THE COMPLETE BANK OF AMERICA GAMESTOP DD

U/GFOUNTYYC

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DD

[Edit] this was the first of a series of posts regarding BofA. You can see my second one which digs deeper into ETF exposure. Link

My third digs into a mechanism for a potential bankruptcy, and shows their 90+ day short position doubled during Q1 which further confirms my thesis link

Thanks!

TL/DR It's possible that Bank of America is holding the biggest bag in the Gamestop saga

Note: This is just a theory, and I am not advocating anyone to do anything with their BofA accounts. Just some information I found and felt an obligation to share. I am not a financial advisor.

> If you owe the bank $100 that's your problem. If you owe the bank $100 ~~million~~ billion, that's the bank's problem.
> *-J.Paul Getty*

Good afternoon Apes of the world. For the past couple of weeks, I've been digging into reports, and news articles looking for evidence to connect Bank of America to the naked shorting situation and to postulate who may be holding the bag at the end of this saga.

Now I'm still new to building DD's and if I am incorrect please forgive me and I will try my best to fix this article. If anyone has additional information to refute or support my claims they are welcome as it's the best way to find the truth. I would also like to thank u/Alert_Piano341 for their considerable help and hours of research. I won't even touch that their building is always lit up on weekends/holidays (Veterans day...really guys) and that they were one of the trading platforms that restricted trading in January.

Hypothesis: Bank of America is the biggest bagholder in the Gamestop saga.

Supporting Evidence:

The 15 Billion Dollar bank bond.

On April 16th Bank of America issued a $15 Billion dollar bond. Now given they had an extremely strong quarter, why would BofA need the additional collateral?

https://www.marketwatch.com/story/bank-of-america-tops-charts-with-15-billion-bond-deal-the-biggest-ever-from-a-bank-11618606409

BAC needed that 15B bond for insurance

https://www.foxbusiness.com/business-leaders/bank-of-america-expects-to-increase-dividend-share-buybacks-ceo-moynihan watch this video at the 1:30 mark..... "assuming we get through the stress test...." he catches himself and is like I HAVE TO BE SUPER CONFIDANT HERE.

I can't find one other article or media post about the liquidity test anywhere, and here is the CEO mentioning it in an Interview....it was on his mind.

The Citadel Link

So the MM has a special exemption that allows them to Naked short the securities for the sake of market liquidity and they classify them as "Securities sold but not yet purchased" labilities. Market Makers have been fined for naked shorting before but nothing has been done to really curb it and the fact that we have two companies with expanding balance sheets show it's being abused right now.

Citadel specializes in Option naked shorting, and because of GME they have an ever-expanding bag of SHit. There "securities Sold but not yet purchased" went up to 57.506 B this year with 32.386B of it in Options. To recap Abbot told us the liabilities are valued at fair value, and that this will be an issue for citadel in the future. **I think it is going to be an issue for someone else as well.**

LIABILITIES AT FAIR VALUE AS OF DECEMBER 31, 2020

($ in millions)	Level 1	Level 2	Netting and Collateral	Total
Trading liabilities				
Equity securities	$ 14,601	$ 6	$ —	$ 14,607
U.S. government securities	10,417	26	—	10,443
Corporate debt securities	—	58	—	58
Non-U.S. government securities	1	6	—	7
U.S. agency securities	—	4	—	4
Total investment liabilities	25,019	100	—	25,119
Derivative liabilities				
Options	32,384	2	—	32,386
Futures	92	—	—	92
Swaps	—	1	—	1
Warrants	1	—	—	1
Gross derivative liabilities	32,477	3	—	32,480
Netting	(24)	(1)	(68)	(93)
Total derivative liabilities	32,453	2	(68)	32,387
Total	$ 57,472	$ 102	$ (68)	$ 57,506

In the tables above:

Citadels Liabilities

Notes from the financial statement for Sussqhana and Citadel

NOTE G - RECEIVABLE FROM AND PAYABLE TO CLEARING BROKERS AND CONCENTRATION OF CREDIT RISK

The clearing and depository operations for the Entity's securities transactions are primarily provided by Merrill Lynch Professional Clearing Corp., Merrill Lynch International London and Goldman Sachs & Co. LLC.

At December 31, 2020, substantially all of the securities owned and securities sold, not yet purchased, and the amounts receivable from and payable to clearing brokers reflected on the statement of financial condition are securities positions with and amounts due from and to these clearing brokers. The securities at these clearing brokers serve as collateral for the amounts payable to such clearing brokers. The clearing brokers have the right to sell or repledge this collateral, subject to the clearing agreements with the Entity.

Susqhannas note makes it perfectly clear that the assist and liability are just on paper, the clearing broker can just sell their shit when needed

Let's check what Citadel says about its Prime Broker ---->

The Company has concentration risk with respect to its derivative financial instruments. At December 31, 2020, BAML serves as clearing and prime broker for 96.69% of the Company's net derivative assets. See Note 8 for a discussion of credit risk and risk management.

The Company attempts to manage the risks associated with its derivative financial instruments along with its speculative investing activities in cash instruments as part of its overall risk management process (discussed in Note 8).

NOTE 10

Who is holding Citadel's bag of shit?

Credit Risk

Credit risk is the risk of losses due to the failure of a counterparty to perform according to the terms of a contract. Since the Company does not clear all of its own securities transactions, it has established accounts with other financial institutions for this purpose. This can, and often does, result in a concentration of credit risk with one or more of these institutions. A substantial portion of the Company's options, clearing and financing activities are with a Bank of America Merrill Lynch subsidiary ("BAML"). These positions are recorded at fair value under securities owned on the statement of financial condition. This results in a concentration of operational and credit risks with BAML. Such risk, however, is partially mitigated by the obligation of certain of these financial institutions to maintain minimum net capital and to segregate customers' funds and financial instruments from the financial institution's own holdings. The Company actively reviews and attempts to manage exposures to various financial institutions in an attempt to mitigate these risks. The Company also attempts to minimize this credit risk by carrying minimal excess collateral above any specific collateral requirement determined in accordance with the contractual terms between the Company and the relevant financial institution.

The Company is exposed to credit risk in its role as a trading counterparty to dealers and broker and dealer clients, as a holder of securities and as a member of exchanges and clearing organizations. The Company's client activities involve the execution of various transactions. Client activities are transacted on a delivery versus payment or cash basis. The Company's credit exposure to broker and dealer clients is mitigated by the use of industry-standard Qualified Special Representatives ("QSR") or Corresponding Clearing Agreements ("CC Flip") where the Company locks in client trades at the DTCC's NSCC facility allowing the Company to face the clearinghouse directly. The Company also uses the industry standard of delivery versus payment through depositories and clearing banks for non QSR and CC Flip clients.

T his is also found in Citadels 2020 Annual Finacial report "A substantial portion of Citadels' options clearing and Financing activities are with BAML"

BAML (which stands for BANK OF AMERICA MERRIL LYNCH) or now BAC is the prime and clearing broker for 96.69% of all the net derivative assets of Citadel Securities? They are holding the 57.6 Billion Bag on Citadel Poo... 32,386 Billion of it in options, with a ton of those, are going to explode in their face or be worthless.

Something to consider...

Virtue Capital annual report

https://sec.report/Document/0001592386-21-000005/

They could note that their payment for order FLOW more than doubled in 2020 with the rise of RH .....

what do you think about Citadel's Payment for order flow (Virtue is a publicly traded company so we have their expense data you will not find it for citadel) but Virtue and citadel are competitors. this article says Virtue does 9.4% while citadel does 13.4% of the market in December of 2020. so if Virtue is paying 758M for order flow in 2020 Citadel is paying at least a 1B.

https://outline.com/SxAFCy

57

(in thousands)		2020		2019		2018
	Years Ended December 31,					
Reconciliation of Trading income, net to Adjusted Net Trading Income						
Trading income, net	$	2,493,248	$	912,316	$	1,266,682
Interest and dividends income		62,119		108,778		87,508
Commissions, net and technology services		600,510		498,544		184,339
Brokerage, exchange, clearance fees and payments for order flow, net		(758,843)		(386,888)		(376,424)
Interest and dividends expense		(125,649)		(158,039)		(141,814)
Adjusted Net Trading Income	$	2,271,385	$	974,711	$	1,020,291

Virtue Capital payment for order flow

then they could look at Citadel's debt (most MM don't take on debt ....because they print money, they are not supposed to have the liabilities citadels has and they may have a simple line of credit but Citadel got a direct cash infusion last year. They sell options they don't own yet (with the expectation they won't have to purchase most of them)......shit

The Loan

Loans and Interest Payable to Affiliate

The Company has entered into a cash advance agreement with Citadel Securities LP, an affiliate. During 2020, the maturity date was extended until December 31, 2021. For the period January 1, 2020 through June 30, 2020, the loan advances were interest free. Effective July 1, 2020, the agreement was amended and loan advances bear interest at the rate of LIBOR plus 2.85%. Loan advances are payable on demand. As of December 31, 2020, the loans and interest payable to affiliate were $1.65 billion and $3 million, respectively, and are reflected on the statement of financial condition. CAL4 estimates that the carrying value of the loans payable to affiliate approximates fair value due to the short-term nature of the loans.

NOTE 6

They issued a 1.653 billion loan to Citadel, when they also recently raised the 15 Billion for their bond. SMH

The New Hire?

A key piece of information that I came across that I thought might support our thesis was the recent hiring of Executive David Kim. David Kim was the head of equity client solutions at Bank of America and was recently hired by Citadel Securities (link below). Now, this is speculative, lets say there's a new hire named Mavid Jim, would it be possible that Jim has signed off on some terrible credit/increased risk, and jumped ship on some hidden backdoor deal?

https://www.efinancialcareers-canada.com/news/2021/04/david-kim-bank-of-america-citadel

Look for the usual suspect

I speculate that Bank of America also contributed heavily to the naked short selling of the so-called meme stocks (most likely Gamestop GME and Bed Bath and Beyond BBBY, as they are the stocks their analysts mentioned). In an article as recent as 2018 its been documented that BofA has paid the most fines out of all the major players since the 2008 financial crisis. It would appear that the rules simply don't matter to them.

https://www.marketwatch.com/story/banks-have-been-fined-a-staggering-243-billion-since-the-financial-crisis-2018-02-20

Bank	Fine, in billions
Bank of America	$76.1
JPMorgan Chase	$43.7
Citigroup	$19
Deutsche Bank	$14
Wells Fargo	$11.8
RBS	$10.1
BNP Paribas	$9.3
Credit Suisse	$9.1
Morgan Stanley	$8.6
Goldman Sachs	$7.7
UBS	$6.5

The 13F Filings

In recent 13F filings on whalewisdom you can see that Bank of America does hold decent-sized Put positions on GME and AMC. As holding these put positions are a legal loophole way of holding a short position and resetting an FTD, I believe it's possible that they also took short positions against these meme stocks. As both organizations would benefit from colluding an aggressively short position, they could drive the price down and both mutually profit.

https://whalewisdom.com/filer/bank-of-america-corp-de#tabform4_tab_link

The recent Bank of America Q10 Quarterly report

I decided to do some digging and when I was looking through the cashflows on their most recent quarterly report a figure under trading and assets/liabilities I found this gem.

The net change in cash from derivative assets/liabilities from 2020 to 2021 was a womping deficit of $53.756 Billion or a difference of $83 Billion from the prior year. That's just what is reported. I tend to believe that it's probably worse than that.

Consolidated Statement of Cash Flows

	Three Months Ended March 31	
(Dollars in millions)	**2021**	2020
Operating activities		
Net income	**$ 8,050**	$ 4,010
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	**(1,860)**	4,761
Gains on sales of debt securities	**—**	(315)
Depreciation and amortization	**461**	432
Net amortization of premium/discount on debt securities	**1,530**	482
Deferred income taxes	**566**	(229)
Stock-based compensation	**853**	543
Loans held-for-sale:		
Originations and purchases	**(8,253)**	(6,078)
Proceeds from sales and paydowns of loans originally classified as held for sale and instruments from related securitization activities	**9,383**	7,397
Net change in:		
Trading and derivative assets/liabilities	**(53,756)**	29,615
Other assets	**(23,477)**	(21,022)
Accrued expenses and other liabilities	**12,186**	(588)
Other operating activities, net	**1,989**	35
Net cash provided by (used in) operating activities	**(52,328)**	19,043
Investing activities		

Page 47 on their recent Q-10

https://investor.bankofamerica.com/regulatory-and-other-filings/all-sec-filings/content/0000070858-21-000063/0000070858-21-000063.pdf

The Bullshit Push for Silver

Who else thought it was total bullshit when the media spewed out that Reddit was into Silver, and that it was the new Gamestop? Who on earth would benefit from crowds of people moving to purchase silver? Honestly if/when Gamestop moons everything is Gold Plated. Silver is shit.

https://www.cbc.ca/news/business/silver-stocks-surge-1.5895790

https://www.northernminer.com/fast-news/bank-of-america-sees-further-upside-potential-for-silver-in-2021/1003825311/

The Roaring Kitty

It seems that our beloved Roaring Kitty knows something is up with Bank of America as well. In his recent Twitter post, he shows a scene from Baby Driver (A great film, check it out). It would appear there has been a Gamestop logo inserted just above a Bank of America ATM. Interesting stuff.


Bank of America ATM and the GME logo

The closed locations:

Currently, hundreds of Bank of America locations across the United States are currently closed. It was definitely sus. To my understanding, some of these locations were being boarded up due to the trial of George Floyd (RIP). This was very strange as some of these banks were being boarded up after the verdict of the trial, and it appeared no riots would happen. I understand that with the shift to mobile/online banking there is less need for physical locations, but does that facilitate about 1/5th of all locations been temporarily closed (I did a sample of several states and came across 1/5th. I wasn't about to spend a day checking all 4600 locations but I welcome someone else with more time on their hands to take a look).

Bank of America Analyst Shitting On GME

"GameStop missed EBITDA estimates, which was a big negative for Bank of America analyst Curtis Nagle. The analyst, which rates the stock at Underperform with a price target of $10, said the company missed EBITDA estimates by 66%"

"This is not a good quarter," Chukumba said. "I will be listening to how they're going to pull a rabbit out of the hat and turn this into a viable company."

Chukumba said [GameStop]() needed "some magic beans and pixie dust" to help the company going forward. He dropped coverage of the stock in January.

https://www.benzinga.com/analyst-ratings/analyst-color/21/03/20322372/gamestop-analysts-react-to-q4-earnings-company-needs-some-magic-beans-and-pixie-dus

Conclusion: Based on all the evidence provided above, I asked the question, who else could be the biggest big holder at the end of all this? If Archegos is a much smaller hedge fund and contributed to 10+ Billion dollars in losses to Credit Suesse, then I speculate that the losses from the margin calling of Citadel and Susquehanna could be magnitudes larger. If you also consider the short selling of securities from BofA itself, it is entirely possible for 100+ Billion dollars in losses. Let me know what you think. Again big shout out to u/alert_piano341 for their help/contributions.

Note: If someone could get me some Bloomberg shots for a few of the major banks that would be great! Ideally BofA, JPM, GS please and thanks.

**if you choose to use any of this in a DD please reference this article as it took a lot of hard work.

July 19, 2021

The Bank of America and Gamestop DD update: Swimming in Puts, ETFs, and the new NSFR rules

The Bank of America and Gamestop DD update. Swimming in Puts, ETFs, and the new NSFR rules

DD

Hello Apes,

First off I would like to state none of this is financial advice. I am not advocating anything, but am simply sharing things that are found, and asking questions. What makes this community great is the collective hive mind in questioning everything, digging through the bullshit from the MSM, some insane level macroeconomics theory/data science, and memes. If anything I post is thought to be not accurate please share a constructive counterargument. It's important that together we come to the truth.

Additionally, given several different macroeconomic contributions, I believe a crash was going to happen with or without meme stocks. The banks are having a collateral squeeze, corporate debt is insane, margin debt is at record highs, and inflation is through the roof. Imagine you lose all your stars in the final round of Mario Party but you also shit yourself. The US economy was screwed regardless, we just found a cheat code to hedge our $$$.

Prerequisite DD

The Complete Bank Of America Gamestop DD

I would also like to give a shout-out to u/Horror_Veterinar for his channel and opening up come of this wormhole. Also, shout out to u/criand for suggesting I repost as this originally didn't get much visibility.

I also have to credit u/Munoz10594 with his analysis of the last earnings report. I snipped part of his DD and added it as it further proves the argument.

Hypothesis

Large hedge funds cannot be forced to close without putting Global Systemically Important Banks (G-SIBs) at risk.

Introduction

Now my journey started when I first saw the significant losses that banks occurred from the Archagoes Captial Management scandal. It was found that Bill Hwang used 6 different financial institutions to gather capital on margin to facilitate his trading. We all know how much of a turd sandwich that turned out to be for Creditt Suisse. As a family fund, he wasn't required to report much of his day-to-day operations. Once I realized the damage that a family fund which is a fraction of the size of Citadel Securities, I thought it was worth looking into whom they use for their financing, and ultimately would be holding the bill.

the archegos collapse reference

The big banks' exposure to the Archegos Crash

Archegos Capital Management made a series of bad bets on the markets. The toxic trades wiped out the investment fund, and have saddled banks in Asia, Europe and the U.S. with $10 billion in losses.

Bank	Losses (USD)
CREDIT SUISSE	$5.5 BILLION
NOMURA	$2.3 BILLION
MORGAN STANLEY	$911 MILLION
UBS	$861 MILLION
MITSUBISHI	$270 MILLION

Archegos/ Bank Loses

Now I'm not super fluent in legal jargon but I did come across the legal limit that Prime Brokers can extend credit up to 50.0% for margin requirements.

§ 220.12 Supplement: margin requirements.

The required margin for each security position held in a margin account shall be as follows:

(a) Margin equity security, except for an exempted security, money market mutual fund or exempted securities mutual fund, warrant on a securities index or foreign currency or a long position in an option: 50 percent of the current market value of the security or the percentage set by the regulatory authority where the trade occurs, whichever is greater.

According to Susquehanna 2020 annual report (X17-A5), its Prime Brokers consist of Merrill Lynch and Goldman Sachs. If Susquehanna is forced to liquidate its assets due to a Margin Call and their assets do not cover the requirement the responsibility falls onto their Prime Broker.

NOTE G - RECEIVABLE FROM AND PAYABLE TO CLEARING BROKERS AND CONCENTRATION OF CREDIT RISK

The clearing and depository operations for the Entity's securities transactions are primarily provided by Merrill Lynch Professional Clearing Corp., Merrill Lynch International London and Goldman Sachs & Co. LLC.

On our best friend Kenny's Citadel Securities 2020 annual report (X17-A5), its Prime Broker and financing activities are primarily tied to Bank of America Merril Lynch. If Citadel is unable to settle its position if it is forced to liquidate, the responsibility is on BAML to settle the position.

Credit Risk

Credit risk is the risk of losses due to the failure of a counterparty to perform according to the terms of a contract. Since the Company does not clear all of its own securities transactions, it has established accounts with other financial institutions for this purpose. This can, and often does, result in a concentration of credit risk with one or more of these institutions. A substantial portion of the Company's options, clearing and financing activities are with a Bank of America Merrill Lynch subsidiary ("BAML"). These positions are recorded at fair value under securities owned on the statement of financial condition. This results in a concentration of operational and credit risks with BAML. Such risk, however, is partially mitigated by the obligation of certain of these financial institutions to maintain minimum net capital and to segregate customers' funds and financial instruments from the financial institution's own holdings. The Company actively reviews and attempts to manage exposures to various financial institutions in an attempt to mitigate these risks. The Company also attempts to minimize this credit risk by carrying minimal excess collateral above any specific collateral requirement determined in accordance with the contractual terms between the Company and the relevant financial institution.

Now, what is a G-SIB?

A global systemically important bank is a bank whose systemic risk profile is deemed to be of such importance that the bank's failure would trigger a wider financial crisis and threaten the global economy. The Basel Committee has developed a formula for determining which banks are G-Sibs, deploying criteria including size, interconnectedness, and complexity. National regulators subject banks determined to be G-Sibs to stricter prudential regulation such as higher capital requirements and extra surcharges, or more stringent stress tests.

Its off PUTing

As we have come to know that there is a loophole in the RegSHO where Short Hedge Funds can reset Fail To Deliver positions by holding put options. Thus it's important to look at which organizations carry the most put options. Now it is possible to simply just have put options as many analysts believe that GME/AMC is currently overvalued against their fundamentals. Just because they have put options doesn't necessarily mean you shorted GME but given the loophole and the volatility, not sure professional money managers would want to bet against GME given its recent history. Where there is smoke there's fire.

Funds Disclosing Put Positions (Potential Option based shorting) via Fintel

Date reported	Organization	# of Shares via Puts
17-05-2021	Susquanna	35.7 Million
13-05-2021	Barclays	30.9 Million
14-05-2021	Parallax Advisors	24.4 Million
14-05-2021	Bank of America/Merril Lynch	16.9 Million
21-05-2021	Citadel Advisors	16.9 Million
17-05-2021	Goldman Sachs	15.4 Million
14-05-2021	Creditt Suisse	14.4 Million
18-05-2021	Jane Street	13.5 Million
13-05-2021	Citigroup	8.3 Million
13-05-2021	Wells Fargo	4.2 Million

https://fintel.io/ss/us/gme (if you have fintel subscription)

https://www.youtube.com/watch?v=eVcorkjJlKM&t=428s (Charlie's Vids @7.00 Mark)

ETF WTF?

I also decided that it was worth looking at the ETFs that currently have the biggest exposure to GME in its index. When you check the indexes at ETF.com the **iShares Core S&P Small-Cap ETF (IJR)** with 3.6 Million synthetic shares and the **iShare Russel 2000 index (IWM)** with 1.37 Million synthetic shares of GME in its fund**.** There has been some speculation that these banks/SHFs have been significantly shorting using ETFs. I decided to see what each organization that had excessive put positions might have also had positions in the IJR and IWM index funds. As you can tell Bank of

America is the Whale likely using synthetic GME shares indirectly with 35 Million shares of IJR & 34 Million of IWM.

I decided to add the iShare Russell 1000 index (IWB) due to the rebalancing the other day even if though [ETF.com](ETF.com) isn't updated yet with GME, due to these organizations knowing that GME would have to be placed in.

https://fintel.io/so/us/ijr IJR

https://fintel.io/so/us/iwm IWM

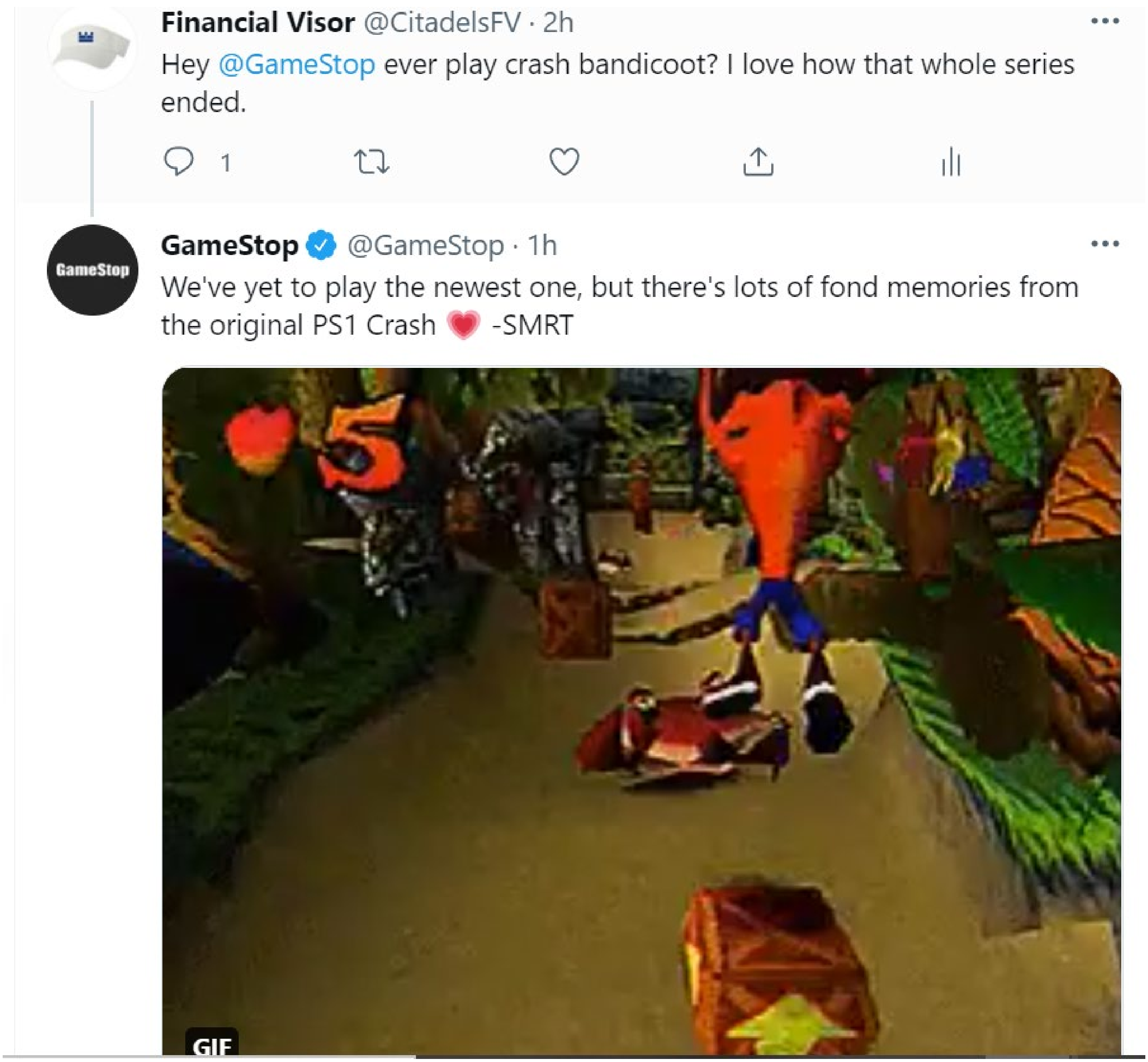
https://fintel.io/so/us/iwb IWB

Date reported	Organization	# of shares of IJR	# of shares of IWM (may be outdated from rebalancing)	# of shares of IWB (data from prior to rebalancing)
26-03-2021	Susquehanna	136,692	8,538,429	93,529
13-05-2021	Barclay	551,906	3,540,919	268
14-05-2021	**Bank of America/Merril Lynch**	**35,358,581**	**34,223,785**	**3,113,301**
13-05-2021	Citigroup	1,560,940	6,274,098	140,314
17-05-2021	Goldman Sachs	6,711,125	31,810,689	433,785
18-05-2021	Jane Steet	3,050	130,704	-
13-05-2021	Wells Fargo	20,194,290	32,283,225	1,440,774
14-05-2021	Creditt Suisse	5,670	2,810,325	28,803
21-05-2021	Citadel	no shares	767,332	35,953
14-05-2021	Parallax	-	2,143,497	-

Now given that Citadel Securities most likely had 50% of its 36 Billion in assets on credit with BAML and another substantial amount tied to Susquahanna, prior to the run January squeeze. If they were sitting on that position while shorting Gme at the $4.00 mark, you can only imagine their position now. If Bank of America also had their own short position in Gamestop it is impossible for either Hedgefund to be margin called taking the bank down with it. If you read my previous DD you'd know that the previous head of equity client solutions at BofA recently was hired by Citadel. I'm sure he was very strict with risk management prior to resigning and getting his signing bonus (rolls eyes).

As shorting a stock has an infinite risk, it's mathematically possible BAML is sitting on a Trillion-Dollar shit bomb.

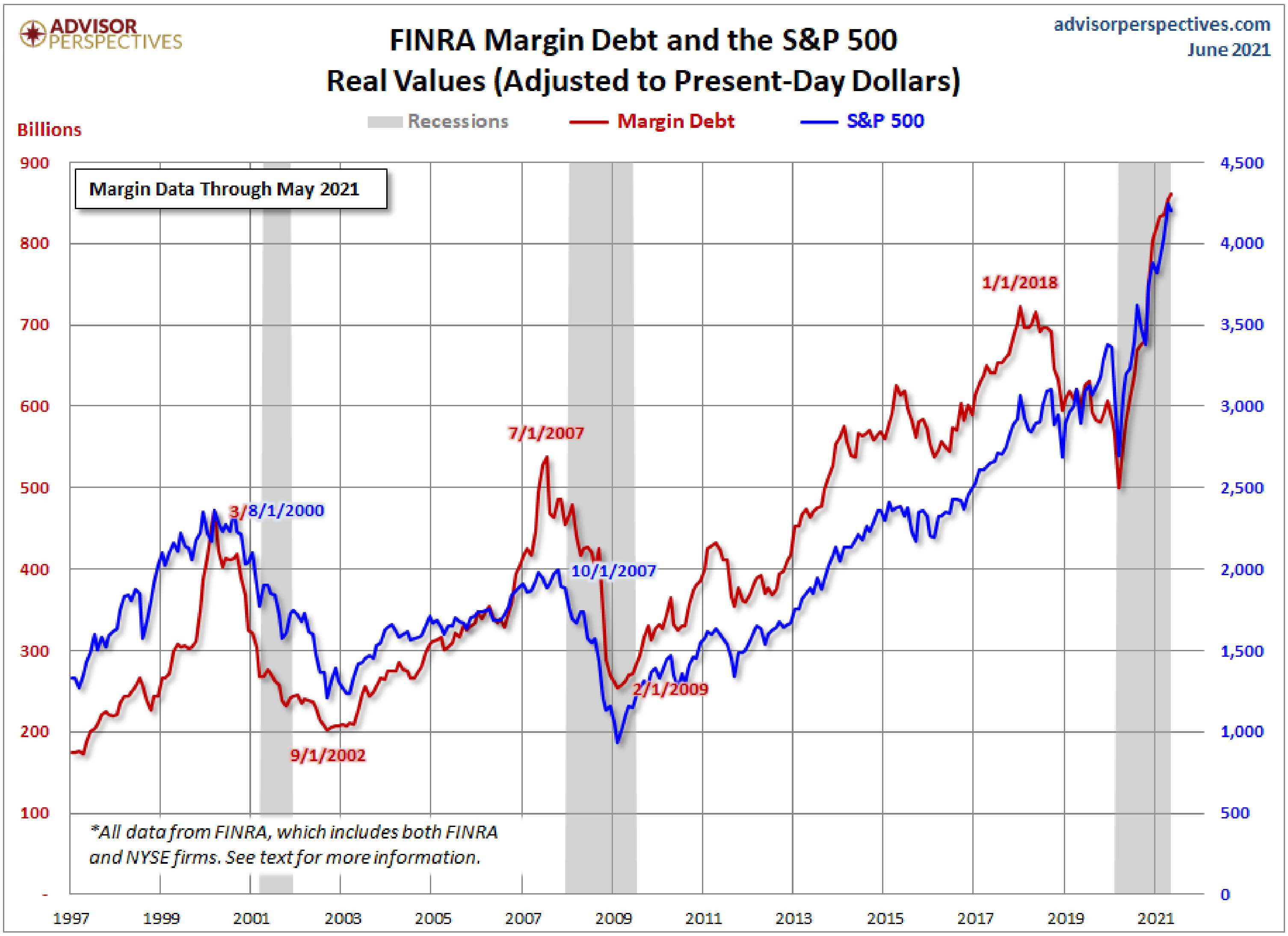
Fun reply from Gamestop regarding the Crash Series



Fun interaction with GME about Crash, he repeatedly jumps on the up arrow (nice)

So what now...

I know almost everyone and their dog has been calling for the SEC to jump in to stop the criminal shorting that has occurred to our favorite Videogame retailer and movie theater. The chair of the SEC Gary Gensler knows what's going on and Gamestop is working with them, but the SEC can't force any action without putting a Global Systemically Important Bank (G-SIB) at risk yet. Any direct action against any of these organizations could cause a series of dominos to crash. With the number of securities that are being held on margin in the US financial markets, if any systemically important institution is put at risk the whole system is at risk. The whole system is propped up credit and no one actually owns anything.



New banking reporting...

Right now the regulators realize the banks have severely fucked up this time. The banks know the regulators know that, and the regulators know that the banks know the regulators know (yikes), but cannot prove it yet.

As of July 1st 2021, over 130 new changes/rules have been activated to the US Code Title 12. These codes are rules distinctly for Banks and Banking. These new rules are in regards to liquidity risk measurement standards, and monitoring (another shout out to Charlie's Vid's who has been actively digging through recent filings, new banking regulations, and the weird ETF wormhole).

Starting 10 business days after July 1st (or July 15th), banks are required to maintain new liquidity ratios, changes regarding risk management, they are required to disclose risk/capital, and will be more actively monitored. If they do not meet the new requirements, each banking entity is required to share what they have done to move to these new regulations, and what changes they will continue to take to become compliant. I don't particularly believe the banking system wants to disclose what they have been doing, and when I have to make a bet I usually bet on crime, and I have little faith in their self-reporting.

Table 1 to Paragraph (a) – Disclosure Template

Quarter ended XX/XX/XXXX In millions of U.S. dollars		Average Unweighted Amount					Average Weighted Amount
		Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
ASF ITEM							
1	Capital and securities:						
2	NSFR regulatory capital elements						
3	Other capital elements and securities						
4	Retail funding:						
5	Stable deposits						
6	Less stable deposits						
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits						
8	Other retail funding						
9	Wholesale funding:						
10	Operational deposits						
11	Other wholesale funding						
	Other liabilities:						
12	NSFR derivatives liability amount						
13	Total derivatives liability amount						
14	All other liabilities not included in categories 1 through 13 of this table						
15	**TOTAL ASF**						
RSF ITEM							
16	Total high-quality liquid assets (HQLA)						
17	Level 1 liquid assets						
18	Level 2A liquid assets						
19	Level 2B liquid assets						
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries						

Q2 Earnings Report

https://investor.bankofamerica.com/regulatory-and-other-filings/all-sec-filings/content/0000070858-21-000079/0000070858-21-000079.pdf

Last Wednesday was earnings report day, but despite the positive spin, it's important to know that BofA is sitting on paper losses, as they have not closed their real position/loss has not been realized.

Looking at today's earnings report you can see that the #1 industry to which Bank of America has exposure to credit risk is for Asset managers and funds with just under 79 Billion in Q2 (an increase of 15.5% over Q1). I'm not entirely sure Bank of America wants to eat a ~80 Billion dollar loss from defaulting hedge fund loans, nor would they want to have to cover any additional losses from having to cover their clients' positions.

You can also see a significant increase in their liabilities for securities loaned or sold with the agreement to repurchase. In Q2 that number was 213.7 Billion in securities sold short which was up 7% in Q1, and up 19.4% year over year. Now imagine what that number might be if Gamestop was trading at its real value right now.

Bank of America Corporation and Subsidiaries

Commercial Credit Exposure by Industry [1, 2, 3, 4, 6]

(Dollars in millions)

	Commercial Utilized			Total Commercial Committed		
	June 30 2021	March 31 2021	June 30 2020	**June 30 2021**	March 31 2021	June 30 2020
Asset managers and funds	$ **78,769**	$ 68,195	$ 63,675	$ **120,332**	$ 105,459	$ 99,566
Real estate[5]	**66,707**	66,159	73,887	**92,609**	89,891	95,492
Capital goods	**38,906**	37,030	47,600	**84,180**	78,134	85,571
Finance companies	**52,314**	49,483	40,661	**78,342**	76,246	63,767
Healthcare equipment and services	**32,112**	31,750	39,453	**62,851**	56,118	63,421
Materials	**23,641**	23,474	28,768	**50,630**	50,704	52,411
Government and public education	**38,295**	39,093	43,787	**50,561**	51,381	55,972
Retailing	**23,388**	23,857	28,479	**48,318**	47,562	48,403
Consumer services	**28,438**	29,877	34,238	**48,055**	47,471	48,272
Food, beverage and tobacco	**22,569**	22,597	24,529	**46,276**	44,651	45,909
Commercial services and supplies	**20,027**	21,139	24,635	**39,836**	37,768	38,091
Individuals and trusts	**28,785**	28,326	25,940	**38,329**	37,989	36,270
Transportation	**21,842**	21,745	26,011	**32,210**	32,032	35,111
Energy	**13,223**	13,596	16,948	**31,830**	32,416	37,377
Utilities	**13,044**	11,681	13,310	**31,777**	29,481	29,978
Media	**12,318**	12,358	14,117	**29,342**	25,262	25,939
Technology hardware and equipment	**9,446**	9,248	9,760	**25,208**	24,434	21,899
Software and services	**8,213**	10,536	10,741	**21,991**	25,674	19,843
Global commercial banks	**20,143**	21,019	24,946	**21,818**	23,048	27,202
Consumer durables and apparel	**8,587**	8,507	10,931	**19,731**	19,484	21,061
Telecommunication services	**8,983**	8,752	7,939	**18,456**	24,422	13,581
Automobiles and components	**9,340**	11,694	12,336	**17,091**	20,213	18,477
Pharmaceuticals and biotechnology	**4,934**	4,216	6,395	**16,099**	16,932	17,029
Vehicle dealers	**10,821**	13,487	15,369	**14,852**	16,877	19,798
Insurance	**5,123**	6,052	6,644	**13,791**	14,567	14,022
Food and staples retailing	**5,354**	5,499	6,383	**10,716**	10,570	10,613
Religious and social organizations	**4,042**	4,473	5,321	**5,828**	6,347	7,132
Financial markets infrastructure (clearinghouses)	**3,666**	4,271	4,852	**5,779**	7,275	7,330
Total commercial credit exposure by industry	$ **613,030**	$ 608,114	$ 667,655	$ **1,076,838**	$ 1,052,408	$ 1,059,537

(1) Includes loans and leases, standby letters of credit and financial guarantees, derivative assets, assets held-for-sale, commercial letters of credit, bankers' acceptances, securitized assets, foreclosed properties and other collateral acquired. Derivative assets are carried at fair value, reflect the effects of legally enforceable master netting agreements and have been reduced by cash collateral of $32.3 billion, $35.3 billion and $42.2 billion at June 30, 2021, March 31, 2021 and June 30, 2020, respectively. Not reflected in utilized and committed exposure is additional non-cash derivative collateral held of $37.1 billion, $39.4 billion and $32.2 billion, which consists primarily of other marketable securities, at June 30, 2021, March 31, 2021 and June 30, 2020, respectively.

Asset managers and funds carry the most credit risk

Liabilities			
Deposits in U.S. offices:			
Noninterest-bearing	$ **719,481**	$ 703,822	$ 580,667
Interest-bearing	**1,076,355**	1,079,551	1,048,012
Deposits in non-U.S. offices:			
Noninterest-bearing	**25,190**	22,423	15,082
Interest-bearing	**88,116**	79,142	74,905
Total deposits	**1,909,142**	1,884,938	1,718,666
Federal funds purchased and securities loaned or sold under agreements to repurchase	**213,787**	199,443	179,024
Trading account liabilities	**110,084**	102,788	80,912
Derivative liabilities	**38,916**	42,325	42,511
Short-term borrowings	**21,635**	21,724	17,998
Accrued expenses and other liabilities	**184,607**	193,563	175,302
Long-term debt	**274,604**	251,211	261,638
Total liabilities	**2,752,775**	2,695,992	2,476,051

Securities loaned or sold with repurchase agreement has continued to grow

Snippet DD by [u/Munoz10594]() regarding their earnings report last week.

https://www.reddit.com/r/Superstonk/comments/okjs13/bank_of_america_why_todays_earning_release_was/

GLOBAL MARKETS:

- **NET REVENUE DECLINED ~$1.5 BILLION TO ~$4.7 BILLION FROM ~$6.2 BILLION** and was driven by lower sales and trading results from the same period a year ago. *(Excluding Net DVA would make this seem better by only $34 Million).*
- **"Net income decreased $987 million to $908 million" MORE THAN A 50% DECLINE! HOLY SMOKES BATMAN!** *(Excluding Net DVA would make this seem better by only $26 Million).*
- Noninterest expense increased by $787 Million or 29% to $3.5 Billion and was driven by higher costs associated with processing state unemployment benefit claims and activity-related expenses in sales and trading.
- The average Value At Risk saw a climb from $74 Million (Q1-2021) to $77 Million (Q2-2021). ***VaR measures and quantifies the level of financial risk within a firm, portfolio or position over a specific time frame (3 years for BoA). The fact that this is trend is increasing again can't be good for BoA. Queue red flags.*** In the last year this was at its highest during COVID at $81 Million.

Sales and trading revenue was $3.6 Billion and is a **DECLINE OF $1.5 BILLION COMPARED TO Q1!** *(Excluding Net DVA made no difference here).*This falls into 2 buckets:

1. FICC/Bond Revenue of $1.9 Billion. **FICC revenue declined 38%** "as the prior year benefited from a robust trading environment for macro products and strengthening markets for credit products after their pandemic related sell-off, whereas markets in Q2-21 were more benign and weak for agency mortgages". In other words, they didn't see this coming and didn't adjust for it in time.
2. Equities Revenue of $1.6 Billion. This is a growth of 33% due to stronger trading performance and increased client activity in derivatives and Asia. Basically, they recouped some of their losses on some trades plus fees collected from option trading and the Asian market.

While DVA made a difference of a cool $60 Million to their bottom line and wasnt significant for BoA I still find it interesting.

Since I did it for Goldman Sachs one last thing I'd like to point out for Bank Of America is their Allowance for Credit losses. This is the amount of money they have in reserves to cover losses from credit risk.

- Allowance for loan and lease losses decreased $2.1 billion
- Nonperforming loans decreased $255 million
- Commercial reservable criticized utilized exposure decreased $5.4 billion

Credit Provisions also were reduced and reserves were released as follows:

- Consumer reserve release of $1.2 billion
- Commercial reserve release of $1.0 billion

Edit: These provisions and allowance releases are really a big reason why way BoA was able to turn a net gain. Wild.

Conclusion

At this point, the banks know the jig is up. The MOASS will more likely than not happen. We know that these large Hedge funds cannot be margin-called without repercussions across the economy. The question is do the banks flush the system to shit? Can the regulator do anything? Or does an outside agent trigger it (maybe Blackrock or RC). It's possible that the plan was to crash the market all along with commercial mortgage-backed securities (CMBS) collapsing, but no one anticipated that retail could hack the system.

There isn't much anyone in retail can really do at this point except to support the business. We know that the system is in a delicate balance and our friends at Gamestop (and maybe friends at Blackrock) hold a nuclear football with the ability to force shorts to cover and start the cascade. I don't really believe the SEC or Ryan Cohen really wants it to come down to that, but he does have that control. Don't feel bad when things turn to shit, as it's not retail's fault. The best thing you can do is educate yourself on how to preserve your wealth post-crash.

As for us, it is important to control what we can control. If you truly believe in the company support it.

1)Buy

2)Hodl

3)Learn

Cheers Guys.

TL/DR Its entirely possible that none of these giant hedge funds can be forced to close without a crisis to a G-SIB (globally systemic important bank) like Bank of America.

Additional Interesting Info

What are you doing with that stock step CEO?

If you look at a recent form 4 from recent SEC filings you will find that Brian Moynihan recently gifted 30,000 shares or $1.2 million of BAC common stock on June 16th. (Code G in this filling is Gift). Our buddy Brian also exercised some of his stock options and sold an additional 737K of BAC common stock. How does one sell more shares without raising any flags? You let someone else sell them.

1. Name and Address of Reporting Person * MOYNIHAN BRIAN T (Last) (First) (Middle) 100 NORTH TRYON STREET (Street) CHARLOTTE, NC 28255 (City) (State) (Zip)	2. Issuer Name **and** Ticker or Trading Symbol BANK OF AMERICA CORP /DE/ [BAC] 3. Date of Earliest Transaction (Month/Day/Year) 06/08/2021 4. If Amendment, Date Original Filed(Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) __X__ Director ____ 10% Owner __X__ Officer (give title below) ____ Other (specify below) Chairman and CEO 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	06/08/2021		G(1)	V	30,000	D	$ 0	2,011,019	D	
Common Stock	06/15/2021		M		17,818	A	(2)	2,028,837	D	
Common Stock	06/15/2021		D		17,818	D	$ 41.39	2,011,019	D	
Common Stock								3,196.587	I	401(k) Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

https://investor.bankofamerica.com/regulatory-and-other-filings/current-reports?page=7##document-26382-0001127602-21-020180-2

History of fraud with customers' securities (from sec filing)

In 2016 the Securities and Exchange Commission announced that Merrill Lynch has agreed to pay $415 million and admit wrongdoing to settle charges that it misused customer cash to generate profits for the firm and failed to safeguard customer securities from the claims of its creditors.

An SEC investigation found that Merrill Lynch violated the SEC's Customer Protection Rule by misusing customer cash that rightfully should have been deposited in a reserve account. Merrill Lynch engaged in complex options trades that lacked economic substance and artificially reduced the required deposit of customer cash in the reserve account. The maneuver freed up billions of dollars per week from 2009 to 2012 that Merrill Lynch used to finance its own trading activities. Had Merrill Lynch failed in the midst of these trades, the firm's customers would have been exposed to a massive shortfall in the reserve account.

According to the SEC's order instituting a settled administrative proceeding, Merrill Lynch further violated the Customer Protection Rule by failing to adhere to requirements that fully-paid for customer securities be held in lien-free accounts and shielded from claims by third parties should a firm collapse. From 2009 to 2015, Merrill Lynch held up to $58 billion per day of customer securities in a clearing account that was subject to a general lien by its clearing bank and held additional customer securities in accounts worldwide that similarly were subject to liens. Had Merrill Lynch collapsed at any point, customers would have been exposed to significant risk and uncertainty of getting back their own securities.

It seems that BAML simply does not care about the rules, and will engage in extremely risky trading situations with their customer's securities. Given the risk that they are already engaged in, it is more than likely they are using their customers' shares (whether consented or not) to hold off their gigantic losses.

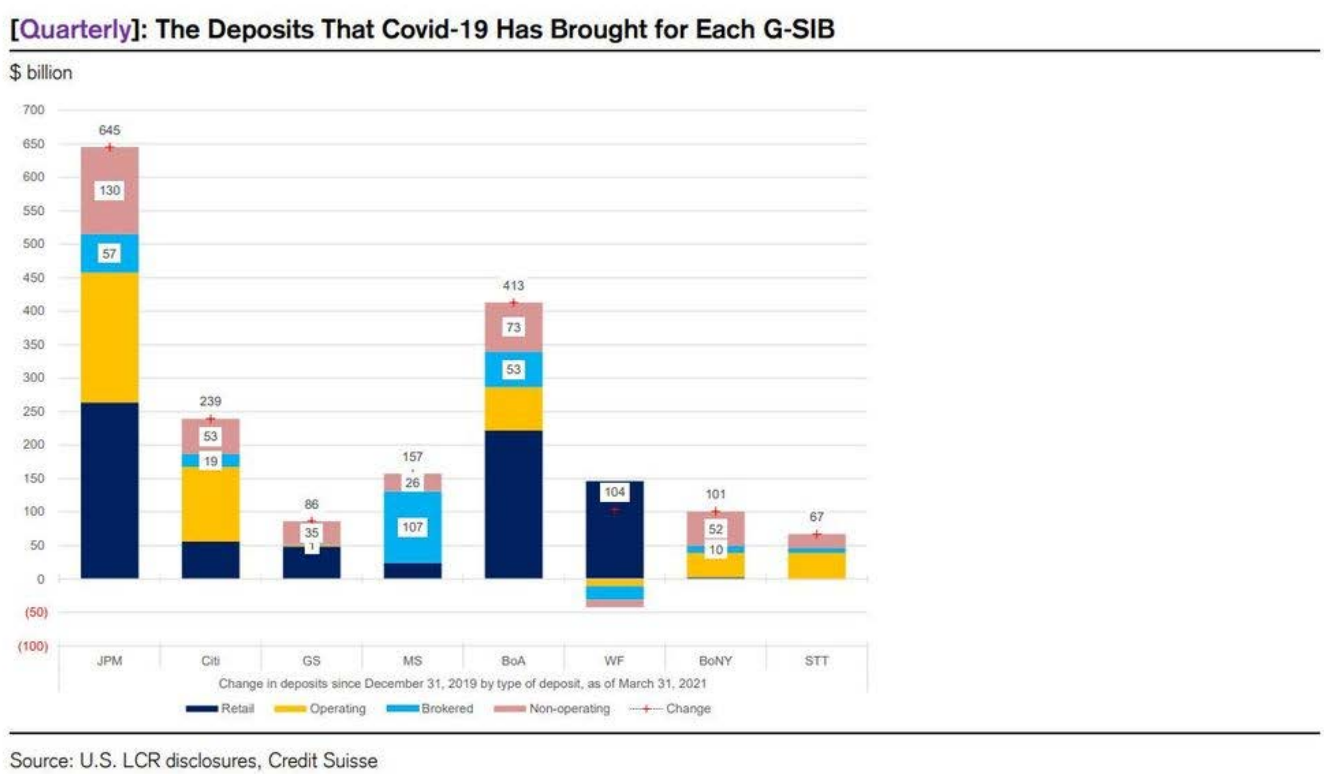
https://www.sec.gov/news/pressrelease/2016-128.html

Don't mess with the Zoltan

This recent article from Bloomberg discusses how the use of the Reverse Repo market could lead to some volatility in some unusual places in the market.

As we now know cash deposits act as liabilities on Bank's balance sheets as they pay interest to their customers, and need collateral to offset this. Zoltan has been monitoring this closely. Bank of America should be literally swimming in all the new cash that has been funneled into them through the stimulus cheques. He actually states they are on the lower end post-pandemic regarding their bank reserves. Could they actually have a liquidity issue still?

If institutions spend $400 billion of non-operating deposits on Treasury bills, which banks will lose those deposits? Probably those that grew the most during the pandemic, which were J.P. Morgan and Bank of America, where the sum of brokered and non-operating deposits grew by $200 and $125 billion, respectively (see charts on page 3 and 4). Maybe these pandemic deposits are just as sticky as pre-pandemic deposits, but maybe not. We'll just have to see. **But if these deposits go, the J.P. Morgan portfolio will lend fewer reserves in the FX swap market, and Bank of America will have less excess reserves to fund its recent, "programmatic" purchases of duration. The liquidity posture of the lender of next-to-last-resort and the buyer-of-last resort will thus change. None of this is an issue for the banks in discussion, but it could lead to events in the markets – FX swaps, long-dated Treasuries, and MBS – that they backstop...** Bank of America enters this period with its reserves at the lower end of their post pandemic range."



August 4, 2021

Bank of America is Short GME and is Positioned for a Potential Bankruptcy (semi debunked)

Bank of America Is Short GME And Is Positioned For A Potential Bankruptcy (semi debunked post from last night)

Possible DD

Hello again my ape friends. So wow, did not expect yesterday's post to get as much attention. I apologize for the reposting as the original argument was debunked. I have added some facts, some new relevant information and what I originally posted for transparency, I want to remind everyone it is important to continuously fact-check each other to make sure our information is accurate to maintain the credibility of this subreddit! Not financial advice, and I am not a financial advisor.

Thesis: **~~Bank of America (BAC) has begun their resolution plan for if they require bankruptcy~~ Bank of America is short GME and is positioned for if they need to proceed with a bankruptcy resolution; being a shareholder of BAC during such an event would cause larger than normal losses.**

What we already know:

1. **BofA is the Prime Broker for the hedge funds with the worst positions and will be responsible for closing said positions if they cannot close** (96% of clearing for Citadel, and 1 of 2 PB for Susquehanna)
2. **BofA has/had a significant Put position to potentially reset FTDs** (17 Million via Fintel)
3. **No Bank or Hedgefund has/had more GME containing ETFs than BofA**. (70+ Million shares, These can be

used for shorting)

4. **BofA's head of client equity solutions left to join Citadel after the Jan squeeze**.
5. **~20% of BofA's locations have not reopened since last March**
6. **BofA issued a $15 billion dollar bond in April to raise cash**

What is new:

BANK OF AMERICA

$123,000,000,000

Debt Securities, Warrants, Units, Purchase Contracts, Preferred Stock, Depositary Shares, and Common Stock

On August 2nd, BofA released this prospectus. Under this submission with the SEC, they have the right to raise up to $123 Billion dollars worth of debt, warrants, contracts, and different stock. If you think that this is a big number it's because it is. (Their market cap is currently 320 Billion, 38% of their value)

Now the timing of this is not by accident. On July 1st over 300 changes were implemented to the Title 12 US Code on Banking including the Net Stable Funding Ratio (NSFR). The rule is intended to support lending to households & businesses during normal and adverse economic conditions. It is also complementary to the LCR (Liquidity Coverage Ratio) rules, which focus on short-term liquidity risks. On July 16th, each member of the FDIC was required to open their books and submit a filing of their NSFR on their liquidity, if they are short on the regulatory guidelines, and a plan of action to rectify any such shortcoming.

> §249.110 NSFR shortfall: Supervisory framework.
>
> (a) *Notification requirements.* A Board-regulated institution must notify the Board no later than 10 business days, or such other period as the Board may otherwise require by written notice, following the date that any event has occurred that would cause or has caused the Board-regulated institution's net stable funding ratio to be less than 1.0 as required under §249.100.
>
> (b) *Liquidity Plan.* (1) A Board-regulated institution must within 10 business days, or such other period as the Board may otherwise require by written notice, provide to the Board a plan for achieving a net stable funding ratio equal to or greater than 1.0 as required under §249.100 if:
>
> (i) The Board-regulated institution has or should have provided notice, pursuant to §249.110(a), that the Board-regulated institution's net stable funding ratio is, or will become, less than 1.0 as required under §249.100;
>
> (ii) The Board-regulated institution's reports or disclosures to the Board indicate that the Board-regulated institution's net stable funding ratio is less than 1.0 as required under §249.100; or
>
> (iii) The Board notifies the Board-regulated institution in writing that a plan is required and provides a reason for requiring such a plan.

(2) The plan must include, as applicable:

(i) An assessment of the Board-regulated institution's liquidity profile;

(ii) The actions the Board-regulated institution has taken and will take to achieve a net stable funding ratio equal to or greater than 1.0 as required under §249.100, including:

(A) A plan for adjusting the Board-regulated institution's liquidity profile;

(B) A plan for remediating any operational or management issues that contributed to noncompliance with subpart K of this part; and

(iii) An estimated time frame for achieving full compliance with §249.100.

(3) The Board-regulated institution must report to the Board at least monthly, or such other frequency as required by the Board, on progress to achieve full compliance with §249.100.

(c) *Supervisory and enforcement actions.* The Board may, at its discretion, take additional supervisory or enforcement actions to address noncompliance with the minimum net stable funding ratio and other requirements of subparts K through N of this part (see also §249.2(c)).

Now banks don't behave like this for no reason, and it was very eerie the lack of any coverage of something of this magnitude (anyone remember the negative coverage that GME & the theater company got when they raised cash). I believe Bank of America stating it wishes to raise $123 Billion isn't something it wants to do. More likely than not they are being forced to raise that amount to adhere to compliance with these new rules and to maintain enough liquidity for short-term risk.

Evidence from their last Q-10

Bank of America Corporation and Subsidiaries

Consolidated Statement of Cash Flows

(Dollars in millions)	Six Months Ended June 30 2021	2020
Operating activities		
Net income	$ 17,274	$ 7,543
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	(3,481)	9,878
Gains on sales of debt securities	—	(377)
Depreciation and amortization	930	880
Net amortization of premium/discount on debt securities	3,113	1,364
Deferred income taxes	(1,457)	(686)
Stock-based compensation	1,463	1,077
Loans held-for-sale:		
Originations and purchases	(17,031)	(9,151)
Proceeds from sales and paydowns of loans originally classified as held for sale and instruments from related securitization activities	16,708	10,963
Net change in:		
Trading and derivative assets/liabilities	(58,372)	1,065
Other assets	(26,080)	611
Accrued expenses and other liabilities	2,300	(9,297)
Other operating activities, net	2,994	2,167
Net cash provided by (used in) operating activities	(61,639)	16,037
Investing activities		

page 51 of 10-Q released July 30th

In their latest quarterly report, the net change in their trading and derivative assets/liabilities shows that in the first 6 months of 2021 that they are a net loss of over $58 Billion in cash compared to the prior year. This may not be all due to meme stocks but given the other evidence, I believe there is a significant portion.

(EDIT thanks u/dg_713) It would appear that I have an error in my accounting! So just because its a large negative # does not technically mean it is a loss due to indirect accounting. You can see his counter DD in the link below. I'll be the first to admit accounting isn't in my wheelhouse!

https://www.reddit.com/r/Superstonk/comments/oycn59/re_bank_of_americas_potenial_bankruptcy_the_58/)

Remaining Contractual Maturity

(Dollars in millions)	Overnight and Continuous	30 Days or Less	After 30 Days Through 90 Days	Greater than 90 Days [1]	Total
			June 30, 2021		
Securities sold under agreements to repurchase	$ 187,994	$ 164,693	$ 33,069	$ 44,846	$ 430,602
Securities loaned	34,167	11	1,226	4,133	39,537
Other	15,071	—	—	—	15,071
Total	**$ 237,232**	**$ 164,704**	**$ 34,295**	**$ 48,979**	**$ 485,210**
			December 31, 2020		
Securities sold under agreements to repurchase	$ 158,400	$ 122,448	$ 32,149	$ 22,684	$ 335,681
Securities loaned	19,140	271	1,029	2,531	22,971
Other	16,210	—	—	—	16,210
Total	$ 193,750	$ 122,719	$ 33,178	$ 25,215	$ 374,862

[1] No agreements have maturities greater than three years.

page 81 of 10-Q released July 30th

As you can see in their securities sold under agreement to repurchase that the amount of securities that were sold and have not been purchased back greater than 90 days has ballooned over last year (almost doubled). One could argue that these might be the "Meme stocks" that have grown significantly in value, to which BofA has been sitting on these paper losses. This would also line up with our timeline of Q1 shorting. Currently, over $44 billion in shares need to be repurchased to which are older than 90 days.

My debunked argument from yesterday post for transparency (still has valuable information)

According to the Federal Deposit Insurance Corporation (FDIC) regulations are in place globally that require large financial institutions or their regulators to develop resolution plans, also known as “living wills.” In the U.S., these plans are required by Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act and are intended to reduce the economic impacts of a large financial institution’s failure on the economy and avert widespread destabilization of the global financial system. As part of their risk management, the FDIC requires each bank to maintain contingency plans describing resolution strategy under the U.S. Bankruptcy Code in the event of material financial distress or failure. (Link below is BAC's plan)

https://www.fdic.gov/regulations/reform/resplans/plans/boa-165-2107.pdf

Bank of America's FDIC Bankruptcy Contingency Plan

As per their contingency plans, their filings states that as part of their strategy they are to consolidate their subsidiaries under a single umbrella outside of the Bank of America parent. Under this procedure, it is possible to file for bankruptcy for just Bank of America (BAC) rather than each branch of their business.

Each Material Entity is listed in the table below, categorized by primary entity type, along with its acronym and role in our resolution strategy.

Primary Entity Type	Material Entity Name	Acronym	Role in Our Resolution Strategy
Bank Holding Companies	Bank of America Corporation	BAC	Bankruptcy
	BAC North America Holding Company	BACNA	Continuing Subsidiaries
	NB Holdings Corporation	NB Holdings	
Banks and Branches	Bank of America, National Association[1]	BANA	
	Bank of America, National Association – London Branch[1]	BANA-L	
	Bank of America California, National Association	BACANA	
	Bank of America Europe Designated Activity Company	BofA Europe	
	Bank of America Europe Designated Activity Company, London Branch	BofA Europe-L	
Service Companies	BA Continuum India Private Limited[1]	BACI	
	Financial Data Services, LLC[1]	FDS	
	Managed Account Advisors LLC[1]	MAA	
	Merrill Lynch Global Services Pte. Ltd.[1]	MLGS	
Broker-Dealers	Merrill Lynch, Pierce, Fenner & Smith Incorporated[1]	MLPFS	
	BofA Securities, Inc.	BofAS	Solvent Wind-down Subsidiaries
	BofA Securities Europe SA	BofASE SA	
	Merrill Lynch Capital Services, Inc.	MLCS	
	Merrill Lynch International	MLI	
	BofA Securities Japan Co., Ltd.	BofAS Japan	
	Merrill Lynch Professional Clearing Corp.	MLPRO	

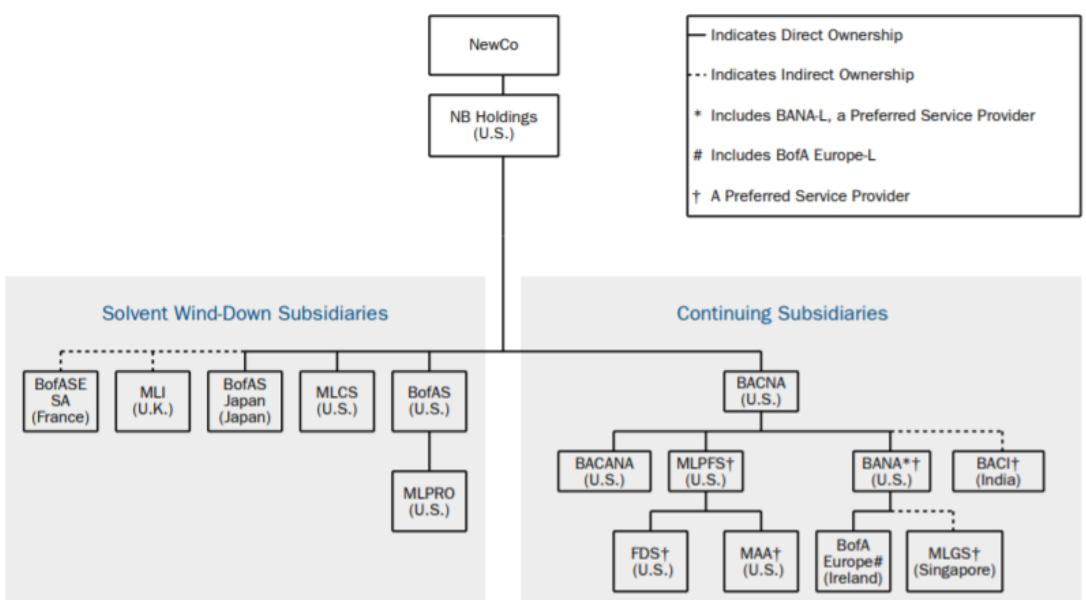
Under their contingency guidelines, the organization would create a new "point of entry" called "NewCo" which would support their subsidiaries, while the parent BAC undergoes bankruptcy proceedings.

C. SINGLE POINT OF ENTRY RESOLUTION STRATEGY OVERVIEW

We have a single point of entry resolution strategy in which only the parent company, BAC, would file for bankruptcy. Our other Material Entities would be transferred to a newly formed and substantially debt-free Delaware corporation ("NewCo"). NewCo would be held by a trust ("NewCo Trust"), which would be owned and managed by independent trustees for the sole and exclusive benefit of BAC's bankruptcy estate. The Material Entities (other than BAC) would continue to operate under NewCo to alleviate the potential for negative impacts on our customers, other financial institutions, and the overall economy.

What is the "single point of entry" resolution strategy?
Under single point of entry, only a single entity – our parent company, BAC – would enter bankruptcy. The rest of the Company would continue to operate under a new corporate structure.

Prior to filing for bankruptcy, BAC would contribute most of its remaining cash and other financial assets to NB Holdings to facilitate the single point of entry resolution strategy. NB Holdings would provide sufficient capital and liquidity support to each Material Entity (except BAC). The diagram below represents a high level overview of our single point of entry resolution strategy after Materials Entities (except BAC) are transferred to NewCo.



Under this structure, BAC would send its Cash and Assets to a new holding company (above titled NB holdings).

The Smoking Gun/New Evidence (Debunked) (Edit for clarity: This was the portion that was debunked. Originally I thought this was the first prospectus to mention they have entered into the holding agreement. As it turns out its been in a few now**)**

Now what I found in the prospectus that was filed yesterday... (link below)

https://investor.bankofamerica.com/regulatory-and-other-filings/all-sec-filings/content/0001193125-21-232682/0001193125-21-232682.pdf

Risks Relating to Regulatory Resolution Strategies and Long-Term Debt Requirements

A resolution under our single point of entry resolution strategy could materially adversely affect our liquidity and financial condition and our ability to pay our obligations on our securities.

We are required periodically to submit a plan to the Federal Deposit Insurance Corporation ("FDIC") and the Board of Governors of the Federal Reserve System ("Federal Reserve") describing our resolution strategy under the U.S. Bankruptcy Code in the event of material financial distress or failure. In our current plan, our preferred resolution strategy is a single point of entry ("SPOE") strategy. This strategy provides that only Bank of America (the parent holding company) files for resolution under the U.S. Bankruptcy Code and contemplates providing certain key operating subsidiaries with sufficient capital and liquidity to operate through severe stress and to enable such subsidiaries to continue operating or be wound down in a solvent manner following a Bank of America bankruptcy. We have entered into intercompany arrangements governing the contribution of most of our capital and liquidity to these key subsidiaries. As part of these arrangements, we have transferred most of our assets (and have agreed to transfer additional assets) to a wholly-owned holding company subsidiary in exchange for a subordinated note. Certain of our remaining assets secure our ongoing obligations under these intercompany arrangements. The wholly-owned holding company subsidiary also has provided us with a committed line of credit that, in addition to our cash, dividends and interest payments, including interest payments we receive in respect of the subordinated note, may be used to fund our obligations. These intercompany arrangements include provisions to terminate the line of credit and forgive the subordinated note and require us to contribute our remaining financial assets to the wholly-owned holding company subsidiary if our projected liquidity resources deteriorate so severely that our resolution becomes imminent, which could materially and adversely affect our liquidity and ability to meet our obligations on our securities. In addition, our preferred resolution strategy could result in holders of our securities being in a worse position and suffering greater losses than would have been the case under a bankruptcy proceeding or other resolution scenarios or plans.

Now I originally posted this earlier believing that this was new verbiage but I was debunked. The verbiage that they have entered an agreement with a separate holding company has been on their prospectus's for a while now.

What we can take away is they are already structured according to their contingency plan for if they need to resolve a bankruptcy to their parent company. What we also learned is that if you are a shareholder of BofA their current plan would have you taking significantly larger losses than if they did a traditional bankruptcy.

Conclusion:

- In BofA's bankruptcy plan it states that prior to engaging in bankruptcy that they would transfer their assets, and cash into a new holdings company as per its contingency plan. As per their outline, they have already moved to the planned holdings company.
- BofA may have been forced by regulators to significantly increase their liquidity as part of their short-term risk mitigation.
- BofA has shown that it is sitting on a debt of $44 Billion of securities that are older than 90 days. This timeline fits with the price action of GME and other meme stocks in quarter 1.
- In the event of a financial crisis, their current resolution plan states that holding BAC stock may result in more damages to the shareholder than if they did a traditional bankruptcy.

As I stated before I reserve the right to be wrong, and just wish to constructively contribute to this community. Cheers!

Additional info/prior DDs: If you would like I have been on the Bank of America train for several months now for their role in the Gamestop Saga. If you would like to check out my previous DD's that go over that connection please check out.

The Complete Bank of America Gamestop DD

and

The Bank of America and Gamestop DD update. Swimming in Puts, ETFs, and the new NSFR rules