

Title: It is my belief that if everyone tried to transfer, there would be a discrepancy because we know for a fact that the float is bloated, and that there would be a moment where the actual number of retail shares available gets surpasses which would trigger a recall. And MOASS.

Author: disoriented_llama

Created 2021-09-02 12:26:13 UTC

Permalink: /r/TheGloryHodl/comments/pgguha/it_is_my_belief_that_if_everyone_tried_to/

Url: /r/Superstonk/comments/pa8okk/computershare_background_what_to_know_about/

Is_self: False

First, thanks to u/mommap123 in helping me dig into this information.

To clear things up:

****Computershare is the transfer agent and registrar for Gamestop. Nothing shady here.****

If you want to have shares at Computershare, you will be the direct registered owner through the Direct Registration Service (DRS) of the shares you purchase through them or transfer to them. [Here's some reading on that.](<https://www.thebalance.com/what-is-the-direct-registration-system-or-drs-for-stocks-357536>)

Here's some takeaways from the article explaining DRS (other than DRS being really most useful to people holding shares for long periods of time) ■ pool anyone?

* Pros

* In the event of bankruptcy by the broker, you are protected

* If your broker goes bankrupt, you may have to go through Securities Investor Protection Corporation (SIPC) insurance to recover your account. This claim would be with the company you own part of, not the broker

* Shares in a brokerage account can be lent out

* dividends may be not delivered and instead payment in lieu of dividend would be paid to your account
This may affect taxes

* If you decide to take advantage of Dividend Reinvestment Programs (DRIPS), the can alleviate the tax issue above

* Cons

* Computershare process takes about 5 trading days and it is executed at market with a check in the mail 2 weeks later. ****Edit****: u/yolosapeien says this is the case in his account (no source provided) ******They complete the transaction electronically, but they aren't a broker so they don't hold your money. Once you sell a share they send the proceeds to you. You can fill in your banking info and they will direct deposit the funds, or they will mail you a check if your account isn't setup with your banking info. ******

* Thanks to u/CookShack67

[Source](<https://cda.computershare.com/Content/7e2c2c4c-aeb6-4614-83a3-b67e32756a78>)

* You can submit day limit orders and market orders.

<https://preview.redd.it/ve2u2qavw6j71.png?width=312&format=png&auto=webp&s=9f35fa506b92cb919998ebdf209567dd0e5bf370>

So at first glance, having some DRS shares seems like a great idea - especially if you want to dedicate some to the long term.

****Buying @ Computershare is a great idea too - it might be a better price than your broker too.****

On Computer Share and Registered Agents

[Sauce](<https://www.sec.gov/rules/concept/2015/34-76743.pdf>) | [from Computershare](https://www.computershare.com/us/Documents/TA_Overview_WhitePaper.pdf)

Types of Shareholders

>There are two types of shareholders: registered and beneficial. Registered shareholders, also known as “shareholders of record,” are people, groups or entities that hold shares directly in their own name on the company register. The issuer, or its transfer agent, then keeps the records of ownership for the shareholder and provides services such as transferring shares, paying dividends, coordinating shareholder communications and more, as described below. Beneficial shareholders have their stock held in the name of an intermediary such as a broker. The broker then is able to facilitate trading shares and other services for the shareholders. When shares are kept in this manner, it is often referred to as keeping the shares in “street name.” The vast majority of shareholders are beneficial shareholders.

>

>Additionally, beneficial owners are designated as objecting beneficial owners (OBOs) or non-objecting beneficial owners (NOBOs). By “objecting,” OBOs shield their identity from the issuer and may only be contacted by the issuer via a third party, such as the holder’s broker. NOBOs waive this right and may be contacted directly by the issuer, including shareholder communications such as proxy statements and annual/quarterly reports. Lists for an issuer’s NOBOs may be requested from an intermediary.

>

>When a shareholder opens a brokerage account and has his or her securities put in street name, the broker is required to give the shareholder the opportunity to designate themselves as an OBO or NOBO. If the shareholder does not elect to be a NOBO, he or she will often by default be listed by the intermediary as an OBO

When you go through computer to get your shares, you are the registered owner of those shares and when you go through any broker such as Fidelity, TDA, or Schwab, you are the beneficial shareholder.

What about transferring to Computershare from another broker?

This process is completed using the Fast Automated Securities Transfer (“FAST”) program. Side note, there was confusion here, but I have confirmed the Automated Customer Account Transfer Service (ACATS) (which does trigger a CNS function) is not used in broker to transfer agent transfers of shares. The ACATS is used in broker to broker transfers.

Some Spice From The Sauce

>Records for all beneficial shareholders’ shares are held in book entry by the shareholder’s broker or other financial intermediary via the DTC’s FAST system, described below in the “Transferring shares” section.

>

>**Transferring shares**

>

>A “transfer” is the industry term for a change in the registered owner of stock. When a stock certificate is presented for transfer, the transfer agent must determine that the transfer request is in good order and that all requirements have been met. The same requirements apply to transferring the ownership of bookentry shares. The transfer agent also must determine that the certificate presented is authentic and that there is no restriction on the transfer of shares.

>

>The certificate or instruction presented must include a signature of the registered owner with a medallion signature guarantee, which is a guarantee by the guarantor (usually a financial institution, brokerage firm or credit union) that the signature is genuine and that the person signing is an appropriate person with the legal capacity to sign. In affixing its stamp, the medallion signature guarantor assumes financial liability in the event of a forgery. Medallion signature guarantees indirectly protect shareholders by preventing unauthorized transfers and potential investor losses. They also protect the transfer agent that accepts the certificates and the issuer.

In Ape: If you move your ■■■■ from your current broker to Computershare through direct registration, your current broker will need to locate and certify the ■■■■ before Computershare will accept them. If they do not do this process correctly, you and Computershare are protected by Medallion Signature Guarantee.

[Source: <https://corporatefinanceinstitute.com/resources/knowledge/trading-investing/medallion-signat>

ure-guaranteeV](https://preview.redd.it/repgoxot06j71.png?width=938&format;=png&auto;=webp&s;=183f410e7bf772bcfeb3732d8cfcabb6e673b174)

****Whats a DWAC?****

>Deposit Withdrawal at Custodian (DWAC) - DTC's Deposit Withdrawal at Custodian program is used to transfer shares ****from issuer to broker accounts**** for company holdings such as stock options and employee plan shares.

****What is DRS?****

https://preview.redd.it/pjoetk5k76j71.png?width=348&format;=png&auto;=webp&s;=d0ecf3e0a936d6fa7bc88b198a3dbd515ad30fbd