



The Dot-Com Nightmare Returning to Wall Street

If you have been watching the financial news lately, I bet you felt a sudden burst of confusion.

You see a giant headline pop up on TV: *"Company XYZ Beats Earnings Expectations!"*

The news anchor is smiling. The stock jumps up for about an hour. It looks like a sure winner.

But then, by the end of the week, that same stock quietly bleeds down and loses money.

You sit there scratching your head, thinking: *"If they beat their earnings, why is the stock dropping? What am I missing?"*

I want to clear something up right now: You are not crazy. And you didn't do anything wrong.

What you are looking at is a legal magic trick.

When company executives know their real business is struggling, they use accounting tricks to make a bad quarter look like a massive party on paper. If you want to protect your money during earnings season, here are three major red flags you need to watch out for:

1. Cash Flow is King (You Can't Spend "Earnings")

Here is a simple truth most investors forget: a company cannot pay its bills with reported "earnings." It can only pay its bills with cold, hard cash.

Accountants can bend earnings numbers using fancy rules, but cash flow is reality. Either real money came into the bank account, or it didn't. When reported earnings go up but actual cash flow goes down, the company is walking on paper-thin ice.

2. Watch How They Recognize Revenue

Revenue is the true lifeblood of any business. If real cash isn't coming in the front door from real customers, the company is dying.

Bad actors will try to book future sales today just to make this quarter's numbers look big. They ship products to a warehouse, count it as a "sale" before anyone actually pays for it, and celebrate on TV. When you look under the hood, the cash never actually arrived.

3. The Return of "Boomerang Transactions"

Twenty-five years ago, I was managing a short selling hedge fund right in the middle of the dot-com bubble. I saw tech companies use a sneaky trick to fake their growth: Company A would buy a financial stake in Company B, and then Company B would turn around and use that exact same money to buy Company A's products.

They were just passing the same dollar back and forth in a circle to trick investors into thinking sales were booming.

That trick destroyed dozens of overhyped technology stocks back then. And today, I am seeing boomerang transactions come back with a vengeance. What I am watching right now brings back nightmares of the dot-com crash—and a clear warning of what investors might experience very soon.

How to Stay Ahead of the Games

When I wrote my book, *What's Behind the Numbers?*, I exposed these exact games. I spent my career digging through corporate balance sheets to separate real businesses from paper illusions.

Now, you shouldn't have to spend 40 hours a week reading 200-page corporate tax filings. You have better things to do than stare at accounting footnotes.

That is why I took my lifetime of forensic accounting experience and built the Forensic Accounting Stock Tracker inside my *FAST Profits* newsletter. It automatically tracks and grades over 1,500 companies based on cold, hard math—so you know which balance sheets are solid and which ones are built on sand.

If you are looking for fast stock tips or daily market gambling, my work isn't for you. But if you want simple, unvarnished truth before putting your money on the line, let the math work for you. <https://hsdent.com/product/fast-profit/>

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