Title: THE EVERYTHING SQUEEZE. Is everything short? I have so many questions...
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IS EVERYTHING SHORT?!

This is not financial advice in anyway. I think this is all wrong. It has to be. But either way don't make financial decisions after reading my incoherent ramblings.

The only advice I'll give: Stay safe out there. Be kind to one another.

So, I'm not sure if I should label this a Due Diligence. Honestly, I hope someone has some better data and will prove me wrong or someone will point out a fatal flaw in my smooth brain math and drawings. Please, tell me I'm wrong, tell me the answer to the GIGANTIC question I have to begin this with is a resounding 'NO!'. Or hopefully, 'FUCK NO! That would be fucking crazy!'. And really that sums up why I'm not sure if this a DD, because it's mostly questions. Fuck, I have so many questions. Hopefully, this isn't too much tinfoil. To start:

Is everything short? Or maybe more accurately. Is there ANY delivery in the market?

Besides DRS of course. It seems to me that Directly Registering your Shares may be the only thorn in the DTCC's side. The only thing that will show that Failure To Delivers have been controlling (plaguing) the market for the past... 10 years? 20?

Really think about that question again. Is the entire market sold short through FTDs? It's fucking insane. My tinfoil hat might be more of a tinfoil suit in your eyes at this point.

But please, let me explain, and then prove me wrong. Because that question has been haunting me for the last couple of days and it makes me sick.

1993 – The beginning of the end

It all could have ended in 1993. But too few cared and eventually greed took over.

From Dr. Susanne Trimbath's Naked, Short and Greedy, "Exactly the way that Ray Riley explained it to me in 1993, the fact is the excess supply of shares created by shorts, fails and loans will have a negative impact on share prices that is greater than any outright sale of the shares by an investor. The impact can run to multiples of the issued and outstanding shares. In documented cases, the number of shares being traded – and voted – was 150% of the issued and outstanding shares of a company, even a big company like Bank of America." (Naked, Short and Greedy PG. 35)

Read some of that back real quick:

"**excess supply** of shares **created by** shorts, **fails** and loans **will have a negative impact on share prices** that is **greater than any** outright **sale** of the shares **by an investor**."

To me that reads like: the use of FTDs can be used to control prices.

"In documented cases, the **number of shares being traded – and voted – was 150%** of the issued and outstanding shares of a company, **even a big company** like Bank of America."

To me that reads like: Company stocks were short >50%. No company was safe.

2003 – The monster is growing

From Naked, Short and Greedy, “I quickly recognize that this is the same problem the corporate trust officers like Ray Riley brought to me in 1993, when fails to deliver were around $6 million. In 2003, while I am meeting with Wes in New York, the fails in equities are over $6 billion.” (Naked, Short and Greedy PG. 36)

Like I said, In 1993 we could have saved ourselves when this was a $6 million problem. In 2003 FTDs are already a $6 billion problem. 1000X over 10 years is impressive growth. I really hope these morons didn’t drive it another 1000X by 2013 to put it at $6 trillion. That’s not possible right? Or even over the next 20 years. They wouldn’t do that right? I honestly can’t say, but I really hope they’re not that dumb.

Looking at several tickers in the SECs website it looks like FTDs have mostly just continued to go up over time. I’m sure someone smarter than me could do a deep dive on FTD data over time though.

2004 – Your vote matters – Or, wait, no...

The STA (Securities Transfer Association) puts out a, “white paper in December of 2004 on the role of short sales in over-voting for corporate elections.” (Naked, Short and Greedy PG. 51)

The white paper is titled: “Treating Shareholders Equally”. The conclusion of the white paper? “some unauthorized parties are being allowed to vote while real owners unknowingly lose their voting rights.” (Naked, Short and Greedy PG. 51)

Over-voting is starting to uncover the FTD nightmare. Maybe your vote does matter. Or, wait, no...

2005 – A very very very important year for FTDs

“Just four months after the STA’s white paper is released, the Securities Industry Association (SIA) sends a letter to the NYSE describing how they can hide over-voting caused by shorts, fails, and loans.” (Naked, Short and Greedy PG. 52)

Companies have way more votes during shareholder meetings than should be possible. So, the answer is to get to the bottom of why there are more votes, right? Nope, the over-votes are the problem. It’s curing the symptoms and ignoring the disease.

Remember when we all thought our GME votes would flood through their system and all the fuckery and what we now know are FTDs would finally be revealed? Ah, to be young and naive again. I’m sorry to say it, but unfortunately, we were wrong and very late on that one. They were making moves to patch that hole in 2005. I know I’m not the first DD to figure this out about the vote, but it’s important so I’m covering it again.

“When the STA surveyed their members about the corporate voting experience around the time of the SIA letter, it showed that **over-voting occurred in more than 90% of corporate elections**.” (Naked, Short and Greedy PG. 53)

Five months after they start looking to patch the over-voting problem, “the NYSE would remove the mandatory buy-in rule, which could have been used to force a seller to deliver shares by allowing the buyer to purchase the same shares on the open market and to charge the cost back to the original seller.”

2005 is a VERY important year for FTDs. Over-voting is revealing the FTD fuckery and buy-ins are allowing for forced delivery. So, naturally they get rid of both.

They make a few big moves in 2005 to protect FTDs.

2006 – Hahahaha wait what?

“On an average day in March, unsettled trades amounted to more that 750 million shares in almost 2,700 stocks, exchange-traded funds and other securities…” (Naked, Short and Greedy PG. 85)

There were 750,000,000 FTDs on an average day in March 2006?! 750 million? Do I have that right?

I know how you all love the ‘fines’ (pay-to-crime) in Wall Street. This one might be a contender for one of the most infuriating fines of all time. In 2006, “a major bank was fined $1 million for failing to exercise due diligence. The firm had allowed their over-voting service subscription to lapse and had failed to adjust votes to prevent over-voting in 12 out of 15 instances tested, according to an announcement by the NYSE.”

Haha seriously? Some people point out over-voting is an issue in 2004. They implement a plan in 2005 and by 2006 they’re fining banks for over-voting. Why aren’t they fining for non-delivery of the shares?

In 2006, “the STA found over-voting in every corporate election surveyed.”(Naked, Short and Greedy PG. 53).

They found over-voting in **every** company’s shares? How in the fuck?

WAIT STOP!

Later when I’m on page 92 of Dr. Trimbath’s book I read something that stops me in my tracks. It’s in a letter from the SIA (Securities Industry Association) to the NYSE in 2005.

“since on average only 35% of clients usually vote” (Naked, Short and Greedy PG. 92)

Now, this is where again, I hope I’m wrong. I hope I’m a smooth brain and this DD will just fade away as another Ape misstep on the journey to MOASS. Tell me I’m wrong about the entirety of the market being a complete fucking sham. Then again, I think a lot of you are going to go, “yeah, duh.”

Maybe, those numbers have jumped out at you already. My head nearly exploded when I connected them and I haven’t been able to think about much else since. Let me see if I have this correct? In 2005, 90% of companies had over-voting. (In 2006 it was all the companies they surveyed.) At the same time in 2005... only an average of 35% of clients voted?

How the fuck does that work out?!

[Over-Voting in 2005](https://preview.redd.it/03t9mfhdcjj91.png?width=1920&format;=png&auto;=webp&s;=6e2cb9b70a77b00f0785070128e014ecf9638f5f)

A company has 100% of their shares outstanding. Only 35% of clients vote. Then vote counts should be around 35%. If you’re getting an over-vote then that means there are a MINIMUM of 65% shares short.

Were 90% of companies sold 65% short AT A MINIMUM in 2005? Was every company’s outstanding shares inflated to >165% through FTDs in 2006? Has it only gotten worse today?

TIME-DELAYED-ARBITRAGE

Someone will hopefully come up with a better name for this. Hell, it might already have a name, but this is what I’ve been calling this fuckery. Time-Delayed-Arbitrage. First, there’s an important question behind FTDs that I’m not sure it’s possible to answer with the info we have. Do FTDs ever need to be closed? Does delivery ever actually need to occur?

According to Naked, Short And Greedy, the answer seems to be no.

“when settlement failures are added to the picture, then the shorts have no incentive to cover. The trade is allowed to remain unsettled indefinitely; there is no margin call because there is no loan.” (Naked, Short and Greedy PG. 77)

So, back to my smooth Time-Delayed-Arbitrage theory:

[Time-Delayed-Arbitrage](https://preview.redd.it/ply0iqyecjj91.png?width=1920&format;=png&auto;=webp&s;=580876e8cf5d9c841fb0967d9db412b6e681150b)

Or in other words, let's use the car analogy that floats around a lot. It's not perfect because it doesn't take the most observant person to notice if a car isn't delivered, but let's say retail is a bunch of idiots. I sell some moron a Lambo for $1,000,000. But the market is so fucked that I can take as long as I want to actually deliver the Lambo. A year later, I see the same Lambo on sale for $900,000 from some other idiot. I buy the discounted lambo and finally deliver.

I just made $100,000, had that $1,000,000 for a whole year to do whatever I want with, and some moron just got a depreciated Lambo worth $900,000. I basically got a $1,000,000 loan for a year and then got paid $100,000 in interest for taking out the loan. Hell, maybe I'll turn around and offer to buy his lambo for $850,000 - it is a year old after all.

If you're a greedy asshole, why wouldn't you do this?

LET'S BRING OVERNIGHT REPO IN FOR A QUICK SEC. WHY NOT?

"The buyer's broker-dealer gains this time-value of the trade's cash over the fail interval by investing any end-of-day cash into investment vehicles such as overnight repurchase agreements that allow them to earn interest on idle cash balances." (Naked, Short and Greedy PG. 54)

They take retails money and use it as an interest free loan because they don't have to deliver anything? Cool…

JANUARY SNEEZE – FTD NIGHTMARE 1

SUBTITLE: PAYMENT FOR ORDER FLOW – Ha, did they fuck themselves?

Order flow is clearly very important. They say PFOF isn't important, but then turn around and pay hundreds of millions to access it. Data is knowledge. Knowledge is power. And with great power comes great responsibility. Too bad that power is being abused. But did they fuck themselves with PFOF?

With PFOF came free trading and Vlad's app and the "gamification of wall street". More people flooded into trading and suddenly retail was throwing more money at the stock market then ever before.

A dream come true for FTD 'Sellers' at first. More morons giving them money for stuff they never have to deliver. They must have been raking it in at first.

Then the January Sneeze happened.

[January Sneeze Loop](https://preview.redd.it/aekoqq2gcjj91.png?width=1920&format;=png&auto;=webp&s;=1d63445bd8408ea53f86844e766e1e0cc7c81e6a)

They were stuck in a loop of their endless FTDs, but at the same time retail just kept buying and just kept sending the price higher and higher. They were so fucked! And still are!

Let's take a look at that dumb Time-Delayed-Arbitrage graphic again, but this time add the FTD Nightmare Loop. The place where you get stuck when Retail starts to clue into your game and can't be so easily scared off.

[FTD Nightmare Loop](https://preview.redd.it/hrlf256hcjj91.png?width=1920&format;=png&auto;=webp&s;=a7d2e5827127b13ea0ad64e772117ffb669cf632)

And we all know how that ended. They just turned off the buy button. They tried to stop the game. Let's face it, they scared off the majority of retail when they turned off the buy button. They killed the fomo. But they failed at killing the hodlers – something they'd never seen before.

But you beautiful Apes didn't stop doing researching and digging into their fuckery. And eventually we uncovered their Achilles' heel: DRS.

SCHRODINGER'S SHARES and DRS – FTD NIGHTMARE 2

Is it possible to tell if a share held in a brokerage account is real or not? If you hold shares in a brokerage account, do you really own shares? Or do you have more of a Schrödinger's Share?

“When regulation SHO was proposed, commenters noted difficulties tracking individual accounts in determining fails to deliver” (Naked, Short and Greedy PG. 74)

Brokers don't know if you have an FTD or real share sitting in your account. So how could you know?

“How tragic the problem has gone this far; that not only do the broker-dealers not know whose shares are bought, sold and lent, they can't even tell if a selling customer has delivered shares.” (Naked, Short and Greedy PG. 74)

The only way to figure out if you are hodling real shares is to DRS. Or in other words, DRS is the only way to open the box on your Schrödinger's Shares. FTDs allow them to take your money and never deliver your shares. DRS is the only way to force them to deliver. DRS is the only way to confirm your shares are REAL.

$6 Trillion in FTDs?

Remember when I asked if $6 trillion in FTDs these days is too insane to be real?

The DTCC processed a record $2.15 quadrillion of financial transactions in 2019.

From Naked, Short and Greedy:

“If only 1% of DTC trades fail and DTC settles $1 Quadrillion of trades a year, then $10 Trillion worth of trades fail a year. This is not a small number. DTC indicated that 85% of all fails are settled within 10 business days. If fails occur in a random market, the dollar value of fails that exceed 10 days would be $1.5 trillion.” (Naked, Short and Greedy PG. 54)

In 2003 FTDs are a $6 billion can of shit. $6 trillion is an insane amount right?

A mere 1% of trades failing on $2.15 quadrillion in 2019 would be $21.5 Trillion. Based on Dr. Trimbath's math, FTDs exceeding 10 days could have been worth $3.225 trillion in 2019.

Oh boy, please, I'm begging someone. My math is BS… right?

LOANS, PENNIES, and **MUH LIQUIDITY? - BENEFITS OF FTDs to WALL STREET?**

So it's obvious why someone like a Market Maker would be down for flooding our entire market with FTDs, but why does the rest of Wall Street go along with it? What do BlackRock and other huge Institutions get out of this?

Honestly, this could use a lot more research and DD. But here are some of my thoughts.

1. LOANS – The DTCC and other institutions make money off of loaning shares. Say one of our FTD ‘Sellers' get screwed and are finally forced to deliver because some moron retail investor wants to DRS their shares. Instead of closing they take a loan of shares from the DTCC and deliver those to be DRSd and kick-the-can another day.
2. PENNIES – Maybe bullshit, but it would make sense to me if there are several players and middle men throughout the system who are making pennies on every share trade they facilitate. Here's some simple math – if you make a penny on 5 million trades it comes out to $50,000. If some other asshole floods the market with FTDs and suddenly you're making a penny on 500 million trades, it comes out to $5,000,000.

3. LIQUIDITY – If you’re a Blackrock and you own a massive chunk of the entire market, then some asshole flooding the market with FTDs and creating massive liquidity would be a good thing for you right? It’s easier for you to make massive plays with your gigantic bags if the market is incredibly liquid. Let the other guys worry about sticking retail with the bag in the end.

I’m sure there are other ways that Wall Street benefits from FTDs flooding the market. Maybe you can poke holes in one of these, please do. This DD is more about whether or not the entire market is short by at least 65%, the list above is more to start thinking about how FTDs could be good for everyone. If they weren't, Blackrock or the SEC or DTCC would have stopped them by now. This needs way more research in my opinion.

IDIOTS SYNCHRONIZING THEIR RISK

So, I believe that in our current market, there is a huge incentive to accept payment and then failure to deliver on any and every share you possibly can. I believe ‘Sellers’ have pumped so many FTDs into the market that it’s impossible for them to close them all. Two years ago I would have called this a crazy conspiracy. Today I think it’s possible that the entirety of the market could be oversold by a minimum of 65%.

Kenny G’s not the only one out there selling FTDs. I believe FTDs are a systemic issue within Wall Street and they’ve spent the last 20 years turning the entire market into a ticking bomb. Now they’re mad we pointed it out.

All of Wall Street is being held hostage by the FTD monster they allowed to fester and the risk to the market is slowly becoming undeniable.

WILL MARGE EVER CALL?

Personally, I’m not holding my breath for a margin call. Who would be making that call? The DTCC? They have a lot of incentive to keep this racket going and to not let the secret out. SEC have no teeth. All of Wall Street must have every incentive to maintain the status quo.

FAILURE TO DELIVER

The problem is they refuse to deliver and no one is forcing them. It's like signing up for Prime one-day-shipping and ordering a dildo to fuck Wall Street with, but then Bezos says, "Nah. I'll deliver when I feel like it."

DRS is the only way to force that delivery.

WHAT NOW?

I really wish I knew. All I can say is it seems that Wall Street has created a system that not only relies on FTDs and every company being oversold, but has found it to be incredibly fucking profitable.

And if you’ve made it this far then you may be entertaining the idea that the entire market has outstanding shares sitting at a minimum of 165% due to FTDs.

When GME is completely DRSd and GME shareholders all over the world are left scratching their heads when they still have shares sitting at their broker...

The news will spread like wildfire. Fomo will be insane. Brokers will be pointing the fingers at each other and Market Makers. Everyone will be pointing fingers at the DTCC. They’ll try to point fingers at retail, don’t let them. It will be pure chaos. Apes will be zen.

Then, if this DD is right, hopefully the lid will blow off. Hopefully DRS will become a widespread movement throughout retail. Give me that DRS fomo.

What happens if more companies start being completely DRSd?

Could MOASS lead to a DRS wave? Could a DRS wave lead to some sort of...

Everything Squeeze?

Lol, no. That would be too crazy. Right?

SUMMARY – TL;DR

Is the entire stock market a fucking sham? I'm not sure it's really possible to answer that question with the info we're given and the opaqueness of our financial markets, but I really think it might be.

FTDs have the possibility to create a massive loophole that allows those with money to game the entire system and pull money from retail investors. I believe they take our money, delay delivery indefinitely, use the money as a loan however they like, then just wait until it benefits them to deliver. Or ideally, the company goes bankrupt and they never have to deliver anything.

It's possible everything is sold short. It's possible MOASS leads to a wave of DRSing. It's possible a wave of DRSing in all stocks leads to an Everything Squeeze. It's possible I've lost my mind.

Sorry for the length. Thanks for reading.

Again, no financial advice here.