

Title: Suppose the 7:1 Splividend was disbursed on a blockchain exchange (now, EOD 24-June-2022), is this how it would follow?

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Suppose the 7:1 Splividend was disbursed on a blockchain exchange (now, EOD 24-June-2022), is this how it would follow?

1. 6/7th of the current share price ( $\$135.21 \times 6/7 = \$115.89$ ) will be disbursed as 6 shares on the blockchain exchange, while existing shares traded on the NYSE will be worth 1/7th of the current share price ( $\$135 \times 1/7 = \$19.32$ ).
2. Brokers who do not currently have custody of their shares (e.g.: lent or sold them short) will not receive the 6 share dividend (and therefore cannot deliver them), so they will pay out the cash equivalent (\$115.89) to their account holders.

If steps 1-2 appear accurate, I'm not sure the Splividend would directly force buying pressure (or upward price movement).

Instead, it would make every short position cost \$115.89/share to maintain (still cheaper than closing short positions) while incurring minimal cost to the Company. Closing of short positions (and price movement) might follow due to risk of subsequent Splividends.

edit: I'm assuming that the blockchain Splividend shares would be for a carve-out/spinoff entity, initially worth 6/7ths of current Company market cap.