Title: With a share dividend, the DTC will not receive enough shares to properly allocate and must make a choice
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The Role of the Transfer Agent & Registrar

With the pending split, there are some important things to keep in mind; the most important of which is the formal process of dividend issuance and how that affects different types of shareholders differently. To be clear, I’m referring to:

1. Registered shareholders
2. Beneficial shareholders

Since this is a split in the form of a share dividend, Computershare will play a very important role. As Transfer Agent and Registrar, Computershare oversees a few things:

1. Keeping the official record of shareholders
2. Distributing dividends to all registered shareholders

The official record of registered shareholders includes anyone whose name is on the stock certificate. When it comes to this community, *that applies only to those who DRS*. Anyone who does not do so and still holds their shares with a broker is a beneficial shareholder, and the true ownership of shares within their brokerage account lies with the DTC nominee, Cede & Co.

This means that Computershare’s official capacity ends with:

1. Distributing dividends to DRS shareholders
2. Distributing dividends to Cede & Co.

They do not distribute any shares to beneficial shareholders. That is the responsibility of the DTC nominee. Where it gets dicey is when we go back to Computershare’s first responsibility: keeping the official record of shareholders.

Do you know what’s not included in there? Synthetic shares. They are illegal, and that’s literally the point of why GameStop is in such a unique position, so they are not tracked. Computershare does not have on their books that DRS holders have 10 million shares and beneficial shareholders have 1 billion.

If the float is oversold (which is the core thesis in this community), *Computershare will absolutely, unequivocally, not distribute enough shares to cover the oversold amount to the DTC. It is not going to happen.*

For example, let’s say there are 100 outstanding shares in total and 50 of them are DRS, and the float has been oversold to the point where there are 2x outstanding shares in circulation (200 in total). In a 2:1 split, Computershare will distribute 50 shares to DRS and 50 to the DTC, in accordance with their records. It is then on the DTC to figure out how to split 50 shares between the 150 they have sold. **There are not enough.**

The Role of the Broker

Everything in this section is speculation.

This is the unknown. We do not know what will happen here.

When the DTC is given a dividend to distribute that is insufficient, potentially by an unfathomable margin, it’s important to consider the potential different outcomes and consider the implications as shareholders. A few I think stand a reasonable chance of happening are that the DTC and, by extension, the brokers will:

1. **Ignore the number of shares they’ve received** and allocate as many as they need to ensure every beneficial owner has received all shares. (This is fraudulent but “fair.”)
2. **Allocate the exact number of shares they received**, and for any they do not have, instead distribute the cash equivalent, obtained from the short sellers. (This is “unfair” but totally legal.)
3. **Ensure all customers receive their share dividends in another “creative” way**, for example by “delaying dividends” and acquiring shares after-the-fact to distribute. (This could range from “shady” to “fraudulent” and is potentially “unfair.”)

In the first and third example, the DTC and brokers implicate themselves in crimes they have, to-date, managed to distance themselves from, with blame so far falling mainly on MMs and SHFs. With this transaction being overseen by GameStop and Computershare, they carry extra risk of being unable to obscure their fraudulent actions. This is not a secondary market transaction contained within the walls of the DTC - this is a direct issuance under GameStop's watchful eye.

In the second example, brokers avoid legal liability and feel no financial impact (unless they also naked short sold stock on their end), because dividends (shares or cash equivalent) are owed by short sellers.

In my opinion, Option 2 offers the most protection for DTC and brokers and makes the most rational sense.

In all cases though, registered shareholders are equally or better positioned than beneficial shareholders, and it is in their best interest to DRS their shares if they wish to ***guarantee*** *receipt of their share dividend.*

In Summary

Everyone will get a dividend, it’s just a matter of what form, which is based on the broker action. All we know is that if there are synthetics, brokers will not be given enough *to legally allocate* to their customers.

My aim is to set the record straight on the who-gets-a-share-dividend question, and the answer is:

* **DRS apes: yes**
* **Non-DRS apes: maybe**

Do with that information what you will.

TLDR: Directly registering shares will enable apes to see the most benefit from the split, regardless of the outcome. It’s not a matter of preference, it’s the fact that Computershare will not allocate shares to the DTC to cover the fraud they’ve helped commit, and the DTC is the one responsible for issuing dividends to beneficial owners at brokerages. *We just don’t know how brokers will act.* At best, beneficial owners will illegally get what DRS apes are guaranteed to legally get. At worst, it’s losing overall percentage points in ownership, but with some more cash to help catch back up. In a head-to-head match, DRS is undoubtedly better. Just sayin’. NFA. Do whatever you want.