Title: Buying 100 Shares vs Exercising Options
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I see many people saying exercising options is better than buying 100 shares. Can someone back up this argument please?

My view is the delivery of shares from straight up buying and exercising options is the same thing. As a result, FTDs can be satisfied via CNS and the Stock Borrow Program.

Support For View: (https://www.sec.gov/about/offices/ocie/options-trading-risk-alert.pdf) where is says

One strategy that could be designed to take advantage of the potential profit opportunities created by a stock becoming hard-to-borrow (thereby putting the Put/Call Parity into imbalance) is to initiate a Reversal. The activity is most often done by broker-dealers who claim to rely on the exception to the locate requirement for options market makers found in Rule 203(b)(2)(iii).24 **The options market-makers claim that they can enter into the short stock position without first locating the shares to borrow because it is part of “bona fide” market making activity**. Although an options market maker engaged in bona fide market making activity may claim an exception to the locate requirement, to comply with Reg SHO, the options market maker must still deliver shares in settlement of the short sale, or if a fail to deliver position results at the clearing firm, the fail to deliver must be closed-out in accordance with Rule 204 of Reg SHO. It may be a violation of Regulation SHO, however, where the options market maker does not deliver shares, and instead engages in a second, subsequent transaction in order to give the appearance of satisfying the clearing firm’s obligation to purchase or borrow the security to close out the resulting settlement fail pursuant to Rule 204 close-out requirements (“reset transaction”). In addition, where a clearing firm subject to the close-out requirement purchases or borrows securities on the applicable close-out date and on that same date engages in sale transactions that can be used to re-establish or otherwise extend the clearing firm’s fail position, and for which the clearing firm is unable to demonstrate a legitimate economic purpose, the clearing firm will not be deemed to have satisfied the close-out requirement.