Title: My opinion on why Short Sellers will get burned, bad, due to a stock dividend!!!
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Just went to Investopedia to document myself about the effects of stock dividend. Long story short is that it has the same effect on the price as a normal split, the positive thing is that the ownership is kept the same, with the expectancy that price will increase and will create additional value to the holders. Also no **TL/DR**, you go read it if you want to understand.

You should first understand the concept of three very important dates:

1. **Ex-dividend date**: The date on which the dividend eligibility expires is called the ex-dividend date or simply the ex-date. For instance, if a stock has an ex-date of Tuesday, June 5, then shareholders who buy the stock on or after that day will NOT qualify to get the dividend as they are buying it on or after the dividend expiry date. Shareholders who own the stock one business day prior to the ex-date—that is on Monday, June 4, or earlier—will receive the dividend.
2. **Record date**: The record date is the cut-off date, established by the company in order to determine which shareholders are eligible to receive a dividend or distribution.
3. **Payment date**: The company issues the payment of the dividend on the payment date, which is when the money gets credited to investors' accounts.

It is normal for the price of one share to drop on the ex-divi date, (from now onward I will use 1 share as an example to better explain my reasoning) because basically you had one share that now becomes 3 shares (you received 2 shares as a divi), meaning that if the prices wash 210$ on the record date, the price might go to 70$ for one share on the ex-dividend date (but you get an extra 2 which are worth together 210$). The same thing happens when there is a cash dividend, the price of the stock drops by roughly the same amount because basically they are taking that cash from the company's account and giving it to the shareholders, so this would be completely normal price action. But at the same time the value of the stock could be sustained by continuous buying and maybe drop only to 150$/share (this is complete speculation; you do the math on what would be the worth of your shares).

Mkay… now the interesting part … compared to a normal stock split where all the shares issued are divided according to the split ratio, in the case of share splitting through stock divi you need to fulfil one BIG requirement, and that is to be have the shares settled in the account on the **record date** (either normal brokerage or DRS), but for normal brokerages you need to consider one very important thing. the T+2 days settlement period. What this means is that for you to be eligible to receive the dividend you need to buy 2 days prior to the **record date**. It is not enough to buy on that day or one day before.

Now lets see what would happen to someone that holds 1 "eligible" share on the **ex-dividend** date (might even be the **record date**, but don't take my word for it) and decides to sell it (I am not saying someone should do that!!!, it's just an imagination game), he will, theoretically, own 0 (zero) GME shares, but on the dividend **payment date** he (the seller) will receive the 2 dividend shares, while the new owner that bough his share will have just the one (1), nothing else, squat, nada!

Now that you understood how a dividend works, let me just give you another piece of info that might get your tities jacked… There is a particularly interesting thing regarding short sellers of stocks that pay a dividend, bear with me, when they (greedy HF) usually sell short and there is a cash dividend the short seller is responsible to pay that dividend cash amount to the lender, because the lender that is the owner of the stock but he doesn't have it in his possession on the ex-divi date still want's that money, so he gets it from the one that borrowed.

So basically, the lender gives 1 share, short seller sells 1 share (so he also doesn't get the dividend because he sold), **ex-dividend** date comes, short seller needs to pay/return the lender 2 shares from the divi plus the 1 (one) original share. You can see why things might become interesting… because now the short seller needs to buy from the market not 1 share but 3, from the people (diamond hands) that, actually, held on the record date. Now because of the whole T+2 settlement period, not every share from the float (approx. 75M) is eligible for a stock dividend, some of them will be caught in limbo and not receive anything, meaning that a 3 to 1 dividend stock split will not result in exactly 75Mx3=225M float, it might be much less, resulting in short sellers will have an even harder time trying to find shares to give back (and pay the owned dividend) to the lenders!!!!

If my 2 cents are correct this will be an interesting time in terms of volatility and price action.