

Title: Silly rabbit... ■ Tickets are for HODLers!

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## Short Stocks and Dividend Payments

Shorting a stock means selling borrowed shares in hopes of buying them back later at a lower price. <sup>[2]</sup> If the price falls, there is a profit. If the price rises, there is a loss. A brokerage firm usually arranges the [lending of shares](#) for shorting by the shareholders among its clients, or the clients of other brokers. There is generally a borrowing fee for the stock, which may vary with its availability and [liquidity](#). The borrower of the stock is responsible for paying any dividends to the lenders. <sup>[3]</sup>



Investors short a stock are never entitled to its dividends, and that includes those short a stock on its dividend record date. Rather, short-sellers owe any declared dividend payments to the shares' lenders.

