

Title: DRS Endgame DD- GME Shareholder Vote 2022

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Disclaimer: Some of this info is sourced from various reliable sources but has not been confirmed by Gamestop at the time of writing this post. Sources of course will be cited.

TL;DR- The presumed share record date this year is around April 13/14. That means any shares you want to vote in this year's meeting need to be completely purchased/transferred and settled in DRS by that date. There's a difference between voting broker shares and DRS shares! Your vote matters!!

I've already done a couple posts about this topic, but the deadline/share record date is fast approaching and I wanted to get this post out as soon as possible! Let's get right into it!!

Beneficial vs. Registered Shares

Before we get into the details on voting your shares, we need to talk about the 2 different types of stock ownership.

To help us understand, let's look at Company Share Structure.

<https://preview.redd.it/mri645z0dkr81.png?width=1500&format=png&auto=webp&s=e434596b628cddb99f4db80300db169cf740a0a8>

As you can see, retail has access to only the outstanding shares- the float- which is represented in purple and orange- registered and beneficial.

As is noted in the footnote of the image, this chart shows a 50/50 proportion between beneficial and registered shares, but that varies by company. We know thanks to [*the most recent 10-K filing*](<https://investor.gamestop.com/sec-filings/sec-filing/10-k/0001326380-22-000021>) *that as of Jan 29, 2022, there were 8.9 million Direct Registered GME shares outstanding.*

Anyway... when you own stock, you own it 1 of 2 ways

* Beneficially- through a broker

* Registered- held directly with the company through its Transfer Agent (DRS)

It's important to note the chain of ownership and the difference between the two-namely the lack of middlemen with the registered option. This is relevant when talking about voting rights.

So with **Registered ownership**, or DRS, my name is directly on the books of the company I'm invested in and they have a direct line of communication to me. So Gamestop knows my full name, mailing address, and ***exactly how many shares I own***.

With **Beneficial ownership**, or broker shares, my name is just on the books of the broker I purchased through, and *their* name is the one actually on the books of the company I'm invested in through Cede & Co. So Gamestop has no idea who I am, or even that I exist at all, because all they know is a large umbrella figure of all beneficially held shares in the DTC. ***That means they also don't know how many shares I own through my individual broker, because they have no record of me.***

Therein lies the key to why voting direct registered shares is so important!

Voting Beneficial means your vote doesn't actually go to the Company

You are essentially trusting your broker/the DTC to report that information accurately and honestly to the issuer.

This is explained in the [Computershare handbook](https://www.computershare.com/us/Documents/TA_Overview_WhitePaper.pdf) (pdf link):

>For beneficial holders, the voting process is more complex. Voting rights for beneficial holders are assigned to DTC, as street-side holdings are recorded on the company register in DTC's nominee account, Cede & Co. DTC passes on the voting rights to the brokers and banks through an omnibus proxy. **The brokers and banks retain voting rights, but reach out to beneficial holders to find how they want their shares to be voted via a voting instruction form** (VIF). Beneficial shareholders then return the VIF to inform their brokers to vote their shares as indicated.

Idk about you, but I don't trust the crooks to expose their own crooked game willingly.

Let's look at this chart to help understand how fucked up this really is:

<https://preview.redd.it/hxxcb6nyckr81.png?width=977&format;=png&auto;=webp&s;=5f757eb3e9506f5e64684f3601f5a2c3806fd2f7>

The Brokers and Banks Retain Voting Rights

And many times they don't exercise that right to avoid recall/overvoting, or they cook the books and trim the numbers. This has been a problem in the Markets for decades. At least since the 90s, when trading went fully electronic.

Now is an excellent time to remind you of the OG Carl Hagberg, whose extensive experience working in Transfer Agencies and as an Inspector of Elections brought a lot of wisdom for us to refer back to!

From the Carl Hagberg AMA:

>I started a business where I consulted with companies mainly about their retail ownership programs because it costs a lot of money to have retail holders, in those days especially, everything was paper-based. Now, it's a lot bigger, because as we've discovered there's a lot of Hanky Panky going on out there! Okay, so that's what I did. About that very saAnd me time, I started getting calls from clients from colleagues from other transfer agents saying "There's something radically wrong here. We had our shareholder meeting, and we have a million shares outstanding, and we got votes of a million and a half shares. What is going on?!"

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>Well, what indeed?

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>It was because of short selling, you don't even have to have naked short selling.

>

>I'll try to explain in very simple terms how this actually happens, that you have a meeting, and there are 50% more votes than there are shares outstanding, and if you subtract the ones that are held by the management and by long term mutual funds. It's really more like three times the number of shares that are held by real people!

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>So we were trying to get to the bottom of this, and we were trying to figure out, *Well, how do you stop this?* , but more important for the given meeting, *How do you reconcile this?*

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>Well, the fact of the matter is, even when you're not 'naked' when you borrow the shares and say okay I've set some shares aside, **the Lender, he keeps his vote, he's still the owner, okay? He's only lent them.**

>

>**It's like if I lent you a shovel, I'm still the owner.. and... I still get my voting rights.**

>

>And so what has happened-- well, you say, *Alright, I'm going to repay you the loan.* Where you now have to go into the market to buy the shares and close the deal... You've got, what are known as, Phantom Shares.

>

>So, when you have an excess of sellers, as we've seen in GameStop stock, and, you have a finite universe of buyers, the debits don't equal the credits anymore. Okay.

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>Sometimes the votes are two-and-a-half or three times than the shares that are officially outstanding. This is a *very bad thing*.

The broker has only lent you his shovel, he is still the owner with full rights of ownership.

So while you do have the option to vote through most reputable brokers, and it will feel legit, you have to remember that you aren't reporting your vote or share count to the company. The entire proxy voting process is handled internally through your broker (and their contracted third parties). Quite frankly it feels like a form of investment theater-meant to create the illusion that you have more rights than you do- and that the system is more honest than it is.

In reality, your shares have been lent out (infinitely?) for easy liquidity, and as a result, it's usually way more than 1 entity that has voting rights to the same share. Lending shares is infinitely profitable for banks and brokers and as we learned, [it's not just margin accounts subject to this common abuse.](<https://www.sec.gov/news/pressrelease/2016-128.html>) Cash accounts have been found to have lent shares as well, so no shares are safe from the abuse if they're held in the DTC. As a result, many brokers don't even vote their clients' shares because they would have to recall them in order to do so (more on that below).

Registered Voting goes Directly to/from the Company

With registered share voting, rather than trusting my broker to report my vote/share count accurately and honestly, my communication is directly with the company. And rather than my ownership falling under the umbrella of Cede & Co where I am nameless, the company knows I'm Pink Cats on Acid with xxx shares in DRS. **And when I send my vote back to the Transfer Agent, that's exactly how many shares are being reported.** No middlemen fudging numbers or disregarding the vote entirely. There are multiple ways for you to vote as a DRS shareholder. More on that in a bit.

Proxy Materials

So when it comes time to vote in the Annual General Meeting, you will receive proxy materials ahead of time. This is what the company is presenting its shareholders for a vote. When you own registered GME shares, this material will come directly from Gamestop, through their contracted Transfer Agent, Computershare. If you own shares beneficially, you will receive this info from your broker. Generally these materials are sent out within 6 weeks prior to the Annual Meeting.

<https://preview.redd.it/n7phwbsvckr81.png?width=1078&format;=png&auto;=webp&s;=b105b2fa340524fa5a11300c97db9dea35c99c0b>

Share Record Date (Also called proxy record date)

The date you must own your shares by in order for them to count in this year's vote

According to Computershare's handbook, the share record date is usually around 50 days before the annual meeting.

<https://preview.redd.it/qfainshuckr81.png?width=1078&format;=png&auto;=webp&s;=8f13fee3ec8a8f430f253993cc399c25e75be77b>

And according to the Computershare investor center, the Annual Meeting for Gamestop is scheduled on June 2, 2022.

<https://preview.redd.it/zpdxdfkrskr81.png?width=960&format;=png&auto;=webp&s;=e6ddc0dc4e7f12981639c3f944cd1c2fa39ce41f>

So that would mean the Share Record Date is probably around April 13/14 this year!

■That means the DRS transfer/purchase will need to be completely settled by then!!■

I repeat!!

You will need to own your shares by this date in order for them to be counted in this year's vote!

****AND YOUR VOTE DEFINITELY COUNTS!!!****

Heads up!! You can register to do all this online with Computershare to save time (and save the company money and paper)

Being Direct Registered doesn't mean you will be engaging in proxy season through mail and having to wait for a Computershare letter. [They have the option for investors to go fully digital and engage in annual shareholder communications electronically, while still maintaining direct communication with Gamestop.](<https://www.computershare.com/us/individuals/i-am-a-shareholder/receive-your-shareholder-communications-digitally>) So you can receive your proxy materials online and also vote directly without fucking with mail and stamps and the post office. And save Gamestop a ton of money on post and paper!

[Paul Conn, President of Global Capital Markets at Computershare recently posted an update about it on YouTube too.](<https://www.youtube.com/watch?v=VRmUnpcBpds>)

How to vote: Registered vs. Beneficial

So that means as a ****Direct Registered Shareholder****, you have a few options to vote:

- * Through the mail via Computershare(they will automatically send it to the same address as you receive other correspondence)
- * Enroll for electronic communications via the link above and do everything online through Computershare's investor center, including voting
- * Vote in person at the meeting

As a ****beneficial owner**** you will be engaging with your broker, not directly with the company. They are responsible for how they send you proxy materials and how you vote. You will receive more info on that through your broker dashboard/however you communicate with them.. and they will instruct you how and where to vote.

It's worth noting that as a beneficial owner, you will be voting through a third party proxy company. Many of these broker-contracted agencies are owned by the very entities engaging in abusive naked shorting. [Like Say Technologies, used for proxy voting by brokers like Drivewealth and others, which was recently acquired by Robinhood.](<https://blog.robinhood.com/news/2021/8/10/say-technologies-is-joining-robinhood>)

The particular company mentioned by Computershare's handbook above is Broadridge, who owns [proxyvote.com](<https://proxyvote.com>). That's likely how many of you voted last year.

And as we found out last year, overvoting doesn't tend to occur when the majority of votes are from beneficial owners, because your brokers retain the right to vote your shares and the third parties they contract with trim the votes for them anyway.

Only through voting Direct Registered shares can you actually go on record accurately to vote directly with the company- and prove overvoting (if enough DRS investors vote, of course!)

Don't forget the proposed Stock-split/Dividend

Of course, aside from exposing market fuckery, one of the most important reasons to have your shares

directly on the books of the company (asap) is to be able to vote/participate in the proposed stock-split/dividend. Idk about you, but I don't leave free money sitting on the table, if nothing else.

<https://preview.redd.it/npdzpzwqckr81.png?width=828&format=png&auto=webp&s=96971289c74cfd4e588d16ea3d0437353f2f2cc3>

Dispelling a myth- A share recall is not required by Gamestop or Computershare with a split/dividend

According to Computershare, there is no requirement for a share recall originating from the company (Gamestop) or transfer agent before issuing a dividend. It's up to the lender (broker) of a stock to perform a recall.

<https://preview.redd.it/h4wye1pockr81.png?width=900&format=png&auto=webp&s=5f3193d111a96d4f868bbe875a657150aef03ad6>

[from the Journal of Financial Research](<https://csfme.org/Portals/0/Academic%20Papers/Short%20Lending%20-%20JFR.pdf>)

If a lender wants to vote, they will need to recall the shares themselves and that's a whole other sack of bullshit we don't have time for today.. **But a share recall will NOT originate from Gamestop or Computershare before issuing a split/dividend.**

Also note that while the date could be the same, the *Dividend Record Date* is different from a *Share/Proxy Record Date*. So the date to make you eligible for a dividend could be different from the date you have to own shares to vote.

Conclusion

Last year's proxy season was a very proactive time. From handing out voting flairs to nagging international brokers to admit they don't have the shares... we were on the right track! And I hope the community realizes how powerful voting can be if the shares you vote are direct registered. Not only does this qualify you for a split/dividend, it also gives you direct voting rights that you can report directly to the company. And actually have an IMPACT!

There will still be options for many to vote through their broker, just as there was last year. If you search through my profile history, I made daily posts last year about voting, so I'm sure you could find some resources there. I can't link due to brigading rules, but it's all in my post history.

As we get more information and proxy materials from Computershare I will be sure to update and provide further how-to guides if need be!

<https://preview.redd.it/6x77isxjckr81.png?width=1469&format=png&auto=webp&s=793199dabb6910d1756bdc4d7357328ad32da425>

BUY. HOLD. SHOP. DRS. VOTE!