

Title: The cap on Limit Sell Orders is bigger than you think

Author: BoilerBarbs

Created 2021-10-14 17:59:25 UTC

Permalink: /r/DDintoGME/comments/q8539o/the_cap_on_limit_sell_orders_is_bigger_than_you/

Url: https://www.reddit.com/r/DDintoGME/comments/q8539o/the_cap_on_limit_sell_orders_is_bigger_than_you/

If there are changes being made to the financial system, why is there no talk of removing the cap for limit sell orders? This legacy restriction helps the evil empire, while hurting retail (especially in a squeeze play).

There is no other asset market (that I can think of) which limits the seller's price:

- * Event Tickets - you can post a price of \$10,000 per ticket for a WNBA game
- * Ebay - you can list a price of \$1,000 for my pen
- * Real Estate - you can list a price of whatever you like for a home
- * Vehicles - I can list my hooptie for \$1,000,000

What's the biggest reason why these caps are there? I believe it's so we hold the shares in an account to allow the brokers, MM, etc. to continue their flakey:

What would the SEC, Congress, and the public do if they looked at the Level 2 Book Data and saw 200M shares for sale (most in the millions of dollars)**, when the entire float is only 76.5M shares?**

The naked short selling would be clearly visible. GaME over.

By capping our sell limit, the naked shorts aren't as transparent because our targets are well beyond 6x (or whatever your broker allows). The secondary effect is that they can more easily lend out your shares because they are just sitting in your account while you wait for the price to look like a telephone number.

The case that it directly hurts retail - In January of 2021, GME rose over 25x in under a month... with the buy button being turned off! A price jump above 6x is not only "theoretically possible" it actually happened.

It's probable that there were some paperhanded investors who bought in below \$20/share and had a target of \$400, but were either out of the country, in the hospital, etc. and totally missed their window to sell at \$400.

BUT WAIT IT GETS WORSE -> by mid February 2021, that same person with a \$400 sell target could not place that limit sell order because the price went down to \$40. How does this make any sense?!

If they passed legislation tomorrow which banned brokers from placing this sell order limit cap, the music would stop immediately. Is that a possible route to pursue? "SEC here's a simple and easy change we need implemented for brokers." How would politicians and the media make up anecdotes to fight that?