

Title: Sometimes I get the feeling that people STILL don't understand Naked Short Selling....
Author: LordTaylorian1973
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So I figured I would do a layman's tale to illustrate the basic mechanics....

Bob(Retail) goes to John(the market makers) to get a can of pop. John says "OK, here's the deal. You give me a buck today, I'll give you that pop tomorrow." John thinks to himself.."the price of pop will be 25 cents tomorrow. I can buy one then and pocket the 75 cent difference."

Tomorrow rolls around and Bob goes to get his pop. John is in a pickle. He never HAD the pop and now today the price for a can is \$1.05. He tells Bob " Hey, I'm sorry. I don't have your pop (Failure to Deliver)."

Bob says " Give me a pop or my money back."

John shrugs and says " I already spent your cash and I don't have the pop. Come back tomorrow."

Bob says " Give me my pop or I'll talk to the sheriff (SEC) about this."

John shrugs again. " I already had a chat with him. He told me what i did was wrong. I agreed to give him a dime as long as no charges would be brought. Besides...he used to work for me." John thinks to himself " I'll just keep not giving Bob his pop until he gives up. The Sheriff won't do anything. He already got his money. If I'm I really lucky the pop company (GME or other company) will go out of business and Bob will quit looking for one then. I'll pay Tom (the Financial Media) to talk shit about the pop company. That will help drive demand down."

The Sheriff leaves his position and goes back to work for John.

John keeps his eyes open for the next Bob.

Very simplified and there's a LOT more at play, but a basic working of the current system.