

Title: I saw a comment elsewhere that was meant as an intro to the GME saga. I don't think it did very well. How is this?

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Here's a condensed version of the GameStop (GME) saga, and why you should care. First, I want to make sure everyone has a working definition of naked shorts.

Let's start with an explanation of short selling: someone can borrow a share of GME when the price is \$100. They sell that share on the market at \$100. At some point, they have to return the share that they borrowed. They hope that the price goes down to \$50 before they have to buy and return the share. But if it goes up to \$500, they still have to buy the share to return what they've borrowed. It's a case of "I'll gladly pay you Tuesday for a hamburger today," except nobody knows what the price of burgers will be on Tuesday.

So what is *naked* shorting? It's when somebody *claims* that they borrowed a share at \$100, and sell it, then buy back a share at \$50 and close out their books with nobody ever knowing. But how is this possible? Crime. They're "printing" counterfeit shares for a profit.

Here's what we know: In January the stock was reported at 140% short interest. That means that if there are 100M shares, they borrowed and sold 140M shares. This is a number that's self-reported and relies upon the honor system, and 140% is the highest amount that is legally allowed to be reported. When Robinhood was taken to court, documents showed that the stock was 226% shorted in February. For the analogy, they had sold 126,000,000 shares that don't actually exist. In order to close their positions, they would have to buy every single share in existence 2.26 times. The more they buy, the more the price goes up (demand exceeds supply).

In January, when the stock reached prices of about \$500, Robinhood and others disabled the "buy" button so individual investors like you and me were no longer able to participate in the free markets. The SEC report found that the price increase was due to a huge number of people like us buying more shares. It was not related to short positions being closed. *That means that the counterfeit "borrowed" shares still need to be purchased from the market.*

Since the January price spike, we've done nothing but buy more. The buy to sell ratio is often 3:1 or 5:1. The funds are creating *even more* naked shorts to keep the price down.

****So how is the fraud stopped?****

You don't actually own the shares that are in your account. The Depository Trust and Clearing Corporation still owns the shares. On your side, Robinhood or Fidelity show that you have shares but it's really just an IOU. They're free to continue letting people borrow *your* shares over and over to create more counterfeits. That's why we Direct Register Shares. When you DRS, that share is withdrawn from the DTCC. Now it's *actually* your share and it can't be used to repeatedly make counterfeits anymore.

Here's the crux of it, according to Mark Cuban: [The hedge funds are gambling that GameStop will go out of business.](https://www.reddit.com/r/GME/comments/mcnmeh/mark_cuban_was_right_their_goal_is_to_never_cover) It's literally free money for them. But they did not count on billionaire activist investor Ryan Cohen becoming Chairman of the Board. He's eliminated GameStop's debt, raised a half a billion dollars in capital, hired a slew of successful executives from Amazon and Chewy, greatly expanded the range of goods GameStop carries, started offering delivery, and much more. GameStop is not going out of business, and the counterfeit shares must be bought back. The shorts created so many counterfeit shares at this point that they would go bankrupt trying to buy back enough GME to return what they've "borrowed."

And when a few funds start going bankrupt, it will start a domino effect. [We came "frighteningly close" to a total market collapse in January.](https://www.youtube.com/watch?v=Yq4jdShG_PU) Since then, we've

been buying more and using DRS to withdraw shares from the market. They'll need to purchase some unfathomably large number of GME shares to close their short positions.

That will drive the price per share to absolutely astronomical numbers, and people with GME will become very, very wealthy.

^(None of this is financial advice. I am not a financial advisor. I have never shoved a banana up my ass or eaten green crayons, I swear. But I do laugh at memes because the whole situation is absolutely ridiculous, incredibly illegal, very drawn out, and being a bunch of dumb assholes is what redditors do best. Well, and also save gorillas, give children toys for Christmas, donate to children's hospitals, and dozens of other heartwarming charity projects.) ***^(THAT)*** ^(is the meaning of "Apes together strong.")