

Title: Dispelling FUD around selling through Computershare (crossposting u/evilscootsman999's write-up which convinced me to DRS 100%)

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Hey all,

So from time to time I have seen these discussions pop up on the limits of selling through Computershare, and there have been waves of FUD regarding using their systems for selling. I want to clear up some misinformation so that we don't keep spreading incorrect info. In order to do that, we have to understand what limit sells are, for those who are new to investing.

### ##Limit Sells

When you enter an order via a limit sell, you are setting a floor for the price you will accept (over) and the price you won't (under the limit). A limit sell with a limit of \$100 will fill above \$100, and it will not fill if the price drops below. In reverse, a limit buy has a cap of what you are not willing to pay more than. With limit sells, there is no cap. The "limit" is a floor for what you will not accept less than per share.

### ##NBBO

Per law, brokers are required to fill your order at or near the NBBO; the national best bid and offer. When the price of a stock reaches higher than the limit of a limit sell, it **acts as a market order** and it will fill at or near the NBBO. At the current price of \$102, if you entered a limit sell of \$100, it would fill around \$102, and it would not fill below \$100. Similarly, if you set a limit sell at \$100 and the price increases dramatically to \$127, your order will fill near \$127. If it drops below \$100 before your order is filled, it will not fill.

### ##Computershare Limits

Through Computershare, their systems have a max you can enter for limit orders, at ~\$214k. This is the max you can enter for your lower limit, your floor. This limit is not a cap, but rather the maximum amount you won't accept less than. Above \$214k, your limit sell **acts as a market order and gets the NBBO**. If the stock is trading at \$10M and you enter a limit sell at the max of \$214k, it will fill at or near \$10M. Below \$214k it will not fill. CS has confirmed that they have no caps on what orders actually fill at on the market, and if you sell a share for \$10M (via market order or limit sell) you will get \$10M from CS. Understanding what a limit sell is, we can understand that **limit sells do not have caps** anywhere on the stock market and not even CS has control of what your order fills at. The only cap they have is what their systems will allow you to set for lower limits.

### ##The Estimated Sales Proceeds Limit

Computershare has a maximum order amount you can enter via their online system. This limit, the Estimated Sales Proceeds Limit, is a cap on the amount of shares you can enter for an order, based on the cumulative amounts of your limit sells.

We will use the example of their *previous* limit to show how this works. Their previous limit was \$1M per order. This means that using the max you can enter for their limit sells at \$214k, the "estimated total" can not exceed \$1M. You would be able to enter 4 x \$214k limit sells before reaching this order cap of \$1M. Again, this cap is **not a limit on what the order will actually fill at on the market**. It is a limitation of their system for grouping orders by amount.

CS has raised their estimated sales proceeds limit to just under \$10M (\$9,999,999.99). This means that, using limit sells at \$214k, you can group 46 sells into a single order. Once this order hits the market, your shares will fill at the NBBO if the price is above \$214k, and will not fill below this limit. Again, CS **cannot**

limit what your shares sell for, only what can be entered into their system. CS have confirmed that you can now also make multiple orders via their online system, whereas before it was limited to 1 order at a time until filled.

## ##Selling via CS

With this all in mind, you will want to enter your limit sells via Computershare \*when you want to take profits.\* If the price is anywhere above \$214k when you enter your limit sell, it will enter the queue to be filled the soonest it can. This means that you will have to pay attention to the price when you want to sell and only enter the order at the price you want to take profits at. Other brokers that allow higher limits allow you to be more hands off as the price approaches your huge limits, but due to the low floor of selling via CS you will need to be on top of your price targets when you want to sell.

## ##Gaming the NBBO and market orders

There is discussion around market orders and the NBBO, where some say that using market orders can screw you over if hedgies use some fuckery to drop the price for a split second. I admit that I am not wrinkle-brained enough to dispel this fud, but I do have my own opinion towards this.

Hedgies are desperately trying to keep the price below a certain price point, the point at which marge calls. Above this, if they fail their margin calls, their short positions will be closed out and the computers at the DTCC and prime brokers will go BRRRRRR in a force buyback of the shares. Let's be real, when the price is at \$214k, absolutely nobody will survive their margin calls up until this number. If they can't handle ~\$400 in the Jan sneeze, there's no way they will survive until \$214k. By this point, SHFs will already be in a process of liquidation beyond their control. The only buying that will take place at these huge price points will be the automated computers buying up all the shares they can to close out hedgies short positions. The SHFs manipulating the price \*now\* will not have that ability past \$214k due to margin calls and forced buying. I'm not saying it's not possible the price could drop from fuckery during MOASS to mess with your market order or CS limit sell, I'm saying it is unlikely it will be the hedgies that are \*currently\* manipulating the price. In the millions and hundreds of thousands, it will also be too expensive to borrow and short.

Another note: if the price is at \$10M and you enter a limit sell or market sell order, can a super low bid go thought and screw you over?

I don't think so. Go ahead and test yourself today. Put in a limit buy at \$50 and see if it fills. It won't. Since \$50 is not near the NBBO of \$100, it will not fill. During MOASS, when the computers at the DTCC are buying up everything they can using market orders, a low ball offer will not make it though the torrent of automated buying to affect the NBBO. \*\*This is not financial advice, just speculation. Sell at your own discretion.\*\*

## ##Conclusion

As we can see, limit sells are not capped. Computershare's limit of \$214k is a FLOOR, the highest floor you can enter in their systems. Limit sells will fill near the current price, above \$214k. Similarly, the estimated sales proceeds limit of \$10M is an order cap \*for their systems\*, and not a cap on what your order will fill at on the market. \*\*There are no caps\*\* on the stock market using limit sells. You should also only sell at the price point when you are ready to take profits, since limit sells will fill asap above \$214k.

EDIT: if you want a more in-depth look into limits, be sure to check out [this post]([https://www.reddit.com/r/Superstonk/comments/sr5a5h/navigating\\_moass\\_a\\_beginners\\_guide\\_to/?utm\\_source=share&utm\\_medium=ios\\_app&utm\\_name=iossmf](https://www.reddit.com/r/Superstonk/comments/sr5a5h/navigating_moass_a_beginners_guide_to/?utm_source=share&utm_medium=ios_app&utm_name=iossmf)) by u/hmhemes

Buy, hodl, DRS, limit sell. ■