

Title: Margin Fuckery

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Hey fellow apes, long time lurker but I don't post often. Recently I decided to convert my margin account to cash. I sold all of my securities held in margin and re-bought them with cash. The majority of my positions were Gamestop and AM..you know... The drive to do this was simply to get ready to hodl for a long time, possible till the end of time and not get taxed. I felt good afterward, like now I can hodl forever without raking up margin interest! Hooray! Anyway, 6 weeks pass and I check my account today...97% held in margin after completely converting to cash...I have the sale receipts to prove it! Got on the phone with fudality and at first they tried to say that I owe them \$5,000 in margin interest. I pulled a Karen until I got high enough up the chain that they quietly fixed the issue and now my account is 100% cash. Get this, explanation for the issue:

"even though when you put in your order as cash and hit submit, the system automatically "thinks" that you want to buy with margin because you have a margin account"

"So let me get this straight, when I fill out my order and specifically select cash, you guys automatically buy it on margin anyway? Despite the order slip I filled out and the receipt showing that the securities were purchased using cash?"

"Yes, sir, im sorry sir."

The reason I'm posting this here is because I have a hunch that this is happening to more than just me. I think that when you trade on margin they can internalize the trade entirely and never have to go get stock (which is really convenient when there is no stock left to buy). Since my request to convert to cash was being processed around the time we hit 100% utilization, I can only assume that they were not able to purchase the security at the time of my request and just did nothing. Thanks fudality!