

Title: Did the DTCC just massively and synthetically (and illegally) short GME? I don't think I've heard anyone hypothesize this?

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Ok, so at this point we know the DTCC never handed out shares that GME told ComputerShare were to be distributed as a dividend. They told all the brokers, even internationally to treat it as a regular split. Just multiply by 4. We still don't have clarification if CS ever handed out the 3x shares but let's pretend and assume they did and the DTCC is hoarding them for whatever reason (or passed them to a "friend")

The real float numbers are all over the place so let's just use easy rounded math. Let's say there were 100m shares in the free float. GME says "hey CS, issue 300m new shares to the DTCC so they can distribute to REAL share owners, which will now bring our total free float to 400m".

Well what happens if the actual synthetic free float in existence is a very modest (pretend) 150m shares. The DTCC now only has enough shares from CS to cover 2/3 of the actual free float. They know they can't randomly pick who doesn't get shares so they hold onto the 300m shares "for now". Then they tell everyone "oh it's just a regular split. Adjust your books to multiply all shares by 4 and you'll be golden".

With these easy made up numbers, here is where the DTCC stands

DTCC owns 300m shares

Shares in existence are now 600m (150m x 4).

Eventually at some point, if a dealer fails, the DTCC is on the hook for the owed shares.

With this math, the DTCC just let out 300m shares it didn't have by telling people to just adjust their books. They just synthesized 300M shares against GME's will.

With this math, the DTCC just inadvertently opened a 300m share short position on GME. Did they not? In essence, by telling brokers to multiply by 4 and saying "we got you" they just added 300m shares to the float, diluting it and becoming short on the stock directly.

This easy made up math made them net even (they hold 300m, but "lent" 300m) but what if the actual synthetic float is 2-3x times the real float? They are now net short and fuk'd?