Title: Cash in lieu is our biggest concern?
Author: BenconFarltra
Created 2022-07-07 03:17:44 UTC
Permalink: /r/GME/comments/vt8jt9/cash_in_lieu_is_our_biggest_concern/
Url: https://www.reddit.com/r/GME/comments/vt8jt9/cash_in_lieu_is_our_biggest_concern/

Before anyone's brain melts, I'm asking this question because I want someone more knowledgable than me to explain where I'm going wrong.

Could cash in lieu completely fuck the play up? Just hear me out.

If either the DTCC or short parties involved can issue cash in lieu without constraints then the dividend could have the exact opposite effect we're hoping for.

Lets just say for example there's **100 million** synthetics.

Shares outstanding = **76 million**.

Total GME shares in circulation = **176 million**.

So they'll need (3x176) **528 million** new shares but they're only gonna have **228 million** issued. They're short **300 million** new shares.

But, lets say the DTCC rules, as it did in the Overstock case, that they can offer cash in lieu. Lets say they take the closing price on the 18th of July, for example $120. So for every one share you're either given 3 new shares or, when they've run out, $90 ($30x3).

This would cost a total of ($30 x 300 million) = **$9 billion**.

A hefty sum but if our DD is correct this is a drop in the bucket to escape the infinite risk they're currently facing.

In this case the price wouldn't move on the basis of shorts rebuying, although it would explode somewhat as people's cash dividends are reinvested.

And, the short position would essentially be closed, because now there would only be 100 million shorts on a float of 304 million, which is big but not obscene.

I'm not trying to worry anyone, I'm asking honestly, can someone please tell me why this is not possible?