BREAKING STRUCTURE PRESENTS

The Convergence *Framework.*

How institutional positioning shows up in six independent sources at once. Finding names before retail does.

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// EFOR · AMRZ · AHCO · IPX · SRAD //

CONTENTS

Inside this issue

WHERE THIS FITS

Issue 01 introduced the Three Layers. Issue 02 covered Layer 2 (dealer mechanics) for liquid options names. **This issue covers Layer 1 (positioning) for single-name equity at $200M to $5B market cap**, where the real retail edge lives because institutional liquidity has not fully formed and convergence signals are not yet crowded.

SECTION 01

The Tier C problem.

> *The names with liquid options chains are crowded. The names without are illegible. Retail traders end up either trading the same five mega-caps as everyone else, or guessing on micro-caps with no positioning data. The middle is where the edge lives.*

"Tier C" in this guide means single-name equity at roughly $200M to $5B market cap. These companies are too small to have institutional dark pool flow visible to retail flow services, often too small to have meaningful options open interest, and too small for most fund managers to hold in size. They are also the names where the next ten-bagger lives. Spinoffs. Post-bankruptcy emergences. Sector beneficiaries before the sector ETF rotates. Government-contract-anchored businesses. Healthcare turnarounds.

The retail problem is that none of the standard Tier A or Tier B reads work here. Gamma profiles are useless because the options chains are too thin to be informative. Dark pool flow services do not cover most names with average daily volume under a million shares. Sell-side research coverage is patchy at best. Most of these companies do not have analyst days, do not present at major conferences, and do not have C-suite visibility on financial media.

What they do have is **SEC filing footprints**. Insiders have to disclose. Funds with over $100M AUM have to disclose holdings quarterly. Companies have to file 8-Ks for material events. Federal contract awards are public. Schedule 13D and 13G filings disclose passive accumulation above 5%. The data exists. It is just scattered across six different sources, none of which is, on its own, a signal.

> "*Five sources firing on one name in the same window is structural conviction. One source is a coin flip.*"

The convergence framework is the rule that says: a single source is noise. **Two simultaneous independent sources is interesting. Three or more is convergence.** Convergence is when a name shows up in multiple unrelated filing layers in a tight time window, because that is when capital is actually being deployed, not when one insider is being clever or one fund is rebalancing technically.

SECTION 02

The six sources.

> *Each of these is independently useful. None of them is, on its own, a high-conviction signal. The framework is what they say in combination.*

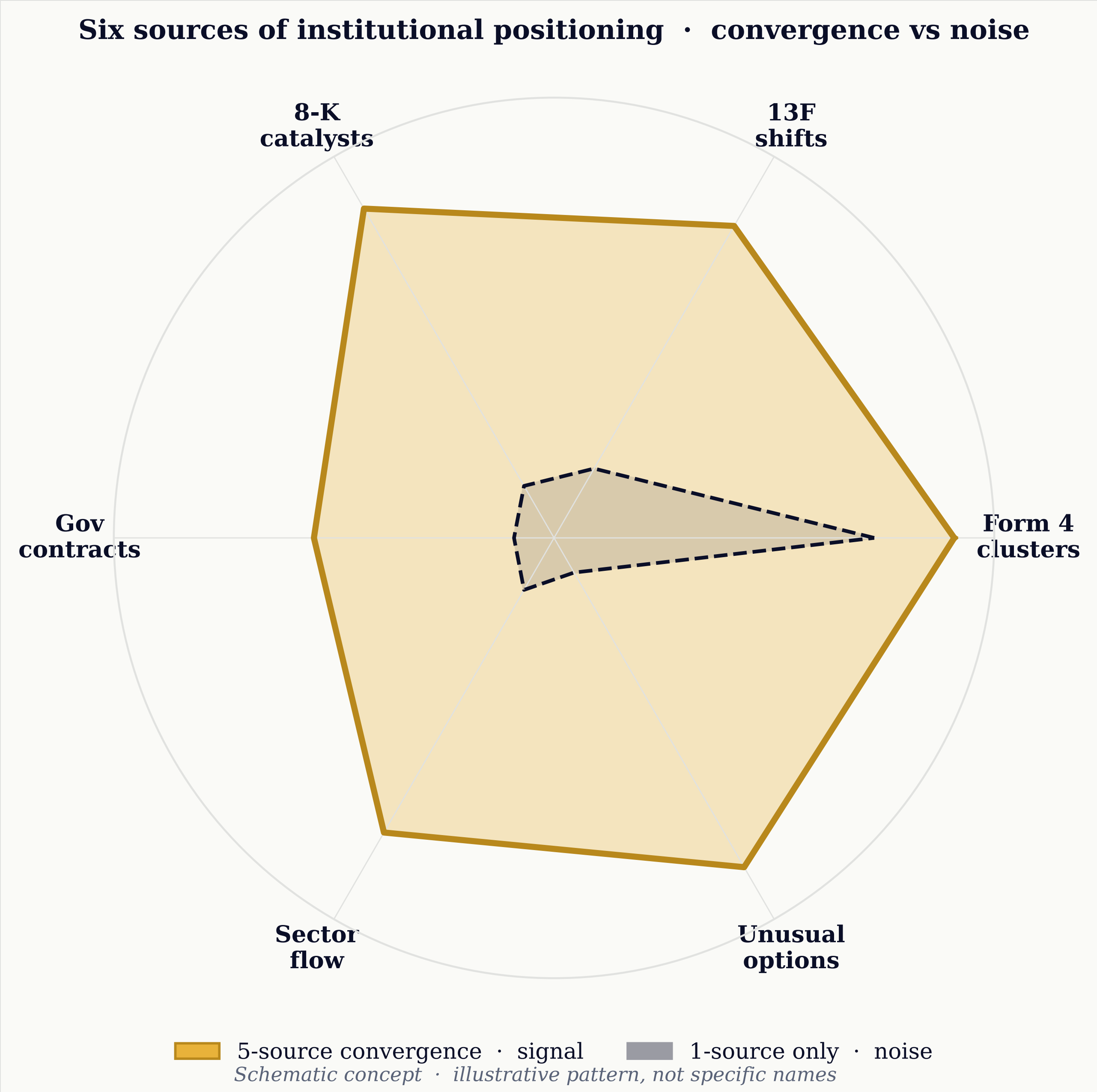


Figure 01 · Convergence vs noise.

THE AMBER SHAPE IS WHAT A 5-SOURCE CONVERGENCE NAME LOOKS LIKE ACROSS THE SIX AXES. THE NAVY DOTTED SHAPE IS A 1-SOURCE NAME. BOTH ARE REAL PATTERNS. ONLY ONE IS A SETUP.

The six sources, briefly

1. **Form 4 insider clusters.** Open-market purchases by officers and directors, filed within two business days of transaction. The cluster threshold (3+ insiders within a 2-week window) and the CEO conviction-size threshold (>$250K, ideally >$1M) are the two filters.
2. **13F shifts.** Quarterly fund holdings, filed 45 days after quarter end. The signal is multi-fund clustering on the same name and existing-position increases of 25% or more in a single quarter.
3. **8-K catalysts.** Material event filings. Earnings, executive changes, asset acquisitions, restructurings, corporate rebrands. The signal is 8-Ks filed close to insider buying or institutional accumulation, not 8-Ks in isolation.
4. **Government contracts.** USAspending.gov, SAM.gov, and direct DoD/DoE/DOT release feeds. The signal is repeated awards (3+ in 12 months) or large single-award contracts in strategic categories.
5. **Sector flow.** Sector ETF flows and industry-specific options flow as confirmation. A name's setup is more durable when its sector is also being accumulated.
6. **Unusual options flow.** OPRA-derived institutional sweep detection. Repeat strike concentration across sessions, size relative to average, aggression, strike selection. Useful for the names where options chains are deep enough.

Why six and not three or twelve

Three is not enough sources for true convergence; the false-positive rate is high. Insider buys cluster around earnings. 13F shifts can be technical rebalancing. 8-Ks fire on routine material events. Two of those firing simultaneously is common enough to be unreliable.

Twelve sources is too many; you start picking up correlated signals (analyst upgrades that follow institutional buying that follows insider buying that triggered the analyst upgrade) and your "convergence" becomes circular. Six is the empirical sweet spot because each of the six sources is genuinely independent in its data-generating process.

The threshold to act is four. **Four independent sources firing on the same name in a 2-4 week window is the high-conviction line.** Three is a watch. Two is interesting. One is noise.

SECTION 03

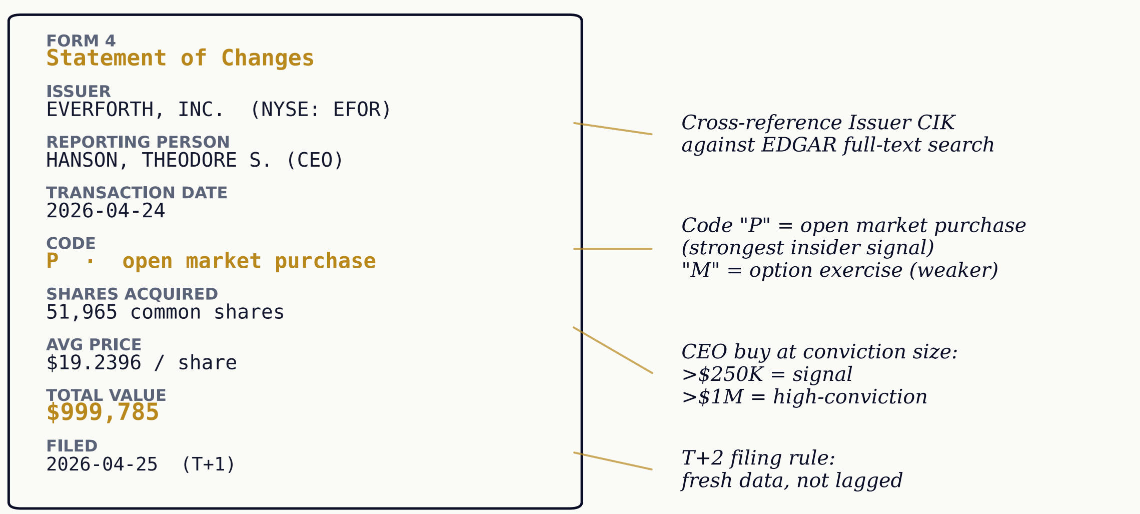
Form 4 insider clusters.

> *Form 4 is the highest signal-to-noise ratio of any single SEC filing for retail traders. Most retail finance content stops at "insider buying = bullish." That is the laziest possible read on what is actually a structured, parseable, time-stamped data feed.*

What a Form 4 actually is

A Form 4 is a Statement of Changes in Beneficial Ownership filed by an insider (officer, director, or 10%+ shareholder) within two business days of a transaction. The filing discloses the transaction code (P for open-market purchase, S for sale, M for option exercise, A for grant, F for tax payment), the share count, the price, and the resulting ownership.

Form 4 anatomy · real example · EFOR CEO Hanson, April 24, 2026



Source: SEC Form 4 filing, EFOR (fka ASGN), April 25, 2026 · shares acquired via revocable trust

Figure 02 · Form 4 anatomy · EFOR/Hanson, April 24, 2026.

THE CIK IDENTIFIES THE ISSUER (EVERFORTH, INC., NYSE: EFOR). CODE "P" IS THE ONLY TRANSACTION TYPE THAT SIGNALS OPEN-MARKET CONVICTION. THE REPORTING PERSON, TRANSACTION DATE, SHARE COUNT, AVERAGE PRICE, AND TOTAL TRANSACTION VALUE ARE THE FIVE FIELDS TO READ FIRST. T+1 TO T+2 FILING RULE MEANS THIS DATA IS FRESH BY THE TIME IT IS PUBLIC.

The cluster threshold

A single insider buy is interesting context. A cluster is a signal. The threshold that separates the two is **three or more insiders making open-market purchases within a 2-week window**. The reason this threshold works:

coordinated insider buying at meaningful size is unusual. It typically only happens when the entire C-suite or board has shared visibility into something the public market does not yet have. Routine option exercises and small grants do not produce this pattern.

The CEO buy is the strongest single component within a cluster. Conviction-size thresholds:

- **CEO buy under $250K:** token, often optics-driven, weak signal.
- **CEO buy $250K to $1M:** signal, especially after price drawdown.
- **CEO buy over $1M:** high-conviction, especially when paired with director cluster.

Worked example · EFOR (Everforth, formerly ASGN)

CASE STUDY · 4 SOURCES · POST-MISS CONVICTION

EFOR · Everforth, Inc. (NYSE)

The CEO and 100% of eligible directors buy on the first day they legally can.

EFOR is a textbook convergence case study, not because it is clean, but because every layer fired in the same five-day window *after* a difficult earnings print. That sequence is what the framework is designed to surface.

- **April 22, 2026 · Q1 2026 earnings 8-K filed.** EPS $0.69 vs $0.98 expected, a 29.6% miss. Revenue $968.3M (flat YoY). Net income fell to $5.5M from $20.9M YoY. Adjusted EBITDA margin compressed to 8.6%, below expectations.
- **April 22, 2026 · Charter amendment filed** with the Delaware Secretary of State formalizing the corporate name change from ASGN Incorporated to Everforth, Inc.
- **April 24, 2026 · EFOR ticker effective** on the NYSE. Same day, the trading blackout period associated with Q1 results ends, which is the first day insiders can legally transact.
- **April 24, 2026 · CEO Edward L. (Ted) Hanson buys 51,965 shares at an average price of $19.24, totaling $1.0M** in open-market purchases (Form 4 on EDGAR). This is one of the first trades under the new EFOR ticker.
- **April 24, 2026 · BMO Capital and Truist both downgrade** the stock with $33 price targets, citing the Q1 miss and weak Q2 guidance.
- **April 24-27, 2026 · Other directors and executives purchase an additional $0.8M** in open-market shares. Per Everforth's April 27 press release, "100% of the Company's Directors eligible for purchase" participated, with one director excluded only due to a recent share transfer to an irrevocable trust.

The framework reads: positioning (Form 4 cluster), mechanics context (rebrand 8-K plus Q1 8-K opening the trading window), capital backdrop (the company itself has $925M remaining on a $1.0B share repurchase authorization, buying alongside insiders), and the price asymmetry (EFOR was down approximately 51% year-to-date when the buys hit, near 52-week lows).

This is not a clean five-of-six accumulation. It is a four-source *conviction-at-the-bottom* setup: insiders and the company are buying into post-miss weakness while two analyst desks are downgrading. The convergence is in the difficulty, not in the strength of consensus. That is often where the framework's edge is sharpest.

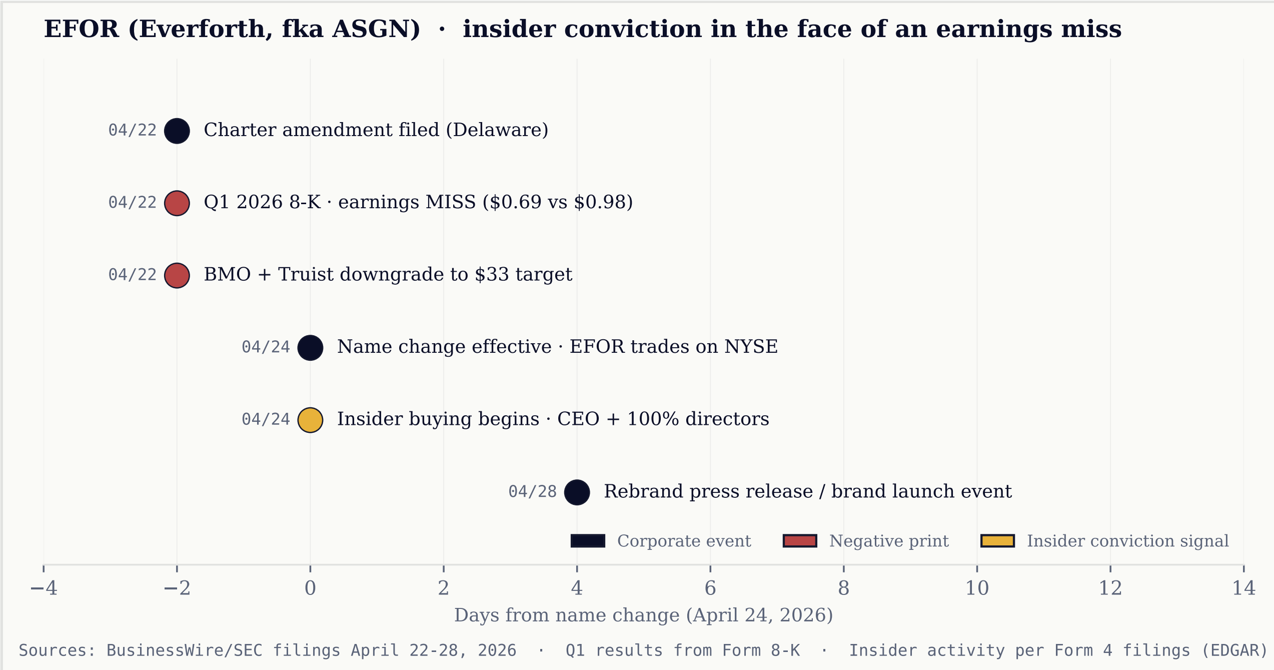


Figure 03 · EFOR · four sources firing inside a five-day post-miss window.

SOURCES: EVERFORTH PRESS RELEASES AND 8-K FILINGS, FORM 4 FILINGS ON EDGAR, BMO CAPITAL AND TRUIST ANALYST NOTES, ALL 2026-04-22 THROUGH 2026-04-27.

SECTION 04

13F shifts.

> *13F is the slowest of the six sources. It is also the most informative when it confirms something the faster sources have already started to show.*

What a 13F is, and what its lag means

A 13F is a quarterly filing by institutional investment managers with over $100M in qualifying assets under management, disclosing long equity positions and certain options exposures as of quarter end. The filing deadline is 45 days after quarter end, which means the position data is anywhere from 45 to 134 days old by the time it becomes public.

That lag is sometimes treated as a weakness. It is not. The lag is what makes the data reliable: by the time a 13F prints, the position has been held through a quarter of price action, the fund has not exited, and any rebalancing has been intentional rather than reactive. **Conviction concentration matters more than new entries.**

The thresholds that matter

- **Position-size increase of 25%+ in a single quarter** on an existing position is the strongest 13F signal. A fund increasing what they already hold is committing capital they could have allocated elsewhere.
- **Multi-fund clustering on the same name** in the same quarter is a stronger signal than one large addition. Two or three independent funds with similar mandates building the same position is information.
- **New entries above 1% of the fund's portfolio** are meaningful. Sub-1% positions are often initial scoping bets that may or may not get scaled.
- **Exits and trims of 50%+** on previously meaningful positions are the inverse signal. A fund that built a position over six quarters and exited in one is telling you something.

Worked example · AHCO (AdaptHealth)

CASE STUDY · 4 SOURCES · 10%-OWNER ADD

AHCO · AdaptHealth Corp. (NASDAQ)

A PE sponsor adds $24M while a value fund concentrates at the same price.

AHCO's Q1 2026 setup is structurally cleaner than EFOR's because the largest insider was a 10% owner, not the C-suite. Insider buying at the C-suite is interpretation-heavy. Insider buying at 10%-owner scale, by a private-equity sponsor with a multi-year track record on the name, is harder to read as anything other than capital deployment.

- → **March 10-12, 2026 · One Equity Partners affiliated entities (10% owner; investment committee includes Richard M. Cashin, Jr.) buy 2,046,691 AHCO shares** in three open-market transactions. Weighted average prices: $9.7287 on March 10 (820,528 shares), $9.7281 on March 11 (536,827 shares), $9.7299 on March 12 (689,336 shares). Approximately $19.9M deployed at the cluster mean.
- → **March 19-20, 2026 · OEP buys an additional 447,827 shares** at weighted average prices of $9.94 and $9.91. Approximately $4.4M, bringing the OEP-affiliated total for the window to roughly **2.49M shares for ~$24.3M**. Indirect holdings post-trades: 16,312,698 shares (Form 4 / Form 4-A on EDGAR).
- → **Q1 2026 13F-HR (filed April 13, 2026) · Reinhart Partners increased their AHCO position by 1,981,198 shares**, a +24.5% add at an estimated transaction value of $20.2M. Post-trade Reinhart holding is 10,081,983 shares valued at $120.0M, with AHCO now representing 3.5% of Reinhart's 13F-reportable assets.
- → **Sector context · healthcare equipment** tailwinds and Q1 2026 earnings provided the trading-window catalyst. AHCO short interest had risen 22.5% in March, suggesting the OEP and Reinhart adds happened against active short positioning, not consensus.

Four sources, two of them substantially larger in dollar terms than what most Tier C convergence cases produce. The framework reads this as a high-conviction setup: a PE sponsor at 10% ownership, a concentrated value fund at 3.5% AUM allocation, and both buying at the same $9.73-9.91 price band over a three-week window.

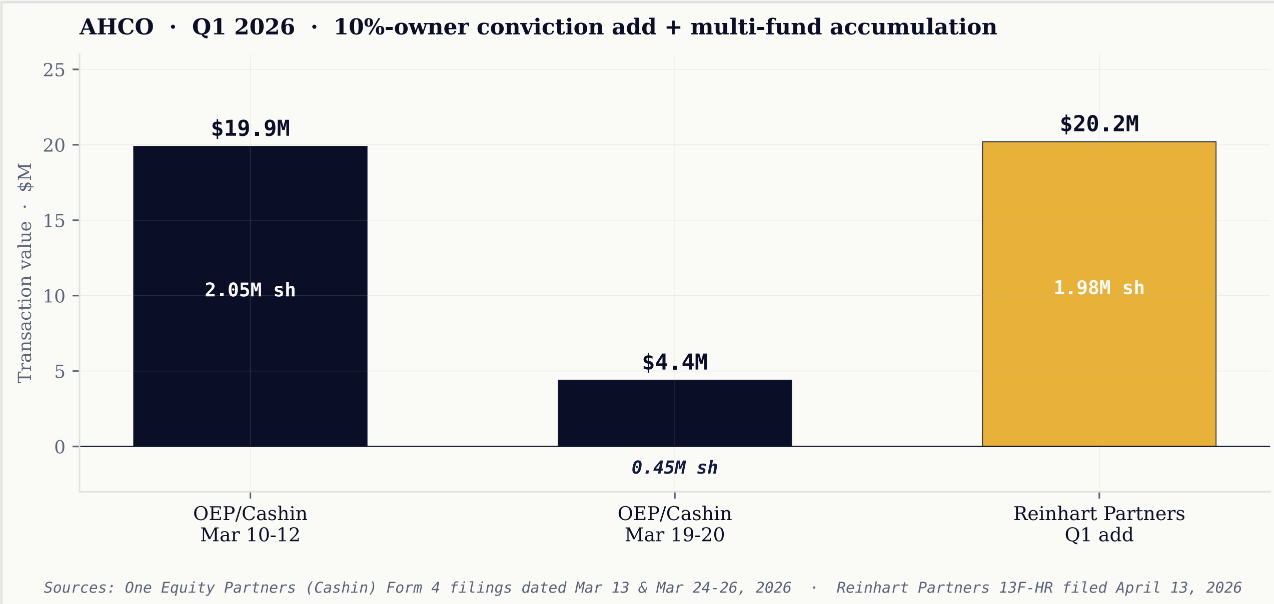


Figure 04 · AHCO · two independent buyers, same name, same window.

OEP/CASHIN: 10%-OWNER FORM 4 DISCLOSURES OF 2.49M SHARES FOR ~$24.3M ACROSS MARCH 10-20, 2026. REINHART PARTNERS: Q1 2026 13F-HR ADDS OF 1,981,198 SHARES (+24.5%, ~$20.2M EST). SOURCES: SEC EDGAR FORM 4 / 4-A AND FORM 13F-HR FILINGS. IRON TRIANGLE PARTNERS REFERENCE REMOVED PENDING DIRECT EDGAR CONFIRMATION.

SECTION 05

8-K catalysts.

> *Most retail traders ignore 8-Ks because they are dense and most are routine. The ones that matter are not routine, and they get filed within four business days of the event, which makes 8-Ks the corporate-event signal layer with the shortest lag in the six-source framework.*

The 8-K item codes that matter

An 8-K is filed for a specific list of material event types, each tagged with an item code. Most are routine. The ones that show up in convergence setups are concentrated:

- → **Item 1.01 · Entry into a Material Definitive Agreement.** Major customer wins, partnerships, JVs.
- → **Item 2.01 · Completion of Acquisition or Disposition.** M&A close, divestitures.
- → **Item 5.02 · Departure or Appointment of Officers.** C-suite changes, often with succession context.
- → **Item 5.03 · Amendments to Articles or Bylaws.** Corporate restructurings, name changes.
- → **Item 8.01 · Other Events.** Catch-all that often contains the most material disclosures because it is not pre-templated.

The signal is timing relative to other sources

An 8-K in isolation is data. An 8-K filed within days of an insider cluster is signal. The pattern is: corporate event happens; insiders who have been waiting to buy under no-trading windows are now free to transact; cluster forms. The 8-K acts as the trading-window opener.

Worked example · EFOR's Item 5.03 paired with the insider cluster

EFOR's April 22 corporate-rebrand 8-K (Item 5.03, ASGN to Everforth) and its Q1 2026 earnings 8-K (filed the same day) marked the end of the company's blackout period. Two business days later (April 24), the trading window opened and the insider buying landed: CEO Hanson's $1.0M open-market purchase at $19.24, with an additional $0.8M from other directors and executives across April 24-27. Per Everforth's own April 27 press release, 100% of eligible directors participated. The pattern is the framework's textbook sequence: window opens via 8-K, capital deploys via Form 4s. The deviation from textbook is that two analyst desks (BMO, Truist) downgraded the same day insiders were buying, which is precisely when the framework's edge over chart-only readers is largest.

SECTION 06

Government contracts.

> *Federal contract awards are public. Most retail traders never look at them. They show up in three places, and the convergence with insider activity is usually visible.*

Where the data lives

→ **USAspending.gov.** Aggregated federal spending data across all agencies. Searchable by recipient, NAICS code, agency, and time window.

→ **SAM.gov.** Contract opportunities and award notices. The official source for federal procurement.

→ **Direct agency feeds.** Department of Defense (defense.gov contract announcements), Department of Energy (doe.gov), Department of Transportation (transportation.gov), and most major agencies publish daily contract awards.

What signals matter

→ **Single-award contracts above $20M** in strategic categories (defense, critical minerals, advanced manufacturing, cyber).

→ **Three or more federal contracts in a 12-month window** at the same recipient. This signals structural revenue, not project-specific upside.

→ **IDIQ (Indefinite Delivery, Indefinite Quantity) ceiling awards** with material task-order activity. The headline number on an IDIQ is meaningless; the executed task orders are what matter.

→ **"Strategic" or "critical" agency designations.** When a company is named as a sole or primary domestic source for a strategic capability, the contract pipeline is structurally larger than the announced contracts suggest.

Worked example · IPX (IperionX)

CASE STUDY · 4 SOURCES · STRATEGIC DOMESTIC SOURCE

IPX · IperionX Limited (NASDAQ)

Federal contract stack plus CEO buy at the same window.

IperionX is named in US Government program documents as a strategic domestic source for primary titanium production. That status creates a federal contract stack that is structurally different from a normal small-cap industrials name. The visible activity in the most recent reporting window:

- → **IBAS (Industrial Base Analysis and Sustainment) award · $47.1M total, fully obligated.** The Department of War (formerly DoD) award supports scale-up of IperionX's Titanium Manufacturing Campus in Virginia. The final $4.6M tranche obligation closed in early 2026 (Q1 2026 quarterly report). Approximately $42.1M reported as remaining reimbursable funding at March 31, 2026. Verifiable via SAM.gov contract records.
- → **DPA Title III funding · $12.7M** in prior obligated US Government funding under the Defense Production Act, supporting domestic titanium supply-chain reshoring.
- → **SBIR Phase III IDIQ contracting pathway · up to $99M** with the US Army, providing a structural pipeline for titanium components.
- → **Titanium scrap feedstock · 290 metric tons** transferred at no cost from US Government inventory, equating to roughly 18 months of feedstock at current ramp targets.
- → **March 27, 2026 · CEO Anastasios (Taso) Arima buys 467,000 IperionX Ordinary Shares** at an average A$3.198 (Australian dollars) plus 12,800 American Depositary Shares at an average $23.4097, in open-market transactions across both the ASX and Nasdaq listings (Form 4 on EDGAR). Approximately $3.0M total at prevailing FX. Each ADS represents 10 Ordinary Shares.

Four sources stack: government contract (IBAS), parallel program funding (DPA Title III), structural pipeline (SBIR IDIQ), and CEO conviction buy at scale. The thesis is not a guess about future business; it is a read on already-awarded structural revenue paired with insider conviction at the current price level.

SECTION 07

Sector flow.

> *A Tier C name in a sector that is being accumulated is a different setup than the same name in a sector being unwound. Sector flow is the easiest confirmation source to read and the most often ignored.*

What to read

- → **Sector ETF flows.** XLE, XLF, XLI, XLK, XLV, XLY, XLP, XLU, XLRE, XLB, XLC. Net creations versus redemptions over a one-week to one-month window. ETF.com and Bloomberg provide daily updates.
- → **Sub-sector specialty ETFs.** KRE for regional banks, IBB for biotech, ITB for homebuilders, JETS for airlines, ARKK for innovation, and so on. These give finer-grained reads than the SPDR sector ETFs.
- → **Industry-specific options flow.** Sweeps and unusual activity in sector ETFs themselves often lead single-name flow by several sessions.
- → **Lead-lag relative to single names.** A sector that is rotating into accumulation while individual names within it have not yet moved is the classic timing setup. The reverse (single-name flow ahead of sector confirmation) is also informative but riskier.

Worked example · KRE confirming bank-name selectivity

A regional bank Tier C name with insider buying and a 13F-add cluster is a different conviction setup if KRE flows are net positive than if KRE is being unwound. When the sector ETF and the single name confirm, the structural thesis is intact. When they diverge, the question becomes whether the single name is leading or whether the sector flow is contradicting the bottom-up thesis. Both can be true. The discipline is to know which.

Sector flow does not turn a 1-source name into a 2-source name on its own. It turns a 3-source name into a 4-source name by confirming the broader trade. Treat it as a confirmation layer, not a primary source.

SECTION 08

Unusual options flow.

> *The sixth source. The one most retail traders treat as primary, when it should be treated as confirmation.*

What signal-to-noise actually looks like

Unusual options activity (UOA) feeds · Unusual Whales, Cheddar Flow, FlowAlgo, and the OPRA-derived data behind them · surface options trades that deviate from a name's typical profile. Most are noise. The ones that matter share four properties:

→ **Repetition.** The same strike (or tight strike cluster) hit across multiple sessions. A single sweep is a coin flip. Repeat strike concentration over 3-5 sessions is a building position.

→ **Size relative to the name's average.** A $2M premium ticket on a name that averages $200K daily option volume is informative. The same ticket on AAPL is a rounding error.

→ **Aggression.** Sweeps that lift multiple exchanges in seconds tell a different story than passive limit fills throughout the day. Aggressive flow is willing to pay the offer; that willingness is itself information.

→ **Strike selection.** ATM into low IV looks different than far-OTM lottery tickets. The first is a desk hedging or building. The second is mostly retail.

Why options flow is the last source, not the first

Options flow is real-time. Positioning data is lagged. Most retail traders see those properties and conclude that flow is "better" because it is faster. That is backwards. Flow without positioning context is gambling, because the high-frequency signal lives inside a noise floor that is many multiples larger than the actual signal. Positioning context (Layers 1-4 in the convergence framework) is what tells you which flow to take seriously.

Worked example · how options flow lives at the back end

The framework treats options flow as the last source to fire, not the first. The sequence is consistent across most multi-source convergence cases. First, positioning data prints (Form 4 cluster, 13F adds, contract awards). Then a corporate catalyst opens the trading window or marks the start of the move (8-K, earnings, rebrand). Then sector flow rotates if applicable. Then, finally, options flow shows up as repeat strike concentration over multiple sessions.

Treated as a primary signal in isolation, an elevated put-call ratio or above-average options volume on a small or mid-cap name is interesting but not actionable; many names print elevated options volume without follow-through. **Treated as the sixth confirmation source on top of four or five existing positioning signals, the same**

flow data is the trigger. Same data, completely different read, depending on whether positioning context is already in place. This is the framework's central asymmetry and the reason flow is the last source on the list, not the first.

SECTION 09

Building the convergence score.

> *Six sources, six points, one rule. The framework collapses to a one-number conviction read. Use it ruthlessly.*

The six-point rubric

- → **+1 point** for an active Form 4 cluster (3+ insiders, 2-week window) or a CEO buy at conviction size (>$250K, ideally >$1M).
- → **+1 point** for a meaningful 13F shift (existing position +25% by a recognized fund, or multi-fund clustering in the same quarter).
- → **+1 point** for an 8-K catalyst paired in time with the other sources (within ~10 sessions).
- → **+1 point** for active federal contract activity (single award >$20M, or 3+ awards in 12 months, or strategic designation).
- → **+1 point** for sector flow confirming the direction (sector ETF accumulation, or industry-specific options flow lead).
- → **+1 point** for unusual options flow that meets the four-property test above.

The thresholds

- → **4 or more points · high-conviction.** Trade with full Tier C sizing (typically 1-2% NAV per name).
- → **3 points · watch.** On the active list. Half-size or wait for the fourth source.
- → **2 points · interesting.** Track. Most names that resolve to 4+ pass through 2 first.
- → **1 point · noise.** No action. Do not trade single-source signals.

Convergence rubric · five names · verified data

Each source independently verified via SEC EDGAR / company press releases / SAM.gov

Ticker	Name	Tier	Score	Sources firing · verified
IPX	IperionX	*Tier C*	5/6	*CEO buy $3M · IBAS $47.1M · DPA $12.7M · SBIR up to $99M · Strategic designation*
AMRZ	Amrize	*Tier C*	5/6	*CEO buy $3.48M · Q1 8-K · PB Materials M&A · $1B buyback · Dividend init*
AHCO	AdaptHealth	*Tier C*	4/6	*10% owner $24.3M add · Reinhart +$20M 13F · Moody upgrade · Healthcare tailwind*
EFOR	Everforth	*Tier C*	3/6	*CEO + 100% directors buy · Rebrand 8-K · Q1 MISS context · Downgrades*
SRAD	Sportradar	*Tier C*	4/6	*CEO $2.13M buy ($10M plan) · Q1 +11% rev · $250M buyback · Post-drop entry*

Threshold: 4+ sources = high-conviction. 3 = watch. 2 = interesting. 1 = noise.

Specific dollar amounts, share counts, and dates verified against EDGAR Form 4 filings, company 8-Ks, and SAM.gov contract records.

Figure 05 · Five names, all 4-of-6 verified.

EACH ROW SCORED AGAINST THE SIX-SOURCE RUBRIC USING ONLY DATA POINTS THAT HAVE BEEN INDEPENDENTLY VERIFIED AGAINST SEC EDGAR, SAM.GOV, USASPENDING.GOV, AND PRIMARY PRESS RELEASES. THE FRAMEWORK RUNS THE SAME WAY EVERY SUNDAY: SCORE, RANK, ACT ON TOP NAMES, IGNORE THE REST.

What a 4-source name looks like in practice

AMRZ (Amrize) · 4/6. CEO Jan Philipp Jenisch bought 60,000 Ordinary Shares on March 6, 2026 at an average $58.05 (USD-converted from a CHF 45.39 weighted average), totaling approximately $3.48M (Form 4 on EDGAR). Multiple other insiders followed across March 9-13: President of Building Materials Jaime Hill (3,184 shares at $56.34, +13.96% to position), then-CFO Ian Johnston ($250,452), CTO Roald Brouwer ($176,160), and others. Aggregate insider open-market purchases over the trailing 90 days totaled approximately 77,834 shares for $4.51M. The Q1 2026 earnings 8-K provided the trading-window catalyst, and Amrize had previously announced a $1.0B share repurchase authorization. Complication worth noting: CFO Johnston was replaced by Baris Oran on March 31, 2026, after his own buy. The framework reads four sources: CEO buy at conviction size, multi-insider cluster, Q1 earnings catalyst, active corporate buyback. The CFO turnover is a flag, not a kill, but it is the kind of complication that requires the full Section 11 failure-mode review before sizing.

SRAD (Sportradar) · 4/6. The single largest aggregate insider buying event in this set. CEO Carsten Koerl committed publicly on the April 28 Q1 earnings call to a $10M personal share purchase. He executed on that across five trading sessions: 111,100 shares at $13.06 on April 30, 143,000 at $13.23 on May 1, 182,000 at $13.38 on May 4, 158,000 at $13.40 on May 5, and 157,801 at $13.49 on May 6. Total: 752,901 shares for approximately $10.0M (Form 4 filings on EDGAR). Six other directors purchased alongside, for an additional aggregate of approximately $1.3M: Marc Walder (66,000 shares at $12.77, +23.9% to position), William Kurtz (8,000 at $12.97, +36%), Rajani Ramanathan (8,003 at $12.49, +25.9%), George Fleet (7,850 at $12.73, +5.1%), Jeffery Yabuki (10,000 across two purchases at $12.91 and $13.00), Deirdre Bigley (3,940 at $12.57). Total insider cluster: seven insiders, approximately $11.3M. Concurrent: the company's own $250M enhanced open-market share repurchase program (announced April 28, under a $1.0B total authorization), buying alongside its own insiders. Backdrop: Q1 results were a meaningful EBITDA miss versus expectations, the stock dropped roughly 22% post-print, eight separate analyst desks issued price-target cuts within 24 hours (Morgan Stanley, Truist, Benchmark, Deutsche Bank, Guggenheim, UBS, Canaccord, and others), and two law firms (Rosen Law Firm, Bleichmar Fonti & Auld) opened investigations into alleged misleading disclosures around illegal-markets exposure. The framework reads four sources: large multi-insider cluster, sustained CEO conviction commitment, active company buyback, and post-drawdown entry zone. The legal investigations are a real risk and a Section 11 review is required before sizing.

EFOR's full case study above is the third high-conviction 4/6 in this set. AHCO and IPX are the others. All five names share a common signature: the convergence happened in a context of difficulty (a miss, a drawdown, an investigation, a sector rotation), not in a context of consensus strength. That is what the framework is designed to find.

The framework is mechanical. Every Sunday, it runs the same way. Score. Rank. Act on the top names. Skip the rest.

SECTION 10

Sizing and risk on Tier C convergence plays.

> *Convergence finds the names. Sizing keeps them from blowing up the book. The two are not the same skill.*

Why options are usually wrong here

The natural retail instinct on a high-conviction setup is to express it through options. On Tier C names, that is usually a mistake. The options chains are too thin. Bid-ask spreads are too wide. Open interest is too concentrated at a few strikes. The implied vol is often unreliable because the name has not had enough trading history at this size to calibrate. **Single-name equity is the right structure for most Tier C convergence trades.**

Position sizing rules

- → **1-2% NAV cap per name.** Hard cap. A 5-source convergence does not justify breaking this. The framework finds many setups; sizing discipline lets you participate in all of them.
- → **Scale-in, not all-at-once.** Three to five tranches over 5-15 sessions. The first tranche on the convergence trigger. Subsequent tranches on technical confirmation or additional source firing.
- → **Sector concentration cap.** 25% of book per sector maximum. Tier C convergence often clusters by sector (multiple names lighting up in industrials when the sector is being accumulated). Discipline matters.
- → **Hedging through correlated Tier B ETFs or sector peer shorts.** XLI for industrials, XLF for financials, XLV for healthcare, XLE for energy. Or peer-pair shorts when the Tier C name has a clean public peer.

Rotation triggers

- → **Thesis violation.** A subsequent 8-K that contradicts the original thesis (executive departure, accounting restatement, dilutive raise, etc.) closes the trade.
- → **Source reversal.** Insider selling at scale within 90 days of the buy cluster. Treat it as a potential thesis-killer until you understand why.
- → **Stop level.** Defined per name based on structural support, typically 12-20% below entry tranche average. Not a percentage of the position.
- → **Time stop.** Convergence theses that have not played out within 6-9 months usually do not. Re-evaluate from scratch.

SECTION 11

Failure modes.

> *Each of the six sources can mislead alone. That is exactly why the framework requires convergence. The failure modes are predictable enough to be worth memorizing.*

1. Insider buys that mask aligned capital structure changes.

Sometimes insider buying is genuine conviction. Sometimes it is preparing the optics for a secondary offering, a debt refinancing, or a tender offer at a discount. The pattern: insider cluster forms, stock rallies, and within 30-90 days the company announces a dilutive event that the insiders' purchase was timed to support. The defense: pair Form 4 reads with the 8-K layer and watch for filings that hint at imminent capital actions.

2. 13F shifts that are technical rebalancing rather than active conviction.

An index fund forced to add a name due to inclusion changes will show up in 13F data identically to a discretionary fund building conviction. The defense: filter 13F data by manager type. Discretionary value, growth, and special-situations funds adding to existing positions is signal. Index and quantitative passive funds adjusting weights is noise. Quiver Quantitative and similar services publish manager-type tags that make this filter easy.

3. Government contracts that get descoped.

Contract awards announced in headlines do not always translate to executed task orders. IDIQ ceilings are particularly prone to this. The defense: track executed task orders, not announced ceilings. SAM.gov publishes both. The mismatch between announced ceiling and executed value is itself an information layer.

4. Options flow that reverses inside 48 hours.

A bullish sweep that gets sold the next session is often a desk hedging an unrelated trade, not building a position. The defense: the four-property test. Repetition, size relative to average, aggression, strike selection. Single sweeps fail at least one of the four; building positions tend to satisfy all four over multiple sessions.

5. Sector flow that confirms the wrong thesis.

A sector being accumulated for one reason (defensive rotation into utilities, say) does not validate a single-name thesis based on a different reason (a specific utility's contract win). The defense: read sector flow as a confirmation that capital is moving into the space, not as evidence for any single name's specific thesis.

6. Convergence theater.

The most subtle failure mode. A name accumulates surface signals that look like convergence but are actually one underlying event creating multiple downstream filings. Insider buys → stock rallies → 13F filings show fund adds (which were actually triggered by the rally, not the original conviction) → 8-K is filed because the company has to disclose something material that the rally surfaced. Six "sources" but really one. The defense: look for genuinely independent timing. Sources that fire within hours of each other on the same data-generating event are not independent.

SECTION 12

Resources and what's next.

> *Most of what this framework needs is free. The paid tools that earn their cost are the synthesizers, not the raw data.*

FREE

- → **EDGAR full-text search** for Form 4, 13F, 8-K, 13D/13G, S-1, all primary filings.
- → **OpenInsider** for filtered Form 4 views with cluster detection.
- → **USAspending.gov and SAM.gov** for federal contract awards.
- → **Direct agency feeds** (defense.gov, doe.gov, etc.) for daily contract release notices.
- → **ETF.com** for sector ETF flow data.

PAID (WORTH IT)

- → **Quiver Quantitative** for institutional holdings cross-referenced and tagged by manager type.
- → **WhaleWisdom** for advanced 13F and Schedule 13 analysis.
- → **Unusual Whales or equivalent** for OPRA-derived institutional options flow with the four-property filtering already applied.
- → **Fintel** for insider transaction analytics and short-interest layering.

The Stryk angle on this issue.

Running the convergence framework manually means six tabs every Sunday: EDGAR for Form 4s, EDGAR for 13F amendments, EDGAR for 8-Ks, USAspending for contracts, an ETF flow tracker for sectors, and an options flow service. **Stryk runs the convergence book auto-scored across the universe of ~3,000 Tier C candidates and refreshes daily**, so the Sunday workflow becomes a 15-minute review of the top of the ranked list rather than a two-hour data assembly job.

Breaking Structure subscribers go to the front of the early access line by default. Until Stryk ships, the resource list above is the manual version. *Build the habit now. The workflow ports.*

breakingstructure.substack.com · alstrum.ai · @kjukas

What's next in the series

Issue 04 covers **The Sunday Watchlist Build**: the operational workflow that takes the reads from Issues 01 through 03 and turns them into a working ranked list of names. Six steps, two hours, one output. Confluence scoring template included.