

Title: Buying from a broker, to Route through IEX, to DRS transfer to ComputerShare. Pros, Cons, price discovery and delays.

Author: BananyaBangarang

Created 2021-11-07 21:00:34 UTC

Permalink: /r/DDintoGME/comments/qoxpqc/buying_from_a_broker_to_route_through_iex_to_drs/

Url: https://www.reddit.com/r/DDintoGME/comments/qoxpqc/buying_from_a_broker_to_route_through_iex_to_drs/

Fidelity recently added IEX, which is a LIT exchange. Originally many people were talking about DRSing their shares then purchasing new shares on Computershare. This made a lot of sense, transfer shares and their certificates out of brokers and Cede Co to reduce the float, then purchase the rest of the float directly through computershare and through GameStop (computershare purchases actually appear as GameStop on your billing statements). This also immediately transfers a share certificate ownership from Cede and co to you! This is the way!

Now back to Fidelity and IEX. Call me crazy but I think I've noticed a shift and maybe I missed a memo, but there's a bunch of people saying that buying through a broker, with the goal of affecting price discovery, then DRS transferring to computershare is best. And I'm sure it is for certain strategies, especially if you day trade. But let's talk pros and cons.

Broker/IEX -

Pro : I get a (chance) of getting a better price.

That's always been the case, is this a new strategy? No. I've actually received better cost basis through computershare than the day I made my purchase because the price dropped. I've also had the purchase go through quickly before a run up getting me a better cost basis. Per ComputerShare AMA, they purchased blocks of shares on the company schedule. They are actually trying to get you and them the best price.

Broker/IEX -

Pro : it affects price discovery and hurts the SHF.

The price is wrong yall. Buying through a broker is buying beneficial shares through a broker. DIRECT REGISTRATION OF THE FLOAT WILL HURT THE SHFS. This goal of affecting the price really helps options sellers and say traders too btw.

Broker/IEX -

Pro: say I do get a better price. I'll just DRS transfer them after.

Then you are ahead of me! I just tried to make my DRS purchase sub \$200 (got \$180s cost basis most of the time).

Broker/IEX -

Con: it's a broker, they are beneficial shares. They can delay DRS transfer request to the DTCC, who can then delay them to computershare.

If the float gets close to registered I could see pushing broker to DRS transfer as a way to actually delay DRS.

Purchase however you want. I have some broker shares still, but my new purchases are straight DTCC withdrawals via ComputerShare recurring purchases instead of 401k contributions. NFA.

In the words of Dr Trimbath, if you hold shares with a broker, the fate of your shares are with the brokers. If you hold shares with the company (GS via CS) the fate of your shares are with the company.

Edit: TLDR - DRS directly with ComputerShare is an immediate DTCC withdrawal and I actually received better cost basis from CS as they get you the best price during the window, from lit exchanges. If brokers get exposed I believe long term CS is the safest place for my investment as I want to be the registered

shareholder and receive dividends directly (if crypto or nft then directly to my wallet as CS has stated they are setup to do in the AMA - if you haven't seen it, go watch it, very informative - ComputerShare DRS AMA <https://youtu.be/LVEJo87jejo>