

Title: Understanding who is fUKTD with the GME dividend shares

Author: Bambi4010

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I want to lay out an imaginary scenario that parallels GME to help me and hopefully everyone understand this complex situation.

Here are the players:

ARMS - a stock with a float of 100 shares

DTTC = DTTC - they hold 90 shares of ARMS

Citadel - MM for ARMS

Compushare - transfer agent, there are 10 shares of ARMS held in direct ownership at Compushare

ABROKER - the broker I use to hold my shares in street name. They also manage funds of their own which hold shares of ARMS.

* I go to my account on ABROKER's website and place an order for 10 shares of ARMS at market price

* ABROKER decides to internalize 10% of my order short because they own 20 shares in their mutual funds and are willing to take that risk. They go to the market with a buy order for 9 shares at market price

* Citadel is ever at the ready and naked shorts the 9 shares. They do their options magic and cover the naked short

So now the DTTC shows that ABROKER holds 29 shares of ARMS. Do they also show Citadel as -9 shares? I don't think the DTTC captures the options, that is all contracts between brokers and other brokers or MMs.

ARMS decides to issue a 1 for 1 stock dividend. Citadel and ABROKER have not closed their short positions.

* Compushare gives ABROKER 29 shares of ARMS to cover the dividend on shares held there.

* ABROKER decides to give me 10 shares of ARMS and gives their mutual funds 19 shares + 1 share equivalent in cash. If the stock runs the mutual fund is hosed because their cash isn't running like the stock.

* If they give me .9 shares and .1 share cash equivalent, I know they have been playing games

* **Does Compushare tell Citadel that they are now -18 shares, thus 'creating' more naked shares? How does Citadel balance this on their books? Do they have to do more options magic for another 9 shares?**

Obviously my brain is smooth as vodka and so this is not financial advice