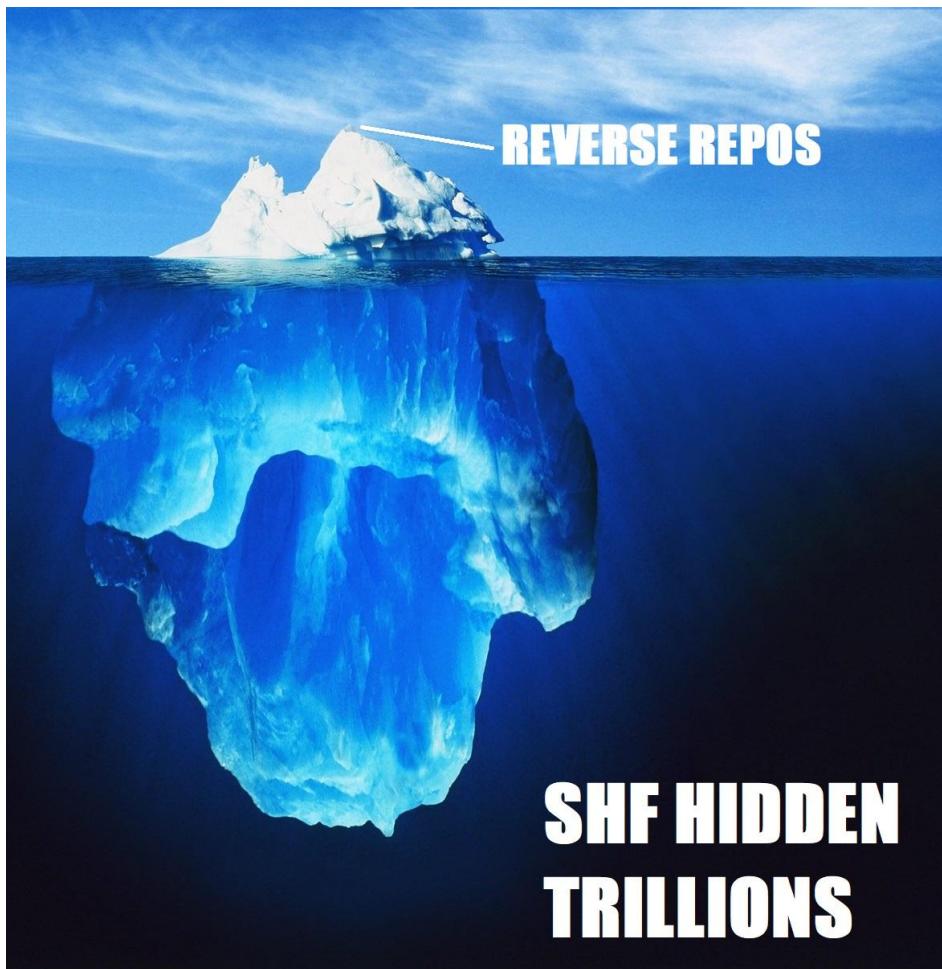
**April 26th: this was the cut off point for NSCC 802 to be contested. It was not contested.**

R C tweeted on apr 26th that everything was on track

**April 29th was the date that NSCC 802 would start to be initiated to be completed by 4th May**

R C tweeted on Apr 29th a meme of Mr Hanky

**The penny drops.....**



The tidal waves from that iceberg crashing into the water are coming.



**TICK TOCK TICK TOCK,  
~~CLARICE~~ KENNY**

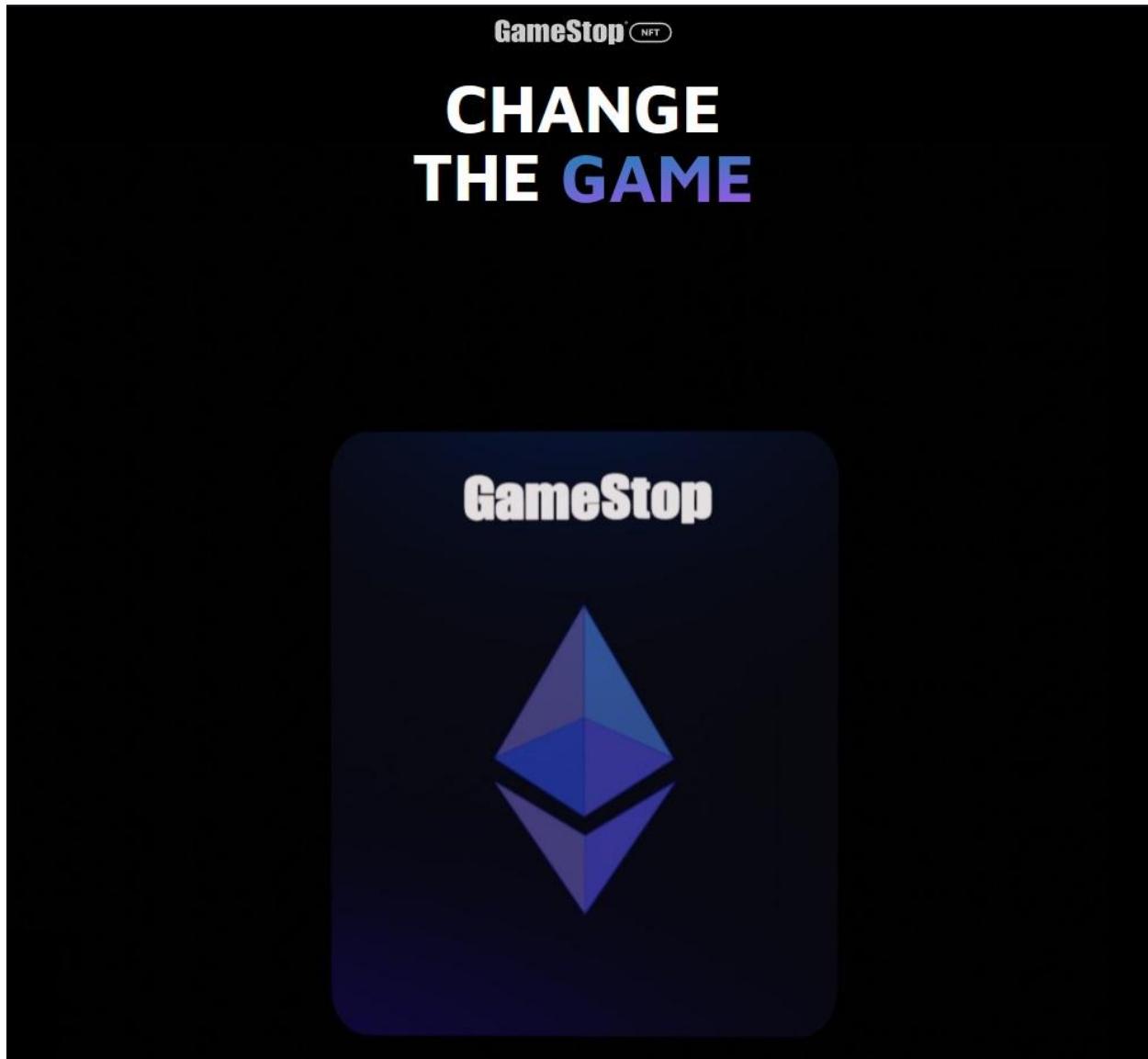
[memegenerator.net](http://memegenerator.net)

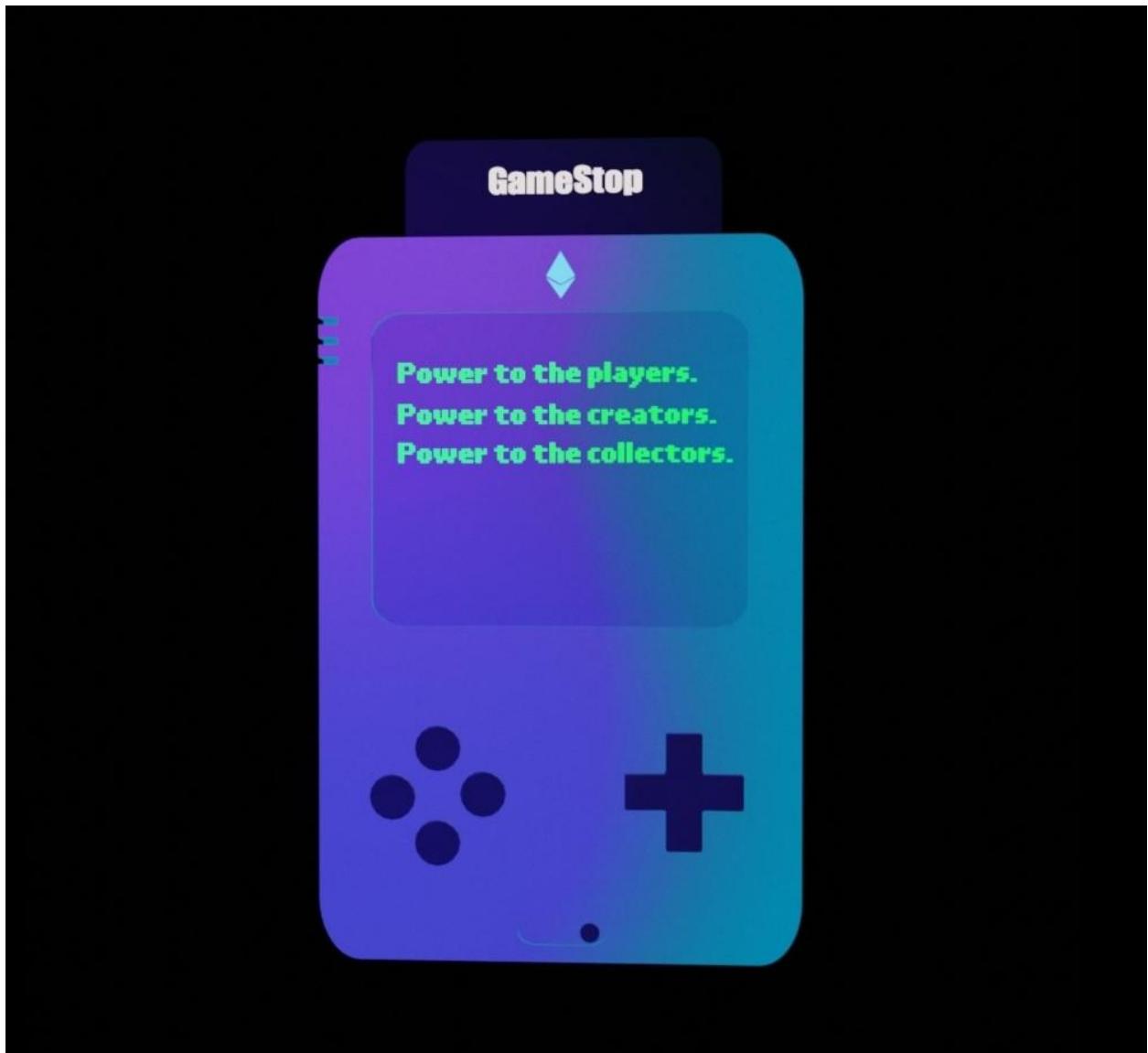
We sit and watch chess & checkers being played in the lobbies of Wall St. Soon it will be  
the game of dominos in the shadows that will shine the greatest light.

## CHAPTER 7:

### FIGHTING FIRE WITH FIRE: A GAMESTOP NFT

<https://etherscan.io/address/0x13374200c29C757FDCC72F15Da98fb94f286d71e>





<https://nft.gamestop.com/runner.html>

Are you ready to set a new ATH?

### What is an NFT?

An NFT is a non-fungible token. That means it's a token you can buy, sell, and hold. Unlike most cryptocurrencies, there may be very few or only one of an NFT, and they might be indivisible, meaning it may not be fungible with any other tokens.

NFTs can take a number of forms. Sometimes, they can be redeemed for a physical object. Sometimes the owner is entitled to an experience, like a movie or a phone call. Sometimes they are associated with a digital image. Sometimes they are associated with nothing at all.

**SOMETIMES THEY CAN EVEN BE WORTH -1/12 DFV**

# **GameStop Is Building an Ethereum-Based NFT Platform, Launches Website**

**The Texas-based video game retailer is looking to hire designers, marketers and even gamers for the NFT platform.**

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**BUY, HODL, BUCKLE UP.**

Every path followed is the same path walked.



**CANTSTOP. WONTSTOP. GAMESTOP.**

I am not a cat