

Donald Trump's Social Media Outfit, Currently Under SEC Investigation, Is Selling Millions Of Shares To Major Investment Firms And Raising Billions Via A Shell Company

SUMMARY:

A notable financial trend of 2021 is blank check, special purpose acquisition companies, better known as SPACs. SPACs are shell companies whose sole purpose is to acquire a private company and take it public, allowing the private [company to invite investment](#) before its IPO. The process ideally provides for a quick payday without the oversight and scrutiny of the IPO process. Given the potential for shady financial activity, it's not surprising that former President Donald Trump decided to jump on the bandwagon.

In October 2021, Trump Media & Technology Group, chaired by Donald Trump, launched with plans to become a social media company. The group [announced it would be going public](#) in an \$875 million deal through the Digital World Acquisition Corp., a SPAC that lists Luiz Philippe, a [close ally](#) of Brazilian authoritarian president Jair Bolsonaro, as its Chief Financial officer. Most recently, infamous Trump allied congressman Devin Nunes announced that he plans to resign from Congress to serve as [Trump Media's CEO](#).

In December 2021, [Trump Media & Technology Group, alongside its SPAC](#) Digital World Acquisition Corp., made the unusual move to announce that it had [reached agreements to obtain \\$1 billion in committed capital](#) without naming the investors. Days after the funding arrangement was announced, the SEC [launched an investigation into the SPAC-Trump merger](#). Despite Trump Media & Technology Group's questionable funding details and its ties to an authoritarian regime, these companies are backing Trump's pivot to digital media ownership:

- **EF Hutton** is the investment bank acting as [the sole financial and capital market advisor](#) to Digital World Acquisition Corp.
- Pennsylvania Based Investment management firm **Radcliffe Capital Management**, which purchased 2.425 million shares of Digital World Acquisition Corp, reported a [9.7% ownership stake](#) at the time of purchasing.
- Canadian hedge fund management firm **K2 & Associates**, which purchased 2.425 million shares of Digital World Acquisition Corp, reported a [9.7% ownership stake](#) at the time of purchasing.
- New York investment firm **Boothbay Fund Management**, which purchased 2.425 million shares of Digital World Acquisition Corp, reported a [9.7% ownership stake](#) at the time of purchasing.
- New York investment and technology development firm **D.E Shaw & Co.**, which purchased 2.425 million shares of Digital World Acquisition Corp, reported an [8.1% ownership stake](#) at the time of purchasing.
- New York investment advisor firm **Saba Capital Management**, which purchased 2.425 million shares of Digital World Acquisition Corp, reported a [9.3% ownership stake](#) at the time of purchasing. Saba later [sold their shares](#) after it was announced that Digital World Acquisition Corp intended to merge with Trump Media & Technology Group. Saba's response to the merger demonstrates a form of investor accountability other firms can emulate in the face of these deals.

Trump's Social Media Company, Which Is Under Investigation By The SEC, Planned To Go Public Via A Special Purpose Acquisition Company (SPAC) Backed By Investment Bank EF Hutton And Other Notable Investments From Prominent Firms

Trump Media & Technology Group Is A Social Media Company Acquired By The EF Hutton Backed SPAC, Digital World Acquisition Corp, Which Is Tied To Brazilian Right-Wing President Jair Bolsonaro

Digital World Acquisition Corp Announced An \$875 Million Deal To Acquire Trump Media And Technology Group. "In one of the most shocking announcement's of this current SPAC boom, Trump Media & Technology Group (TMTG) has struck an \$875M deal to go public via Digital World Acquisition Corp (DWAC). The announcement gives no transaction details with seemingly no PIPE, and set to use the \$295M cash in DWAC's trust (assuming no redemptions)." [The Street, [10/21/21](#)]

Digital World Acquisition Corp's Sole Financial And Capital Market Adviser Is Investment Bank EF Hutton. "Last month, the former president announced plans to raise money for his social media venture, Trump Media & Technology Group, by going public through a SPAC merger with Digital World Acquisition. EF Hutton, an investment bank—not to be confused with the former stock brokerage, is acting as the sole financial and capital-markets adviser to the Trump-linked SPAC, Digital World Acquisition Corp., according to a statement last month." [Yahoo News, [11/02/21](#)]

Digital World Acquisition's Chief Financial Officer Was A Member Of The Brazilian National Congress, Luis Orleans-Braganza. "Digital World Acquisition's chief financial officer is Luis Orleans-Braganza, a member of Brazil's National Congress." [The Week, [10/20/21](#)]

During Jair Bolsonaro's 2018 Presidential Campaign, Luiz Philippe Was Strongly In The Running To Become Bolsonaro's Vice President. "For a few days, Luiz Philippe became the 'plan B' of someone who came from a military background, Jair Bolsonaro – or 'plan P', as in prince, joked an ally to the candidate to the Presidency of the Republic, this institution seen with so much reservation by the member of the royal family. The presidential candidate needed to choose a vice-president, and the other names considered, like evangelical preacher Magno Malta, astronaut Marcos Pontes, general Augusto Heleno and jurist Janaína Paschoal. The prince began to look like a sure bet, but Bolsonaro ended up choosing someone from the military like himself, general Antonio Hamilton Mourão." [Gazeta do Povo, [8/9/18](#)]

December 2021: In An Unusual Move, Trump Media & Technology Group Announced \$1 Billion In New Investment, Without Naming The Investors...

December 4, 2021: Trump Media & Technology Group Announced \$1 Billion In New Investment For Digital World Acquisition Corp, Without Naming The Investors—Which Is Very Unusual. "Donald Trump's social media startup on Saturday announced that it secured \$1 billion in new investment as part of its ongoing efforts to become publicly traded via a blank check company. Between the lines: None of the investors were identified, which is highly unusual for this sort of transaction." [Axios, [12/04/21](#)]

...Days Later, The SEC Launched An Investigation Into The Merger Between Trump Media And Digital World Acquisition Corp.

December 6, 2021: The SEC Launched An Investigation Into The Merger Trump Media And Digital World Acquisition Corp. "The SPAC that plans to merge with former President Donald Trump's new social media company revealed Monday that the Securities and Exchange Commission and another regulator weeks ago asked it for information regarding stock trading and communications with Trump's firm before the deal was

announced. The investigations by the SEC and the Financial Industry Regulatory Authority were disclosed in an 8-K filing with the SEC by Digital World Acquisition Corp., the special purpose acquisition company on track to merge with Trump Media & Technology Group." [CNBC, [12/06/21](#)]

Notable Investment And Hedge Fund Management Firms Radcliffe Capital Management, K2 & Associates, Boothbay Fund Management, And D.E. Shaw & Co Are All Notable Investors In The Digital World Acquisition Corp. SPAC

Radcliffe Capital Management L.P. Purchased 2.425 Million Shares, Reported As 9.7% Of Common Shares, Of Digital World Acquisition Corp On September 3, 2021.

1.	NAME OF REPORTING PERSONS Radcliffe Capital Management, L.P.
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)
3.	SEC USE ONLY
4.	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
9.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,425,000
10.	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)
11.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 9.70%%
12.	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) LA, PN

[Digital World Acquisition Corp Form SC13G, [9/03/21](#)]

- **Radcliffe Capital Management LP Is A Pennsylvania Based Investment Management Firm.**
"Radcliffe Capital Management, L.P. provides investment management services. The Company offers portfolio management, financial planning, and investment advisory services. Radcliffe Capital Management operates in the State of Pennsylvania." [Bloomberg, [Accessed 12/07/21](#)]

Canadian Hedge Fund Management Firm K2 & Associates Purchased 2.425 Million Shares, Reported As 9.7% Of Common Shares, Of Digital World Acquisition Corp On September 3, 2021.

1	NAME OF REPORTING PERSONS K2 & ASSOCIATES INVESTMENT MANAGEMENT INC.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION ONTARIO, CANADA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER -0-
	6	SHARED VOTING POWER 2,425,000
	7	SOLE DISPOSITIVE POWER -0-
	8	SHARED DISPOSITIVE POWER 2,425,000
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,425,000		
CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES <input type="checkbox"/>		
PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 9.70%		
TYPE OF REPORTING PERSON CO		

[Digital World Acquisition Corp Form SC13G, [9/03/21](#)]

- **K2 & Associates Is A Toronto Based Hedge Fund Management Firm.** [Bloomberg, [Accessed 12/07/21](#)]

Boothbay Fund Management LLC Purchased 2.425 Million Shares Reported As 9.7% Of Common Shares, Of Digital World Acquisition Corp On September 3, 2021.

1.	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Boothbay Fund Management, LLC	
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
3.	SEC USE ONLY	
4.	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5.	SOLE VOTING POWER 0
	6.	SHARED VOTING POWER 2,425,000*
	7.	SOLE DISPOSITIVE POWER 0
	8.	SHARED DISPOSITIVE POWER 2,425,000*
9.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,425,000*	
10.	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (see instructions) <input type="checkbox"/>	
11.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 9.7%*	
12.	TYPE OF REPORTING PERSON (see instructions) IA, OO	

[Digital World Acquisition Corp Form SC13G, [9/03/21](#)]

- **Boothbay Fund Management Is A New York Based Investment Firm.** [Bloomberg, [Accessed 12/07/21](#)]

D.E. Shaw & Co., LP Purchased 2.425 Million Shares, Reported As 8.1% Of Common Shares, Of Digital World Acquisition Corp On September 8, 2021.

Names of Reporting Persons	
I.R.S. Identification Nos. of above persons (entities only)	
D. E. Shaw & Co., L.P.	
Check the Appropriate Box if a Member of a Group (See Instructions)	
(a)	"
(b)	"
SEC Use Only	
Citizenship or Place of Organization	
Delaware	
5.	
6.	
7.	
8.	
Aggregate Amount Beneficially Owned by Each Reporting Person	
2,425,000	
Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) "	
Percent of Class Represented by Amount in Row (9)	
8.1% ¹	

[Digital World Acquisition Corp Form SC13G, [9/08/21](#)]

- **D.E. Shaw & Co Is An Investment And Technology Development Firm Based In New York.**
[Crunchbase, [Accessed 12/07/21](#)]

Saba Capital Management Also Purchased A Notable Stake In Digital World Acquisition Corp, But Sold Them After It Digital Announced Their Intent To Merge With Trump Media & Technology Group.

Saba Capital Management LP Purchased 2.425 Million Shares, Reported As 9.3% Of Common Shares, Of Digital World Acquisition Corp On September 3, 2021.

Names of Reporting Persons	
Saba Capital Management GP, LLC	
Check the appropriate box if a member of a Group (see instructions)	
(a) <input type="checkbox"/>	
(b) <input type="checkbox"/>	
Sec Use Only	
Citizenship or Place of Organization	
Delaware	
Number of Shares Beneficially Owned by Each Reporting Person With:	
	5
	6
	7
	8
Aggregate Amount Beneficially Owned by Each Reporting Person	
2,425,000	
Check box if the aggregate amount in row (9) excludes certain shares (See Instructions)	
<input type="checkbox"/>	
Percent of class represented by amount in row (9)	
9.3%	
Type of Reporting Person (See Instructions)	
00	

[Digital World Acquisition Corp Form SC13G, [9/03/21](#)]

- **Saba Capital Management Is An Investment Advisor Firm Based In New York.** [Crunchbase, [Accessed 12/07/21](#)]

Saba’s President, Who Also Runs Investment Group Lighthouse Investment Partners, Said The Firm Would Sell Its Shares In Digital Announced After The Trump Media & Technology Group Merger Was Announced. “Two early investors in blank-check company Digital World Acquisition Corp. ([DWAC.O](#)) sold their holdings as news emerged that it was merging with former President Donald Trump’s new media venture. Hedge fund manager Boaz Weinstein, who runs Saba Capital Management, and Lighthouse Investment Partners, said they had exited without giving a precise time for the sales or price at which they cashed out.” [Reuters, [10/22/21](#)]

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