

Title: There is no 90 day rule...

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... at least not as it is being wrongly interpreted and disseminated by hundreds / thousands of apes.

Let's go back to the GameStop Prospectus from June 9, 2021 or the one from April 5, 2021 or the one from December 8, 2020.

June 9, 2021: <https://news.gamestop.com/node/18961/html>

April 5, 2021: <https://news.gamestop.com/node/18741/html>

December 8, 2021: <https://news.gamestop.com/node/18351/html>

They all contain the following line:

>If a depository for a series of securities is at any time unwilling, unable or ineligible to continue as depository and a successor depository is not appointed by us within 90 days, we will issue individual securities of such series in exchange for the global security representing such series of securities. In addition, we may, at any time and in our sole discretion, subject to any limitations described in the applicable prospectus supplement relating to such securities, determine not to have any securities of such series represented by one or more global securities and, in such event, will issue individual securities of such series in exchange for the global security or securities representing such series of securities.

This is being wrongly interpreted that GameStop has the ability after 90 days to recall their shares from the depository, and everyone is assuming the depository in question is the DTCC. Everyone is *also* interpreting this as also applying to the dividend shares, but that has yet to be seen as we do not have the filing for the dividend yet.

****What is the prospectus?****

This document is the distribution contract (partly) to outline how GameStop intends to sell ****at the market**** shares into the system to raise capital. They will be doing this by issuing new shares in their global security and then handing them off to a market maker / broker (Jeffries) to handle the offering. Here is the line from the prospectus:

>Shares of any series of preferred stock represented by depository shares will be deposited under a separate deposit agreement, between us and a bank or trust company selected by us. We refer to this entity as a Preferred Stock Depository

For the most recent offering they used Jeffries, in the past they have used Citibank as the Depository for the new share offering.

So when they say they have 90 days to take the shares back and find a new Depository, they mean they can pull back the shares that ****have not yet been sold****. So if they go to Jeffries and they say here are the shares, please handle the selling of them at market and Jeffries is unable or unwilling to do so under the terms of the contract, they can pull them back and issue them some other way within the 90 days. They are ****not**** saying they reserve the right to recall those shares from the DTC / DTCC ****after**** they have been sold.

Here is the thing. GameStop announced on June 22, 2021 that the "at-the-market" offering was completed.

<https://news.gamestop.com/news-releases/news-release-details/gamestop-completes-market-equity-offer>

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That means those shares were handled correctly by their Depositary and were sold into the market. The 90 day whatever does not apply. The shares are gone, they were sold.

GameStop unfortunately has no say over how shares are held, once they have been sold.

****What about the dividend?****

The prospectus applies to the offering of new shares. Not to the dividend. If there is a new prospectus filed, it may have completely different terms. What we are understanding or assuming is that Computershare will act as a Depositary of the dividend shares and will distribute them. If Computershare was unable or unwilling to distribute them then ****maybe**** GameStop could designate some other way to distribute them. ****However**** it appears there will not be any problem. Computershare can issue the dividend to the registered shareholders (including Cede & Co) without problem.

Once the dividend is distributed, GameStop has no ability to take it back. There is no 90 day provision that grants them the ability to revoke property. Once it is out of GameStop's hands, it is no longer theirs unless Computershare decides they are unable to handle the dividend in it's entirety.

You can read more about how the dividend will be handled by Computershare here:

https://www.reddit.com/r/Superstonk/comments/vvamff/how_the_dividend_will_be_distributed_from/

TL;DR: There is no 90 day rule. It does not apply to shares that have already been sold or distributed.