PHOENIXALGOS MARGIN DEBT MANAGEMENT, REG T CURE, SURGE TRIGGER & CASH-REPAIR GUIDE

Universal Risk Manual: Regulation T Fed Call Liquidation, Cash Repair & Two-Day Surge Protection

Official Self-Help Documentation • Certified Technical Manual

1. Executive Summary & Margin Leverage Guardrails

Margin borrowing amplifies upside compounding during strong bull trends, but poses existential left-tail risk if gross exposure expands unchecked. The PhoenixAlgos Margin Architecture provides mathematical guardrails to diagnose leverage, repair negative cash balances, and cure active broker Regulation T calls with minimal portfolio disruption.

2. Targeted Regulation T / Fed Margin Call Cure ('swap cure')

Distinct from general cash repair, 'swap cure' targets an active broker Regulation T / Fed margin call:

- Zero Cash Deposit Assumption: Treats liquidation as the sole cure source unless explicitly overridden.
- Security-Specific Margin Credit: Because broker margin requirements vary by asset (30% to 100%), $1 of sale proceeds does NOT equal $1 of call relief. The engine calculates exact asset-specific relief credits.
- Minimal Practical Whole-Share Plan: Sells only the minimum whole shares necessary to cover the call plus a safe cushion, protecting core compounding winners.

3. Cash Repair Overlay ('swap safe')

When account cash is negative (cash <= $0) and the trader wishes to restore a positive cash cushion, 'swap safe' constructs a ranked suggestion list sorted strictly by weakness (Lower Mode laggards first). Upper Mode alpha leaders are explicitly protected, and replacement buy legs are parked until cash is positive.

4. The Two-Day Surge Margin Trigger & Buying Power Preservation

Empirical analysis across 1,549 S&P 500 trading sessions reveals that downward streaks exhaust within 3 days (90.1%), but downward velocity accelerates violently between Day 2 (-1.2%) and Day 3 (-2.3%). Entering Day 1 of a pullback with $0.00 Buying Power locks traders out of the single highest-probability reversal bounce. The Two-Tier Surge De-leveraging rules trigger automatically into strength:

- Tier 1 (Precautionary): 2-day account gains >= +5.0% with margin debt >= 25.0%. Trim 15% to 20% of highest gainers. Target debt < 20%.
- Tier 2 (Urgent Liquidity): 2-day account gains >= +7.0% with margin debt >= 30.0%. Trim 25% to 35% of extended holdings, eliminating debt or securing a $1,000+ cash buffer.

5. Same-Day Sell Cooldown & Pre-Flight Confirmation Guardrail

• Same-Day Sell Cooldown: Any ticker with a SELL fill today (or a same-session 45m sell signal) is strictly barred from the buy queue until the next trading day.

• Pre-Flight Defensive Confirmation: All liquidation manifests require explicit human-in-the-loop confirmation ('PROCEED', 'CONFIRM', or blue button click) before routing orders to the broker.