Dear Mrs. Harmon,

Hereunder a story, giving an additional view on how irregular shorting rules have made it possible to some funds to make impressive gains.
We are talking David Gelbaum here. His name has been cited more than once over this board.

Kind regards,

Alain Engelen

August 12th, 2008 by Mark Mitchell
The ever cuddly Carol Remond ("I'm going to shred this guy to bits," she said of Deep Capture reporter Patrick Byrne) has published yet another defense of criminal naked short sellers. In a recent column for Dow Jones Newswires, Carol writes that the SEC should think twice about cracking down on the criminals because some of the people (she names four) who have complained about illegal naked short selling have run into legal problems of their own.

Maybe I have too much faith in the press, but I suspect that this sort of intellectual dishonesty – this deliberate illogicality and mischief-making – could appear only on the financial pages. Certainly, editors of Metro sections don't permit their columnists to write that cops should let gang-bangers clean out every convenience store in town just because some Quicky Marts have been caught cheating on their taxes.

Yes, it must be that different standards apply to financial columnists. Probably, it's because finance is so complicated. Robbing a convenience store – an editor can understand that's bad. But criminal hedge funds selling something they don't have – apparently that's pretty technical. If the columnist says that illegal naked short sellers (hedge funds offloading phantom stock to drive down prices) are good folk…well, she's been studying this "complex" and "controversial" issue for a long time – let her run with it.

But now the Secretary of the Treasury, the Chairman of the SEC, and all the other people (except hedge fund managers) who have seriously studied this issue agree that it is bad for markets when people sell things that don't exist. That this was ever a matter of "debate" will astound historians for generations to come, but the surreal intellectual "battle" is over, and it is time for Dow Jones to decommission Carol Remond. She's become the Joan Rivers of the newswires – her gruff exterior failing to compensate for a tired act.

Carol devoted 17 of her 36 columns this year to ridiculing or discrediting critics of illegal short-selling. The other 19 columns carefully omitted mention of naked short selling, even though most of the columns were sourced from short-sellers and focused on companies that had been hit by massive levels of phantom stock. In a number of her columns, Carol alluded favorably to one particular clique of short-sellers while deliberately censoring information about their most egregious shenanigans.

Of course, Carol's reporting was always a bit off-kilter. There was, for example, her famous April, 2004 column about the NASD's decision to close a loophole that was allowing criminals to sell phantom stock through Canada. Carol wrote that the move wasn't fair because "market participants" had told her it was too hard to find real stock. If editors at Dow Jones didn't wonder why their reporter was advocating for the freedom of criminals to sell unlimited amounts of fake stock, they might have thought it a bit odd that the only "market participant" named in Carol's story was Pacific International, a notorious Canadian brokerage whose most celebrated employee was funneling cash to the Genovese organized crime family.

Also strange was Carol's long-standing, close relationship with Anthony Elgindy, a Mafia-connected short-seller who liked to flash his .380 Colt handgun in business meetings. For years, the Dow Jones reporter used Elgindy's information in numerous stories about the companies he shorted, but she never mentioned that her pal was extorting and blackmailing the companies' CEOs, bribing FBI agents, and churning out heaps of phantom stock.

Elgindy was convicted in 2005 for racketeering and stock manipulation. Still, Carol might have stayed faithful to her old friend. But it emerged from prosecutors' evidence that Elgindy had used unflattering terms to describe Carol's posterior. She became incensed and wrote columns detailing his crimes (but portraying him as an anomaly – the rare short who violated the law). When the judge handed down an 11-year prison sentence, Elgindy broke down in tears, and there in the court gallery was Carol, laughing with glee.

I'm no psychologist, but Carol seems to have a vindictive streak. It was only after Patrick Byrne criticized her reporting that she vowed to "shred this guy to bits," and proceeded with considerable vigor to tell people that Patrick was running some kind of criminal enterprise out of a gay bathhouse in San Francisco. (He wasn't.) When she was criticized by the anonymous blogger and redoubtable crusader against phantom stock who calls himself the Easter Bunny, Carol went on a similar rampage, trying to unmask her critic and prove that he was illegally pumping stocks out of a Las Vegas strip club (The Bunny was doing no such thing, though he did register his blog's domain name to a nudie bar as a joke.).

It is indeed possible that Carol goes to extreme lengths to whitewash illegal naked short selling, not because she fails to see that it is wrong, but simply because the crusaders against the crime have been so critical of her reporting. Carol probably even thought the crusaders had something to do with the SEC issuing her with a subpoena in 2006, when the commission began an investigation into alleged short-seller crimes. Yes, that must have been the final straw. Carol was provoked. She got angry. She became obsessed. And now…it's war! Vendetta Journalism.

The only other possibility is that Carol is cool-headed and calculating – that a particular clique of short-sellers have fed her nearly every column she has ever written (including those that won her a Loeb Award, the Pulizer of business journalism), and now she is settling debts and currying favor with her benefactors by deliberating covering-up one of the biggest financial crimes of our lifetimes.

That would be something—eeevil!

Whatever the case, I liked her column that was all about an outfit called Institutional Credit Partners accusing Fairfax Financial, a reputable company in Canada, of misrepresenting an off-balance sheet transaction. Carol gave credence to these accusations, though no reputable investigator had ever done so. She also suggested that Institutional Credit Partners was working alone – that it's "independent" analysis had just revealed this supposedly shocking news about an off-balance sheet transaction.

The truth, which Carol omits, is that the same bogus information was previously circulated by a thug named Spyro Contogouris, who had been hired by a short-selling hedge fund to harass and threaten Fairfax executives. One of Spyro's many feats was to write an anonymous letter to the pastor of Fairfax's CEO suggesting that the CEO was a sado-masochistic group sex aficionado who once scammed the Catholic Church out of millions of dollars.

When Carol published her column, the FBI had arrested Spyro for ripping off a Greek shipping magnate. Carol left that part out. She also forgot to mention that Spyro had been bailed out of jail by the manager of the eminently respectable and completely "independent"…Institutional Credit Partners.

But Carol was no doubt keen to attack Fairfax because the company had sued a clique of short sellers, including Steve Cohen of SAC Capital (a subsidiary of which hired the charming Spyro) and David Rocker, formerly of Rocker Partners. These are Carol's friends and allies.

Which is why Carol received a government subpoena in 2006. The SEC was investigating relationships among a few journalists, David Rocker, and Gradient Analytics – yet another seedy outfit that claims to be "independent," though its former employees have given sworn affidavits that short-sellers including Rocker dictated much the information in its falsehood-laden financial research reports.

SEC officials continue to believe that Carol has information that could help them understand Gradient and Rocker's methods. But to the great chagrin of these officials, the SEC leadership shut down its investigation after the Media Mob went ballistic. Apparently, the SEC was violating the right to free speech by issuing subpoenas to journalists and "independent" research shops.

Never mind that one journalist – Herb Greenberg, first at TheStreet.com, then at MarketWatch.com and CNBC – was accused (in a sworn affidavit from a former Gradient employee) of timing his negative stories, premised on Gradient's false research, so that Rocker could profit from their deleterious effect on stock prices. Never mind that Jon Markman, a one-time managing editor of MSN Money and formerly Herb Greenberg's co-editor at TheStreet.com, was named as running a dodgy hedge fund out of Gradient's back office ("independent" research shops aren't supposed to run hedge funds, especially if they're trading on their "independent" research).

Never mind, too, that one of Gradient's managers acquired multiple aliases and fake IDs to conceal his activities. You won't hear this from certain quarters of the financial media. You certainly won't hear it from Carol Remond Rocker, Gradient, Spryo the Goon – these are Carol's bros. Fairfax messed with them. So Carol went to Fairfax's house for a drive-by shooting. Hidden in the trunk was a heaping pile of phantom stock. (Fairfax has spent most of the last three years on the SEC's list of companies whose stock is "failing to deliver" in excessive quantities – clear evidence of a sustained, criminal attack by naked short-sellers, covered-up by Carol.).

Here's another good one: In April, Carol published a column praising a "reclusive financier" named David Gelbaum for "doing his part to try to stave off recession." A few months earlier, Carol had raved in another column that the same "reclusive financier" was practicing "a new form of philanthropy." Carol explained that Gelbaum's "philanthropy" and recession-fighting involved nothing more than financing a number of alternative energy companies through "private placements in public equity" – or PIPEs.

Now, with these two columns, Carol is having a little fun – thumbing her nose at her critics, seeing what she can get away with, no doubt cackling with diabolical delight. For she knows full well, but pointedly ignores the fact that PIPEs, commonly referred to as "toxic financing," are the single most notorious weapon of criminal naked short sellers. Crusaders like the Easter Bunny (see his blog, TheSanityCheck.com) have been screaming about this for years, and the SEC agrees that illegal short-selling in the PIPE industry is rife.

In a typical PIPE scam, a hedge fund invests in a cash-strapped, thinly traded public company. In return, the hedge fund receives securities that can be converted to stock, typically at a discount of around 15% to the market rate. The hedge fund manager presents himself as a serious investor, all geared up to build a great company, but then turns around and naked shorts the company, hoping it will go out of business.

With help from a complicit broker, the hedge fund proceeds to shift his discounted shares back and forth among accounts, making it appear that he is delivering real stock to cover his naked shorts. The high volume of trading in discounted shares, coupled with another wave of naked short selling, can send the stock into a "death spiral." By cracking the stock, the PIPE provider positions himself to earn a big profit by failing to deliver the huge amounts of phantom stock he has sold.

Nathan Vardi of Forbes Magazine describes the proliferation of these scams in an article titled, “Sewer Pipes,” and notes that some of them have been perpetrated by criminals connected to the Mafia – specifically the Genovese organized crime family.

Carol’s columns point out that Mr. Gelbaum, her “reclusive” PIPEs financier, spent much of his career with a hedge fund called Princeton-Newport Partners, which was run by Edward Thorp, a “mathematician” who once authored a book about how to win at blackjack. She doesn’t reveal that Thorp actually developed a system for cheating Las Vegas casinos in cahoots with Manny Kimmel, a mobster from the Genovese organized crime family.

Princeton-Newport derived a significant portion of its revenue from parking stock and colluding in other illegal schemes with Michael Milken, the famous 1980s criminal who has since reinvented himself as a philanthropist, hedge fund collaborator, and media-revered mastermind of miscellaneous investment schemes. A government investigation into Princeton-Newport’s activities produced the key evidence (even more important than the insider trading information provided by Ivan Boesky) leading to Milken’s 1989 conviction on multiple counts of securities fraud.

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Neither Gelbaum nor Thorp were charged, but it is perhaps worth noting that the Thorp family worked closely with Anthony Elgindy, the felonious Mob-connected gun-toting short-seller who was Carol’s close friend until he said uncharitable things about her butt. In 2006, the SEC fined Thorp’s son, Jeffrey, $8 million for masterminding a massive fraud that involved (what else?)…toxic PIPEs and naked short-selling.

Carol is aware of this case because she wrote a column about it, noting that the government’s investigation into Elgindy had led agents to his con-conspirator, Jeffrey Thorp. Of course, Carol is incapable of writing anything negative about short-selling, so her column failed to mention that Thorp was a naked short-seller — a strange omission considering the SEC had said that Thorp’s PIPE financing was fraudulent precisely because he had naked shorted into oblivion the 22 companies that he had financed.

The other thing strange about Carol’s column was that it disappeared. It was yanked from the Dow Jones web site. It was removed from media databases, such as Lexus-Nexus and Factiva. It was completely scrubbed from the Internet, though a snippet of it can be found on a blog called Wall Street Folly.

Maybe Carol’s mind was scrubbed, too. Maybe she has no idea that PIPEs and naked short selling go hand in hand. Maybe she completely forgot that a guy working with her old Mob-connected friend, Anthony Elgindy, masterminded the biggest short-selling PIPE fraud of all time. It could even be totally normal that Carol, a reporter who’s life is covering short-sellers, never wrote a story about PIPEs until along came a “reclusive financier”– the former partner of the Mob-connected father of the Mob-connected fraudster who colluded with Carol’s Mob-connected friend while orchestrating the biggest short selling PIPE fraud in history – and only then it was time for Carol to publish two columns about PIPEs and refer to them as a “new form of philanthropy.”

Actually, the “reclusive financier” is probably a decent fellow. He’s never lied to me – that makes him ok in my book. I’m not saying that he’s a fraud. I’m saying that Carol is a fraud. Brainwash, vengeful rage, cold-calculation, lunkheadedness – it’s all the same: she’s a fraud. She lied to us in nearly every one of the 36 columns she wrote this year. There’s an industry infested with mobsters and scalawags and she tracks down the one reclusive PIPE financier who’s a decent fellow. She says he “is doing his part to try to stave off recession.” Carol is lying. The “reclusive financier” is honest – he’d never say something so ridiculous.

Consider the condition of the companies that Mr. Gelbaum has reclusively financed. Carol mentions six of them –Beacon Power Corp., Worldwater & Power Corp., Emcore Corp, Octillion Corp., Bluefire Ethanol Fuels Inc, and Open Energy Corp. When Carol was writing, all of these companies had spent a good deal of time on the SEC’s list of companies likely to have been victimized by illegal naked short selling. Unsurprisingly, the companies’ stock prices have all been on trajectories that look a lot like “death spirals.” Worldwater is now worth a few cents. It was at around $3.00 when it received its reclusive PIPE. Open Energy is trading for less than a penny. Carol reveals none of this.

Oh, my. What other wonderments has Carol conjured? Let’s see — last September, she wrote a column assuring us that the Depository Trust and Clearing Corporation (DTCC) is an upstanding institution. What other “journalist” would dare attempt such a feat? I can think of only one: Gary Weiss, a former BusinessWeek reporter who runs black-ops public relations efforts for the DTCC, anonymously attacking the organization’s critics on stock message boards and even wangling special editing privileges of the DTCC’s Wikipedia entry, all the while flat-out lying about his activities.

The DTCC’s job is to “clear and settle” all securities transactions, but it doesn’t do that very well, which is a big reason why there is so much phantom stock (i.e. stock that doesn’t “settle”). The DTCC knows who is naked short selling and it has a lot of data showing how much phantom stock is in the system. But it says it won’t release this information because it’s against DTCC rules. Which isn’t surprising, since the rules are written by the DTCC’s owners, who are the very same Wall Street firms that engage in naked short selling.

The SEC technically regulates the DTCC, but SEC officials admit they have neither a clue how the place operates, nor the power to force it to turn over complete data. So the DTCC is an essentially unregulated, criminal-protecting, black box institution – which happens to handle more than $1.5 quadrillion – or 30 times the total gross product of the entire planet – every year. There should be a pack of journalists outside its machine-gun fortified doors, cameras flashing, questions hurled.

Instead, there is Carol. Her column gloats that a court dismissed a legal case brought against the DTCC by a company called Nanotech, which was attacked by naked short sellers. Carol says it is bad for companies to sue the DTCC. It is bad because the SEC (whose officials say they have no idea what the DTCC does) filed an amicus brief saying that it had signed off on the DTTC’s rules (which are written by naked short-sellers). Listen to the SEC and trust the DTCC, says Carol, who claims to like short-sellers because they are the market’s “skeptics.”

The head of the DTCC’s PR department is named Stuart Z. Goldstein. He’s a real master of whirly logic and circuitous denials. He’s a mean guy, too — nasty as hell. Question the DTCC’s rectitude, and Stuart Z. will threaten to get you fired and unleash the lawyers.

But Carol loves Stuart Z. And Stuart Z. loves Carol. Ask about the DTCC, and get no answer from Stuart Z. Instead, says he, “Read Carol, and you will see, she’s the best there is. Nobody understands the DTCC” – only Carol and Stuart Z.

Stuart Z. and a clique of short-sellers – these are Carol’s friends. That is why Carol goes to such lengths to bash a company called Biovail, which had sued Gradient Analytics, the company that was managed by at least one guy with multiple aliases while it allegedly let short-seller David Rocker ghost write its “independent” research. Carol received a government subpoena when the government investigated Gradient, and she’s keen to show that her creepy friends are swell, so she devotes no less than six of her 36 columns this year to bashing Biovail (NYSE:BVF), her readers no doubt waiting with tongues hanging for just one more column – one last scrap of arcane negativity about a minor drug company in Canada.

The SEC charged Biovail with finagling its finances, so it seems its executives were not entirely wholesome. But six out of 36 columns to show that Gradient was right? That seems a lot considering the many perfectly innocent companies that Gradient has slimed. Gradient was not right about Biovail, either. In fact, it published a lot of blatantly false information about the company, suggesting at one point that its revenues had nosedived at a time when they were in fact soaring.

Meanwhile, shorts working with Gradient paid off a bunch of doctors to get them to testify (to the media and government investigators) that they had been "bribed" by Biovail to prescribe one of its drugs. The company maintained that it only paid the doctors a small hourly fee to participate in a marketing program (which is a standard sleazy practice of most pharmaceutical companies) but the government leveled charges, citing the doctors' testimony, though not the fact that the doctors had been paid-off by short-sellers. Biovail settled out of court rather than accept even the small risk of a conviction that would have shut it out of the U.S. market and destroyed its business.

It is quite common for miscreant short-sellers to pay for phony testimony. There is, in fact, a company called Gerson Lehrman, run by former hedge fund employees, that specializes in locating, training and paying-off experts of dubious veracity – largely on behalf of short-selling clients.

When Carol's friend David Rocker and Gradient Analytics began short-selling Taser, the stun-gun company, there was no strong evidence that a Taser gun had ever killed anyone. This was clearly unacceptable, so Rocker found an expert. His name was James Ruggieri and he was an unemployed high school dropout who'd never touched a stun-gun and didn't know anything about electricity—but Ruggieri had a plan, and that was to get himself a bunch of chickens and plug them into an electrical socket.

This worked well. Some of the chickens caught on fire, half of them died, and from this, the high school dropout deduced that stun-guns could kill half of all people – a conclusion that he submitted to the American Academy of Forensic Science.

Soon a gaggle of Rocker's media friends were reporting that a renowned expert from the American Academy of Forensic Science had concluded that stun guns kill. No doubt with help from short-sellers, dozens of people filed lawsuits claiming that their relatives had died after getting Tasered. How did they know? The American Academy of Forensic Science said so.

All but one lawsuit was dismissed, but in the meantime, Taser's executives had to spend much of three years touring the country, publicly zapping themselves at every opportunity to demonstrate that Tasers don't kill. (It is possible that Tasers have killed some people, but there is no science to support this, only anecdotal evidence of Taser incidents followed by deaths, most of which might have been caused by cocaine overdoses and other factors).

While the high school dropout was electrocuting chickens, Rocker allegedly busied himself writing Gradient Analytic's "independent" research reports and submitted them to his friends at the SEC, which dutifully launched an investigation into Taser. The investigation sapped Taser's resources and distracted its executives–who now had to spend half their time answering to government investigators, and the other half firing Tasers into their chests – for several years until, finally, the SEC announced that Taser's books were clean – Gradient's "independent" research, dictated by Rocker, was utterly false.

Of course, Taser has spent most of the past three years on the SEC's list of companies whose stock is failing to deliver in excessive quantities. That's undisputable evidence that it is the victim of a sustained attack by hedge funds selling phantom stock.

But you won't hear about this from Carol Remond. You won't hear about any of the dozens of companies similarly trampled by short-sellers – only to be cleared of wrong-doing by government investigators. Carol says only bad companies criticize her short selling and "independent" research-writing friends. And she's got just 36 columns a year to tell us about all of those bad companies. Six of them are called Biovail.

Another four columns focus on a company called RemoteMDX, which makes GPS tracking bracelets used by prisons. RemoteMDX might be a bad company. It might not. Carol provides no good evidence either way. Instead, she merely notes that short-sellers are all over it. She names only one—Citron Research, whose principal, Andrew Left, was once caught double-cashing checks and was also banned for three years from the commodities and futures business after the National Futures Association found that he "made false and misleading statements to cheat, defraud or deceive a customer…"

Mr. Left has been accused of naked short-selling by a company called BIDZ.com, but he assures me in an email that he has never sold phantom stock. "I believe naked short selling is dangerous to the financial system," he says.

He's right. Mr. Left is honest. Carol is the fraud.

According to Carol, the most suspicious thing about RemoteMDX is that a German brokerage claims that an investor ordered a bunch of the company's stock and never paid for it. So now the brokerage is stuck with the stock. Carol seems to think that this is RemoteMDX's fault. I don't know why.

The more likely culprit is the brokerage, Norddeutsche Landesbank (NordLB). As Carol notes, NordLB claims to have purchased 14.75 million shares on February 25. But a total of only 3.2 million shares traded that day. Could it be that NordLB took possession of around 11 million phantom shares in service to a naked short selling client or broker? Would NordLB's announcement that it was looking to offload 14.75 million unwanted shares put downward pressure on the stock price, to the great benefit of naked short sellers?

I don't know the answers to those questions. But it's certain Carol wouldn't ask them. Carol's sources say RemoteMDX is suspicious. Are the sources suspicious? The sources are short-sellers and if you're a journalist in "the game," you don't ask that question.

That is why Carol's readers do not know that RemoteMDX has spent 128 days this year on the SEC's list of phantom stock victims. And that is why Carol neglects to reveal that while nobody other than Carol and her shadowy sources have accused RemoteMDX of wrongdoing, the German authorities have begun to investigate the brokerage, NordLB, for "irregular trading" in RemoteMDX's stock.

Meanwhile, another column by Carol. Headline: "Autopsy of a Naked Shorting Poster Child: USXP." That's Universal Express. Somebody needs to tell the colorful tale of this company—Carol doesn't do it justice. But for now, it suffices to say that USXP's CEO has been charged with some heinous crimes – cooking the books, stealing corporate money, selling unauthorized shares, churning out outlandishly false press releases, and being married to the Imelda Marcos of Boca Raton.

USXP's shareholders – highly organized, devotional, and ever-ebullient–say (in emails to just about every journalist, lawyer, professor and government official in the country) that the jury is still out and the judge has been bought. They say the SEC's charges were designed to silence the CEO, who had given a speech about naked short selling. Then the government put him in a jail usually reserved for brutal killers. Then they stuck him in solitary confinement. All to silence his views on naked short-selling. It's a cover-up! A massive conspiracy!

Gee, I wonder why Carol wants people to believe that this company is the “poster child” for crusaders against naked short selling. I don’t know enough about USXP to have an opinion. But to Carol, it looks bad. It sounds crazy. It suits her propaganda.

A company called Allied Capital is no poster child, but it’s been plenty shafted by naked short sellers. It has spent months on the SEC’s victim list, with up to 3.5 million of its shares failing to deliver. Meanwhile, David Einhorn, who is part of Carol’s short-seller clique, has spent much of the past three years insinuating that Allied is something like Enron (which titillates journalists looking to break the next big corporate scandal). Einhorn has even written a book about his attack on Allied, which Carol must read, and I must review, because it’s a pretty good description of the short-and-distort game.

People like Deep Capture reporter Patrick Byrne began exposing Einhorn a couple of years ago, and the short-seller seems to have calculated that it was time to take the PR offensive. His strategy is clear: reveal all his tactics, and hope that his openness lends an aura of innocence – as if he really believes the tactics are legit. Then spin the story to make it seem like Einhorn is some kind of folk hero – a concerned citizen fighting an epic battle against an evil corporation, a corrupt government, and a dysfunctional status quo.

Einhorn even suggests that he lost his battle against Allied – he’s a victim, which is a more sympathetic thing to be than a rich short-seller. He says if he ever makes any profits from shorting Allied, he’s going to donate it all to charity! (He’s made a lot of profits, but so far there’s no evidence of any donations).

Anyone who disagrees with Einhorn’s analysis, or begins to investigate him for stock manipulation, is lambasted as a corporate shill and part of the broken establishment, which no journalist wants to be.

Brilliant public relations, actually. It seems to have worked. Journalists follow this guy like he’s the Jerry Garcia of finance. But all you have to do is read his book and see that he was lying about Allied all along. One of his partners had “influence” at the SEC, he says, so the commission, along with other agencies, launched a multi-year investigation that cost Allied upwards of $50 million. But, as Einhorn notes, everybody – investment banks, the SEC, court judges – concludes that he’s full of it. Allied is no Enron.

The only crime at Allied involved the Michigan office of an Allied subsidiary called BLX. The office gave out some fraudulent loans to friends. In other words, it scammed Allied. Some members of Congress have asked the Small Business Administration to explain in more detail its oversight of BLX. So Carol wrote a column about that, her suggestion being that David Einhorn—friend of Carol’s friends, enemy of Carol’s critics—must be right about Allied. It’s the next Enron.

In a similar vein, Carol wrote a column that noted in a tone of sheer giddiness that her friend David Rocker had countersued Overstock, the company run by Deep Capture reporter Patrick Byrne. This was significant, Carol suggested, because Rocker had once countersued some company in Belgium that turned out to be a fraud. Get it? Crooks in Belgium sued Rocker. Patrick Byrne sued Rocker. Therefore, Patrick Byrne is a crook.

Right, and exploding chickens in your backyard is science. Rocker no doubt delivered Carol’s brilliant deduction to the SEC, which was still investigating Overstock at Rocker’s behest. Keeping things weird, Sam Antar, a convicted felon who orchestrated the swindle at Crazy Eddie appliances, which was once the world’s biggest corporate fraud, had begun to help Rocker run the SEC’s investigation of Overstock while posting on the Internet his own “independent” research, which looked a lot like the “independent” research that Gradient and Rocker made together.

Shortly after Carol's column was published, the SEC announced that it would take no action against Overstock, but Carol didn't write about that. Patrick is the founder of Deep Capture, and I'm writing for Deep Capture, so call me biased, but it seems to me that Carol ought to apologize for insinuating that Patrick was a crook.

But Overstock was never Carol's real concern. Rather, she was intent on discrediting Patrick's crusade against illegal naked short selling. Last August, when the NYSE busted somebody for this crime, Carol wrote a column that said, "Turns out that one guy did, in fact, illegally trade shares in [Overstock]" But, of course, it "doesn't come close to amount to [sic] the massive conspiracy alleged by Overstock."

Actually, Carol, Overstock alleged that several million phantom Overstock shares have been floating around the market for the past few years. Patrick Byrne and many others (including myself) are crusading against the crime because hundreds of companies have been similarly affected and it threatens the stability of our financial system.

At this point, every expert unattached to your clique of short-sellers agrees with this assessment. The Chairman of the SEC agrees with it. And you, out of vindictiveness or allegiance to some pretty dirty players, are one of the only people still calling it a "conspiracy" theory.

That's why I just wrote 5,000 words about you