



SEC / DTCC

THE GAMESTOP HUSTLE: ANATOMY OF A MARKET MANIPULATION

An investigative breakdown of the alleged systemic fraud behind the January 2021 market crash.



HEDGE FUNDS

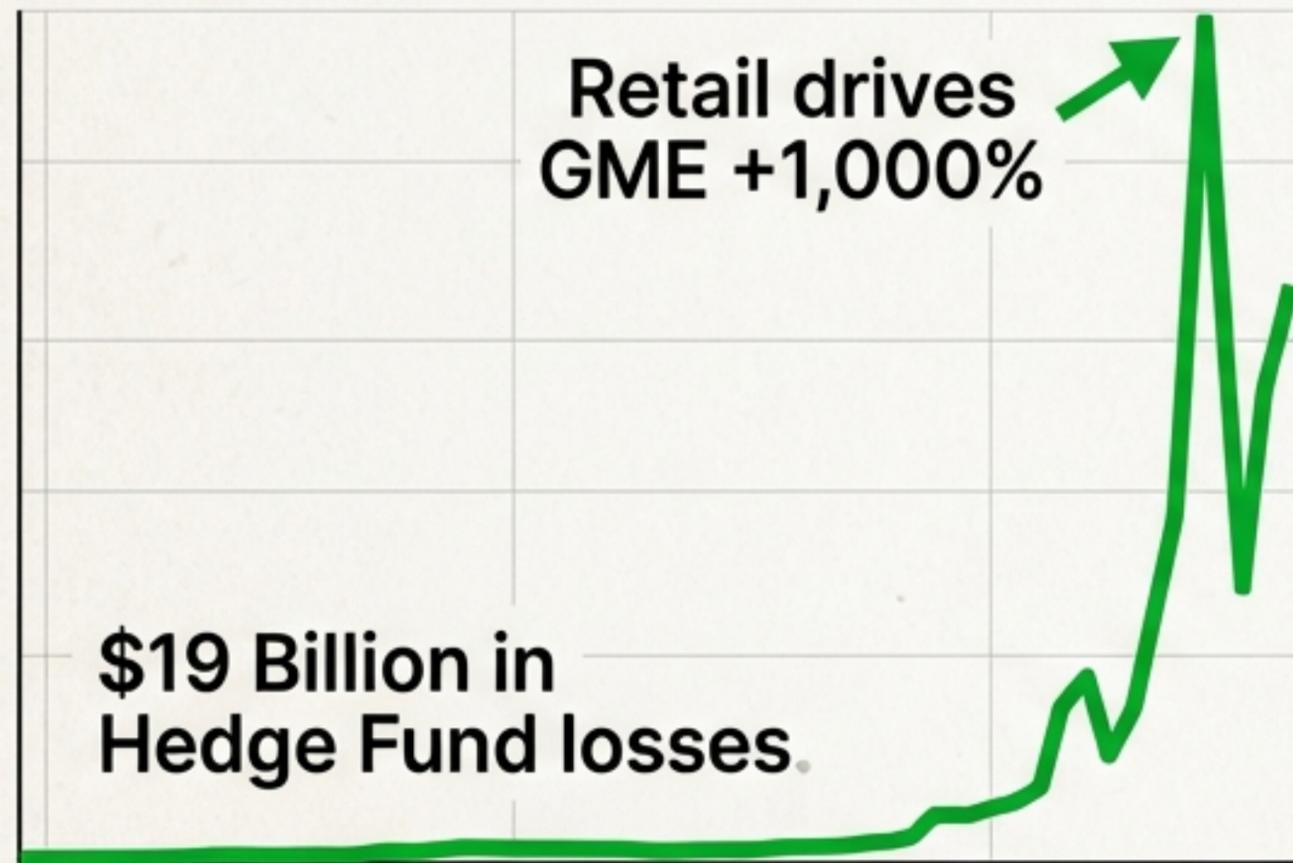


RETAIL BROKERS

BASED ON THE GERALD LOEB AWARD-WINNING REPORTING OF LUCY KOMISAR FOR THE AMERICAN PROSPECT.

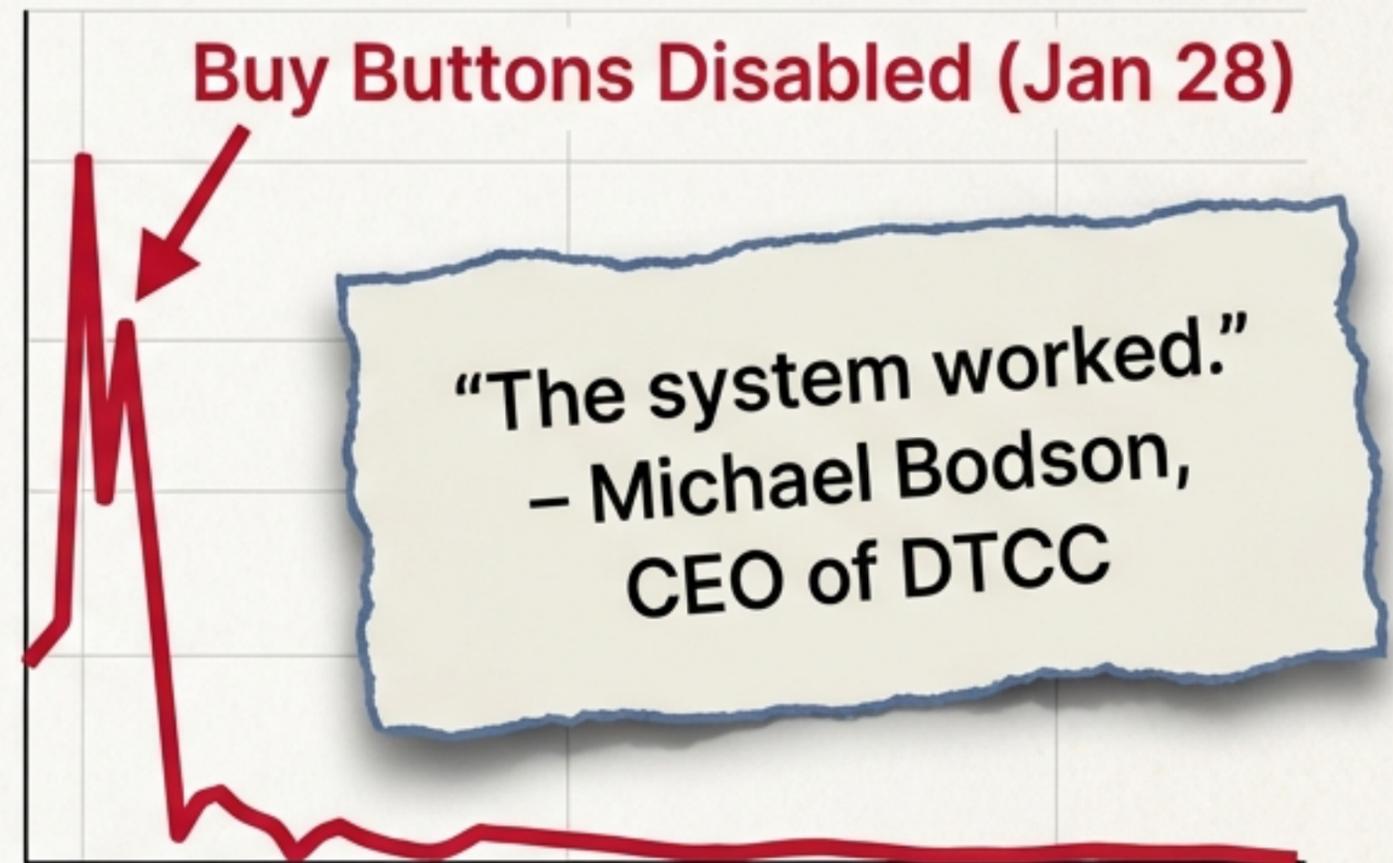
The Official Story Was a 'Squeeze.' The Data Suggests a Rigged Game.

THE RUN-UP



Jan 2021

THE HALT



The Anomaly: Media claimed the squeeze ended naturally. Forensic analysis suggests brokers evaded bankruptcy through massive share counterfeiting.

The Weapon of Choice: Naked Short Selling Traditional Shorting vs. The Phantom Trade

LEGITIMATE SHORT



Borrow Share



Sell Share



Buy Back & Return

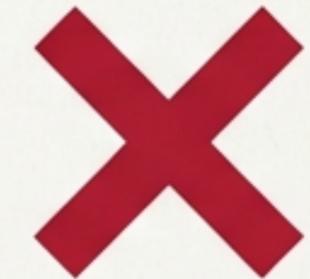
NAKED SHORT



Phantom Locate



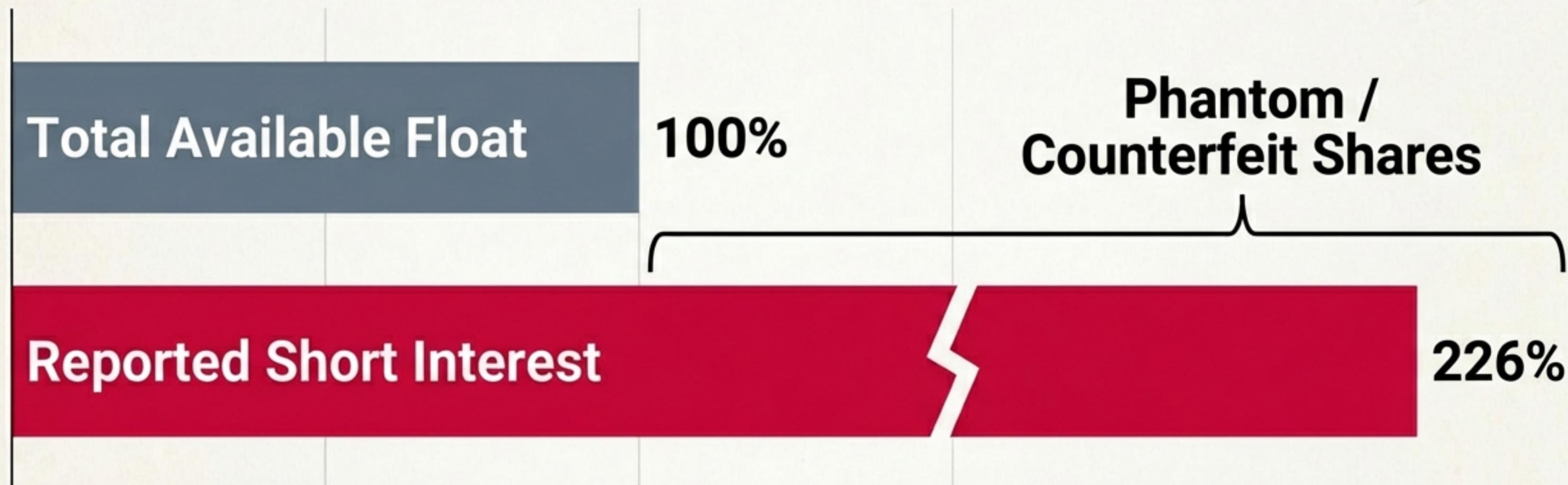
Sell Phantom Share



Fail to Deliver (FTD)

The stock is sold, cash is taken, but the share never arrives.

The Mathematical Impossibility: Selling More Shares Than Exist



Context: Even adjusted data from S3 Partners showed 122% short interest on Jan 28. It is mathematically impossible to exceed 100% without counterfeit shares.

The 'Threshold List' Exposed Months of Delivery Failures

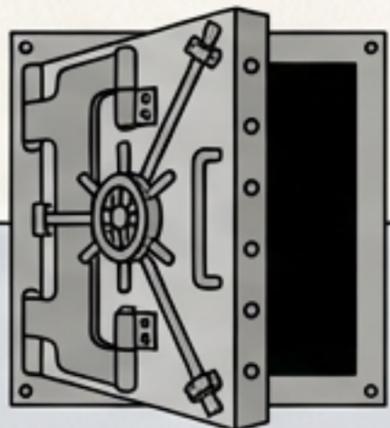
Regulation SHO: A stock is placed on the Threshold List after 5 consecutive days of massive delivery failures.

DECEMBER 2020							JANUARY 2021						
SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7			1	2	3	4	5
8	9	10	11	12	13	14	6	7	8	9	10	11	12
15	16	17	18	19	20	21	13	14	15	16	17	18	19
22	23	24	25	26	27	28	20	21	22	23	24	25	26
29	30	31					27	28	29	30	Feb	2	3

39 CONSECUTIVE TRADING DAYS

"There is no lawful way for a stock to be on the threshold list for months."

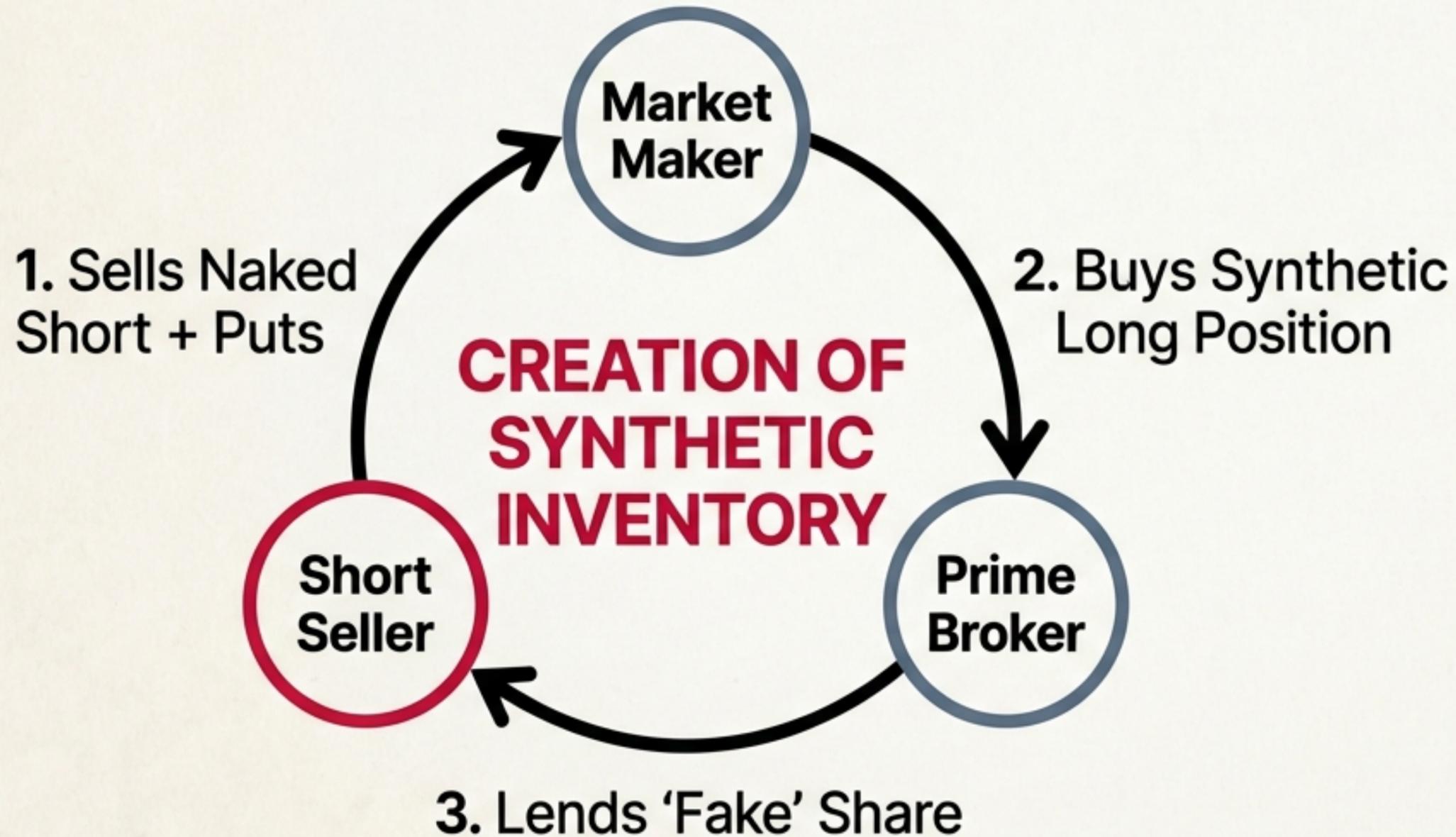
— John Welborn, Economist.



Analogy: Imagine if 4% of your bank deposits just failed to show up.

The 'Conversion' Trick: Manufacturing Inventory Out of Thin Air

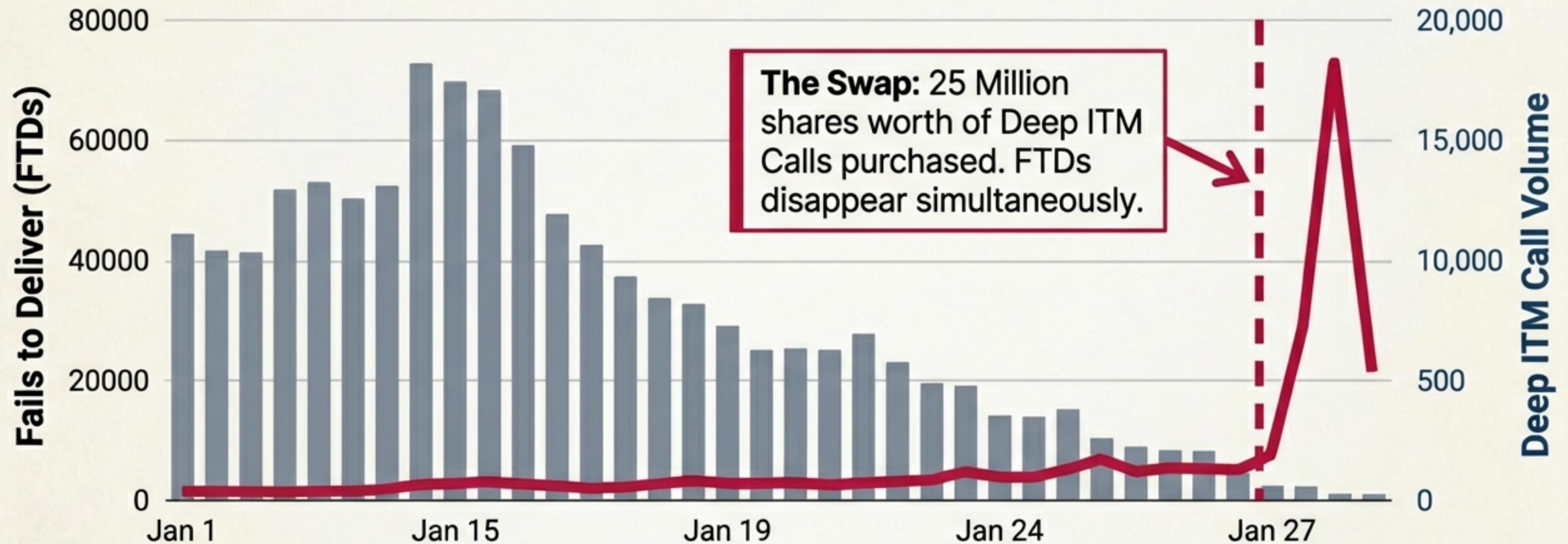
The Overstock / Goldman Sachs Precedent (2015)



How it works:
The Market Maker and Broker use options to create the appearance of owning stock. This 'synthetic' inventory is then lent out to short sellers to suppress the price.

Hiding the Evidence with 'Married Puts'

Correlation of FTDs vs. Options Volume



Mechanism: Hedge funds buy 'Married Puts' (Stock + Put Option) to create phantom shares, satisfying regulatory checks without actually closing the position.

Kicking the Can: The 'Buy-Write' Loophole



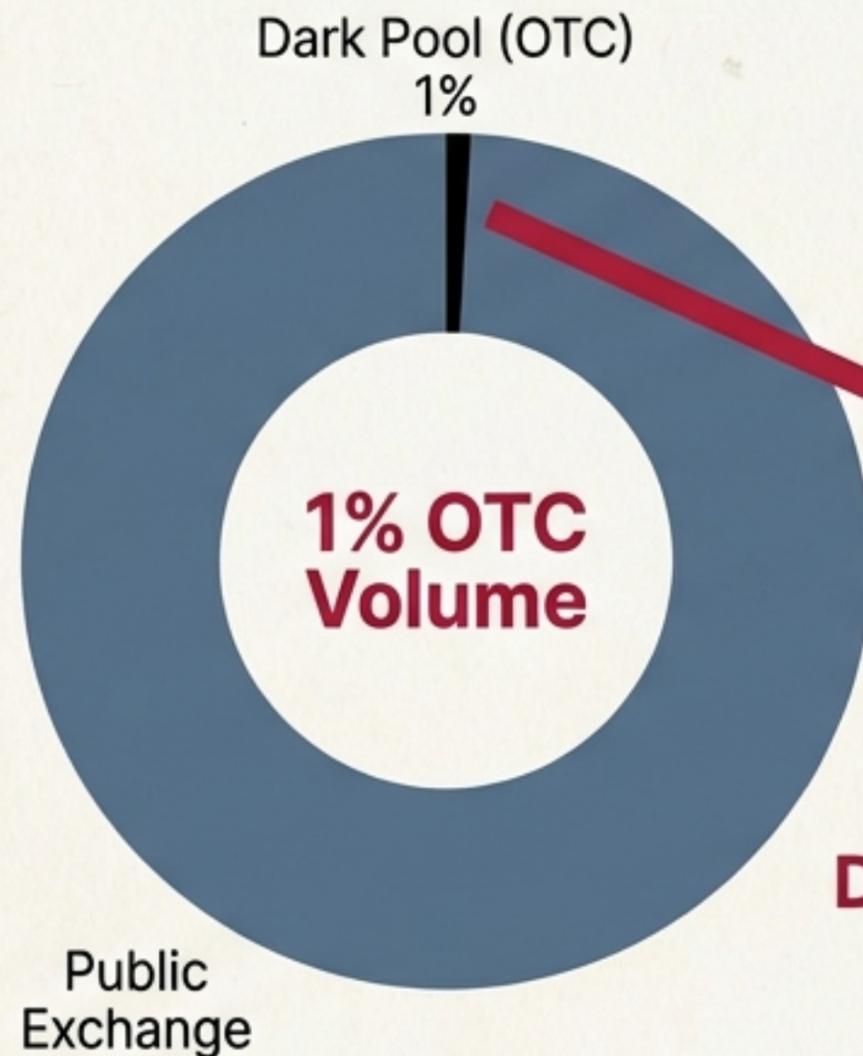
The Loophole: The SEC treats the Buy-Write as a new transaction. This resets the regulatory timer, allowing the FTDs to roll over continuously without ever delivering the actual stock.

**PERPETUAL
DELAY**

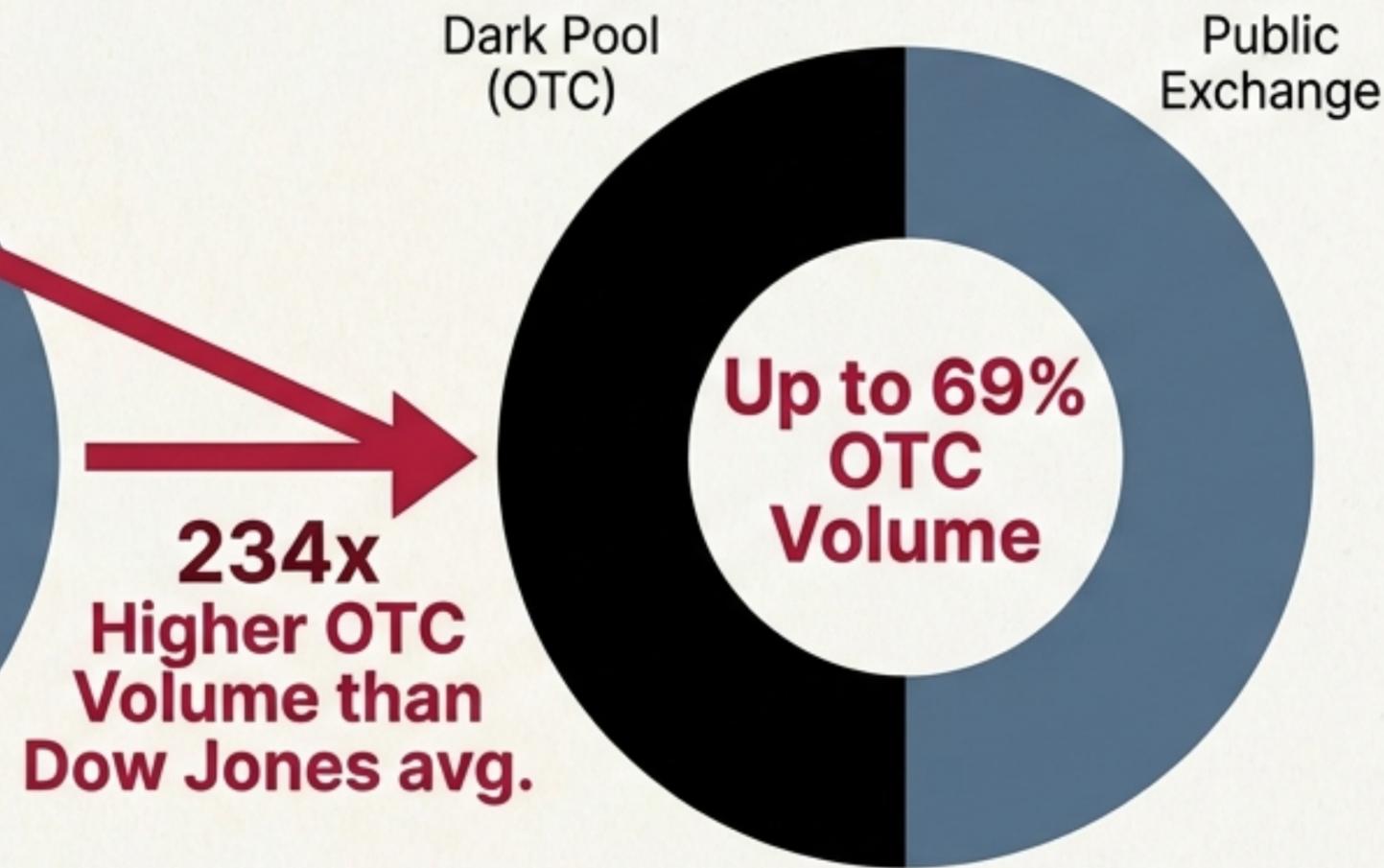
Dark Pools: Where Retail Buying Pressure Went to Die

Migration of Volume to Off-Exchange Markets

Standard Blue-Chip Stock



GameStop (Jan/Feb 2021)



Definition: Dark Pools
Dark Pools are private exchanges for institutions to trade massive blocks without moving the price. In 2021, GME volume aggressively migrated here to avoid public price discovery.

The Algorithm's Signature: Single-Share Trades



THE ANOMALY:
Millions of trades for < 60 shares.

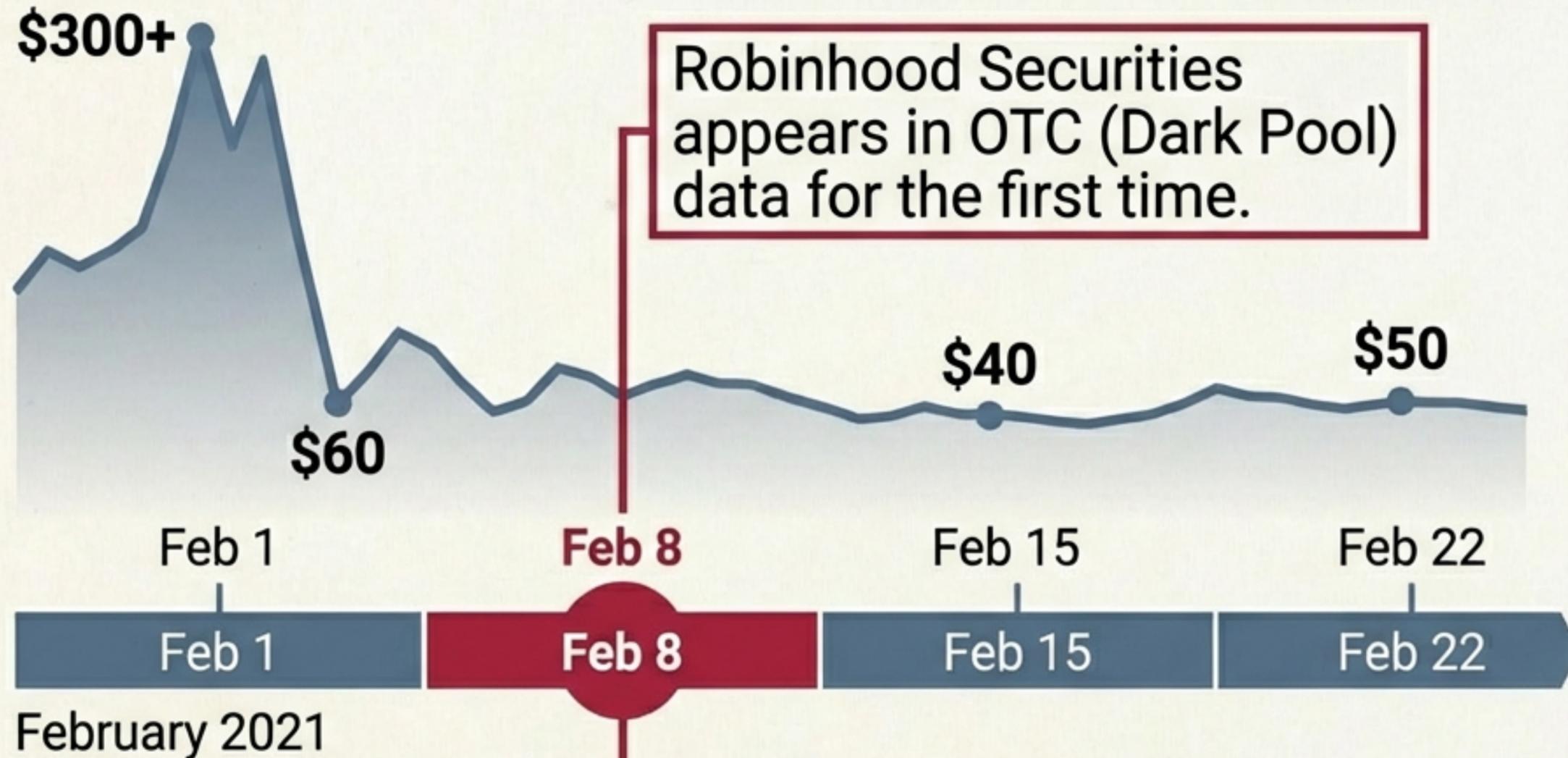
77.7%

Percentage of OTC trades that were for small lots (under 60 shares) for nine consecutive weeks.

The Accusation: High-Frequency Trading algorithms routed retail buy orders to dark pools to neutralize price impact, while keeping sell orders on public exchanges to drop the price.

Robinhood's Pivot to the Shadows

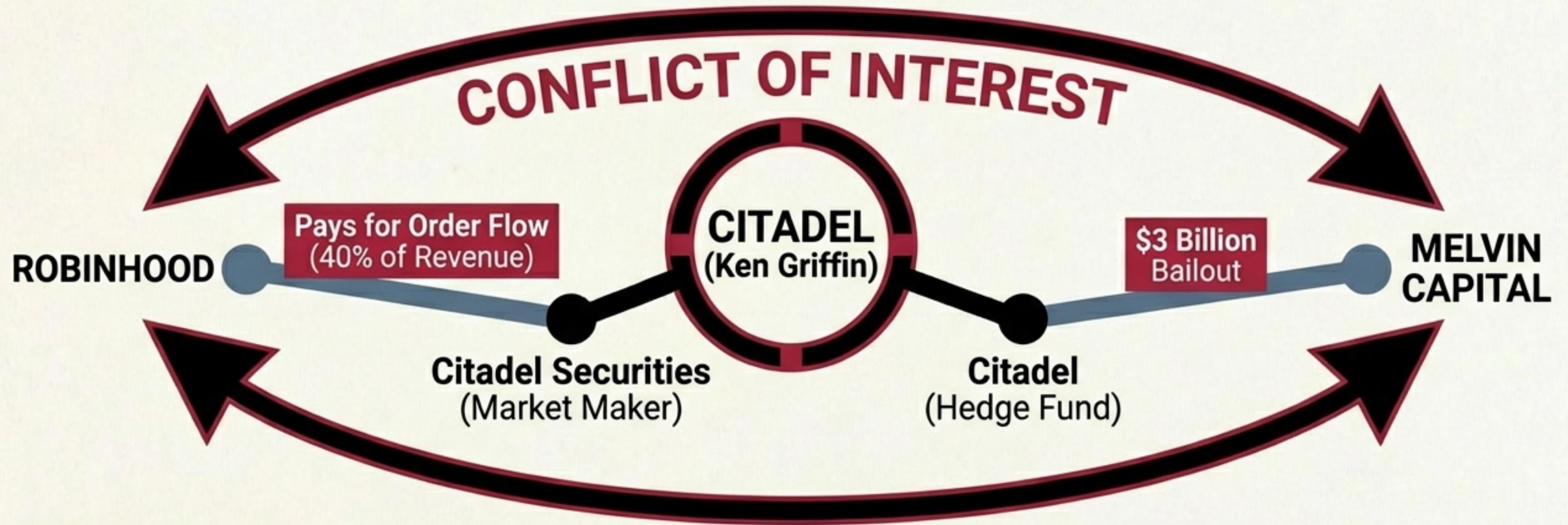
1 Share = 1 Trade 1 Share = 1 Trade 1 Share = 1 Trade



Why would a retail broker route **single-share orders** through a venue designed for **institutional whales**?

1 Share = 1 Trade 1 Share = 1 Trade 1 Share = 1 Trade

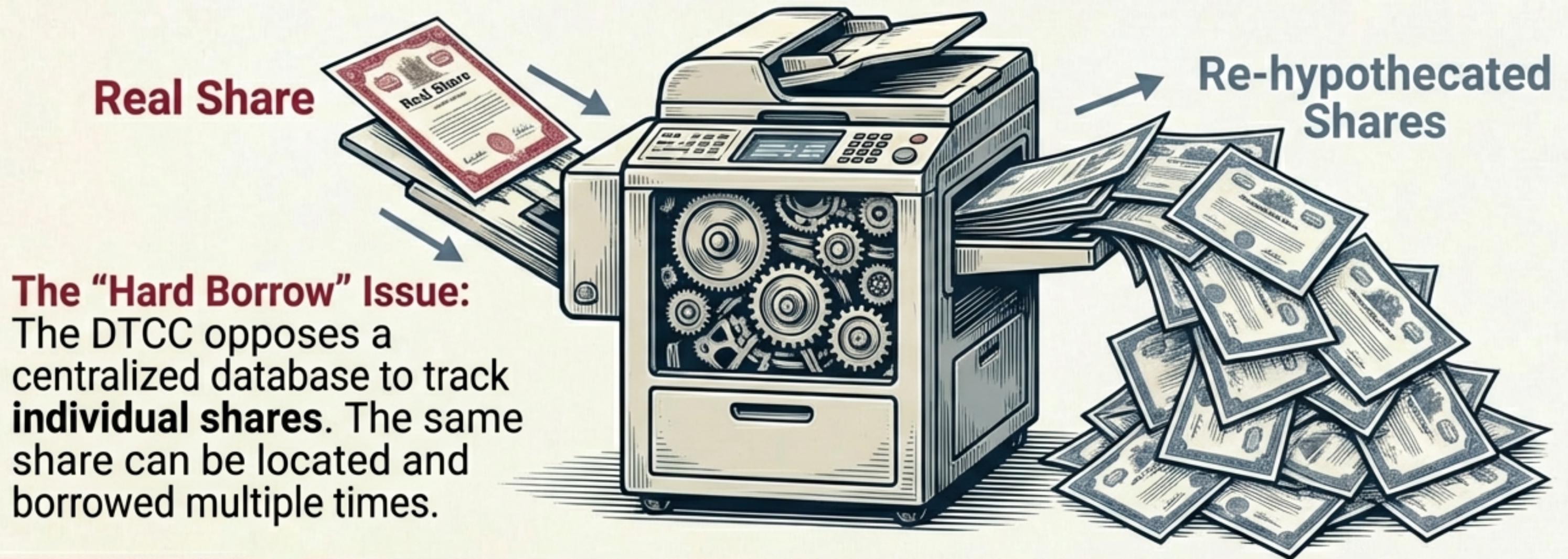
Citadel: The Market Maker, The Hedge Fund, and The Payer



The Power: Citadel executed **77%** of trades for under 60 shares in the dark pools. They had the motive (saving Melvin) and the means (order flow control).

The 'Cop on the Beat' Is Asleep

Systemic Flaws in the DTCC & SEC



“Liquor stores are being robbed, but they don’t tell us who robbed the stores.” – John Welborn.

The Rise of Citizen Investigators

Methodology: In the vacuum of official oversight, retail traders analyzed public filings to reverse-engineer the fraud.

Reddit Post: r/broccaaa u/broccaaa • 8m i.redd.it The Smoking Gun

Bloomberg Terminal: Short Interest, Short Interest ranks of, Short Interest data of, Renated income to m

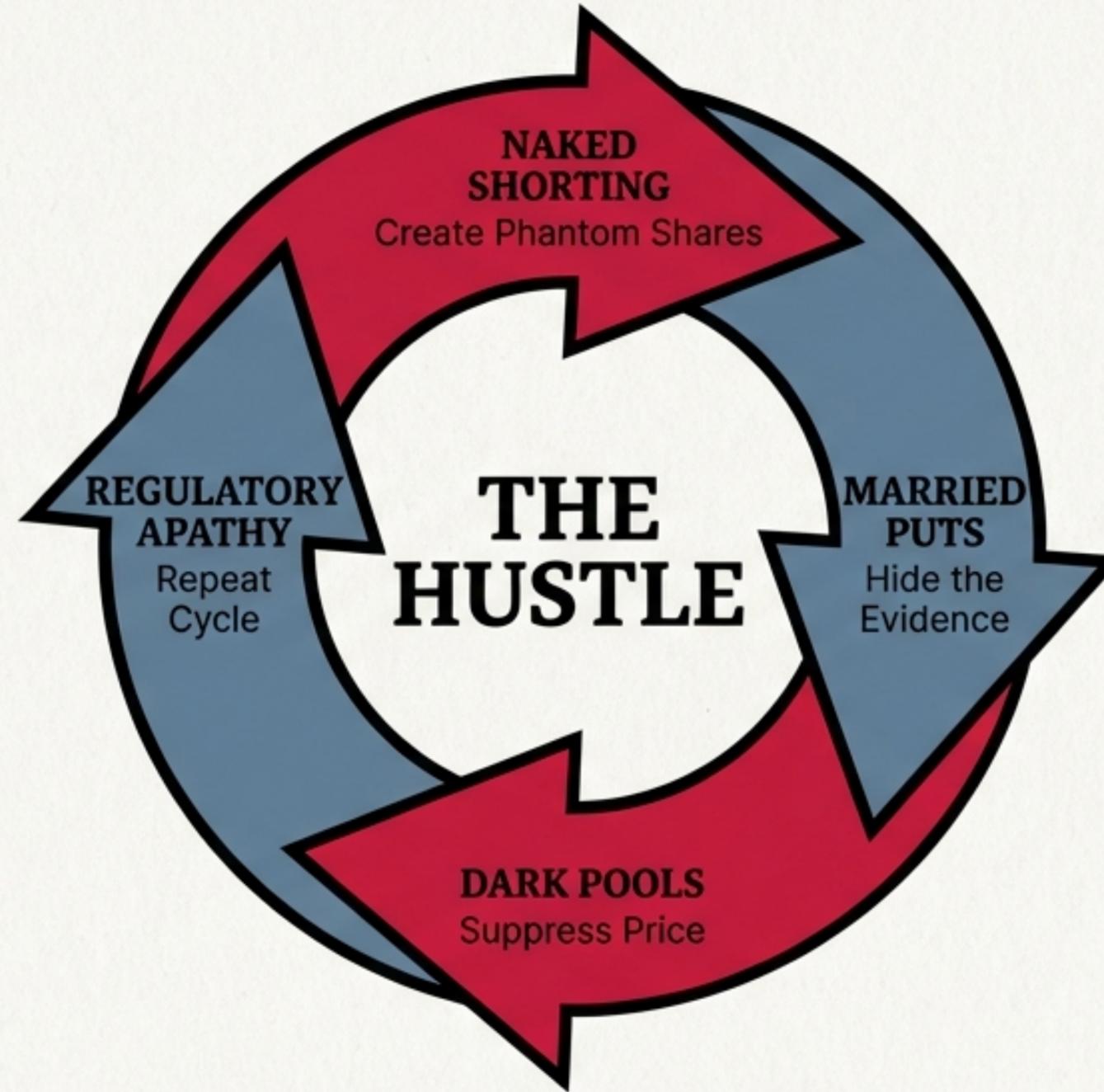
SEC 13F Filing: SEC 13F Filing, 13F Filing, Filings of eumnerckit Co, Dosermt Mand M Labor, Date: So, State: MI

Excel Spreadsheet: A table with columns A through K. Row 1: A: Item, B: Act Date, C: Quantity, D: Denominator, E: Numerator, F: Ratio, G: Ratio, H: Ratio, I: Ratio, J: Ratio, K: Ratio. Row 2: A: Citicorp Commodity, B: 1.507, C: 715,000,000, D: 5.22, E: 1.38, F: 0.50, G: 0.70, H: 0.40, I: 12.56, J: 1.60, K: 1.00. Row 3: A: Citicorp Commodity, B: 3.251, C: 75,200,000, D: 5.30, E: 1.99, F: 0.06, G: 0.30, H: 1.35, I: 18.300, J: 1.50, K: 1.00. Row 4: A: Citicorp Commodity, B: 1.021, C: 20,310,000, D: 1.05, E: 0.30, F: 0.19, G: 0.00, H: 0.36, I: 20.220, J: 1.30, K: 1.00. Row 5: A: Citicorp Commodity, B: 2.803, C: 28,101,000, D: 1.39, E: 0.26, F: 0.30, G: 0.33, H: 5.30, I: 25.300, J: 1.30, K: 1.00. Row 6: A: Citicorp Commodity, B: 1.010, C: 58,100,000, D: 1.20, E: 1.30, F: 0.30, G: 2.05, H: 0.30, I: 17.300, J: 1.00, K: 1.00. Row 7: A: Citicorp Commodity, B: 2.590, C: 90,320,000, D: 3.33, E: 0.25, F: 0.28, G: 0.36, H: 0.30, I: 30.000, J: 1.00, K: 1.00. Row 8: A: Citicorp Commodity, B: 3.027, C: 40,004,100, D: 2.58, E: 0.25, F: 0.20, G: 0.30, H: 0.33, I: 26.230, J: 1.00, K: 1.00. Row 9: A: Citicorp Commodity, B: 1.207, C: 12,698,225, D: 0.91, E: 0.26, F: 0.30, G: 0.20, H: 0.30, I: 30.050, J: 1.00, K: 1.00. Row 10: A: Citicorp Commodity, B: 2.390, C: 15,390,000, D: 1.00, E: 0.26, F: 0.30, G: 0.20, H: 0.30, I: 30.050, J: 1.00, K: 1.00. Row 11: A: Citicorp Commodity, B: 2.080, C: 33,216,355, D: 4.23, E: 0.05, F: 0.50, G: 0.36, H: 0.30, I: 8.258, J: 1.00, K: 1.00. Row 12: A: Citicorp Commodity, B: 1.087, C: 5,205,205, D: 0.38, E: 0.05, F: 0.50, G: 0.36, H: 0.30, I: 8.258, J: 1.00, K: 1.00. Row 13: A: Citicorp Commodity, B: 1.417, C: 5,590,200, D: 0.23, E: 0.05, F: 0.50, G: 0.36, H: 0.30, I: 8.258, J: 1.00, K: 1.00.

SEC 13F Filing Table:

A/c.	Code	Name	Drop	Case	Price	Shares
101		BEHRENS & BERGER				
102		BEHRENS & BERGER	1.50			
140		BEHRENS & BERGER	1.50			
103		BEHRENS & BERGER				
104		BEHRENS & BERGER	0.01			
105		BEHRENS & BERGER				
106		BEHRENS & BERGER	706.301			\$1,023
107		BEHRENS & BERGER	14,700			\$17.95
108		BEHRENS & BERGER	50,217			\$156.20
109		BEHRENS & BERGER	290,100			\$200.10
110		BEHRENS & BERGER	103,567			\$3,508,503
111		BEHRENS & BERGER	550,500			\$5,500,075

The GameStop Hustle: A Systemic Failure



The January 2021 crash wasn't just market volatility. It was a stress test that revealed the plumbing of Wall Street is leaking.