Title: Could the FED or DTCC do the following?
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When the squeeze kicks off there seems to be two possible outcomes, one is an unbridled monstrous surge in price that causes a huge transfer of wealth but likely has catastrophic and possibly existential consequences for the wider market.

The other is some type of government intervention, this is usually posited as a buy back. So the government steps in and offers, for example, $10,000 per share. The main argument against this is usually that it would destroy confidence in the market but the implementation of that also seems hard to imagine, like how many shares do they buy back, just enough to cancel the shorts and everyone left holding a "real" share gets left out of the 10k offer? Or do they buy back every single share for 10k? Who then owns the shares? Do they give them back to gamestop or somehow redistribute them to the shareholders, how would that work? It seems complicated, if someone has realistic answers on how that would work I'd love to hear it.

If there is going to be intervention it seems it would be something unprecedented but also ideally something simple. Could the government do the following?

1. Halt the stock for ten days.
2. Do a full inventory of every broker and fund to work out the true number of outstanding shares.
3. Multiply the number of synthetic shares by the price when the stock was halted.
4. Then award that amount of cash to gamestop while adding the number of synthetics to GameStops shares outstanding.

So for example, lets say the squeeze kicks off and the price rockets to $1000 per share. The SEC halts the stock and investigates the matter. After taking an inventory of every broker they realise there's an additional 500 million shares in circulation. So, they award Gamestop an additional 500 billion in cash, while altering the float to include the additional 500 million shares, eliminating the synthetic short interest in the process. In this type of event retail would lose out on an enormous amount of money but it might be the most elegant solution from the perspective of intervention, everyone is still kind of a winner in this scenario.

* Retail keep their shares which for many are now worth more than 10x the price they paid.
* The synthetic short interest is resolved in an affordable manner and without collapsing the market.
* Gamestops future as a tech giant is all but guaranteed and a number of huge acquisitions would likely commence on their behalf.
* The guilty parties could be prosecuted and jailed.
* Gensler could use it as the perfect excuse to move towards a blockchain exchange to remove future systemic risk.

Retail would complain but I don't think anyone would listen after they've 10x their money. The only outstanding issue I could see would be the innocent, non naked short sellers, who didn't short gamestop in a predatory manner, but actually shorted gamestop because they believed it was a dying brick and mortar company. They would be annihilated, but that could be resolved with compensation for the government intervention to meet their liabilities.

Before anyone accuses me of FUD, obviously I don't want this, like everyone else I much prefer the idea of promptly becoming a millionaire. But, while this isn't perfect, is this the solution that would be least catastrophic for the market, the dollar and the general population who don't hold GME?