

**Dave & Buster's Entertainment
PLAY - \$33.70 - NasdaqGS****Recommendation: Cover last $\frac{3}{4}$ of short position****1st sell short recommendation: 1-9-19 @ \$50.50**
-----**Cover $\frac{1}{4}$ of short position: 9-17-19 @ \$40.25, Profit +\$10.25, +20.30%****Cover last $\frac{3}{4}$ of short position: 2-27-20 @ \$33.90, Profit +\$16.80, +33.27%****Average Profit: +\$15.17, +30.03%**

A little over a year ago we recommended shorting PLAY at \$50.50. We saw many problems with its business plan. It only took four months for those problems to show up in their results. The stock cratered in May 2019 to around \$40 and then bounced around there for the next four months.

We recommended taking some profit on $\frac{1}{4}$ of the short position. We felt that the business was still deteriorating, but it hit our first price target, and as a rule we take some profit when that occurs. We were/are highly confident that their restaurant model will not work. The stock spent the next three months doing nothing, until it started to rally, for no reason in late December 2019.

One month later on January 16th, we found out the reason for the rally. Private equity firm KKR had taken a stake and was looking for a buyer for this struggling chain. The stock skyrocketed 16% in one day on January 17, 2020 hitting a high of \$48.80, almost eliminating our short profit. This is one of the reasons we take profit from time to time on our short positions, dumb things can happen. It has now hit a new 52 week low. Time to take the rest of the profit.

PLAY vs S&P 500

