Title: Streetname vs DRS quick facts
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Created 2021-11-13 18:06:47 UTC
Permalink: /r/DDintoGME/comments/qt6nvp/streetname_vs_drs_quick_facts/
Url: https://www.reddit.com/r/DDintoGME/comments/qt6nvp/streetname_vs_drs_quick_facts/

It's come to my attention that there are some misunderstandings about what the true difference between having shares registered in your name versus streetname and I want to offer everyone some ideas from my dealings and research.

Streetname Holdings

Share lending happens in more ways than just rehypothecation.

Rehypothecation is one way brokerages lend shares that we've become familiar with. If you have shares in a margin account it allows your brokerage to lend those shares out to SHFs for a price. It gives those SHFs a lot of power. It gives them voting rights as well as the ability to rehypothecate those same shares, as well. But this isn't the only way that your brokerage can lend out your shares to help the SHFs.

The truth is that an SHF like Shitadel doesn't necessarily need or want all the extra trimmings that come along with rehypothecation. They may not care to have voting rights or to relend the shares they borrowed. It's not really what they're after. All they want to do is tank companies for profit. They can do that by borrowing shares in retail accounts as collateral without rehypothecation.

The shares don't have to be in a margin account for this kind of lending, either. The way the system has been "working" allows SHFs to point to shares held in retail accounts as their collateral to cover their ETF arbitrage, for example. It doesn't require a share lending agreement and it's a different kind of lending that an SHF or MM may pay a brokerage for. So, your brokerage may not have a PFOF agreement, and you might have your shares in a cash account, but that doesn't take away from a brokerage's ability to help their SHF partners to use them against you.

If your brokerage has any working relationship with Shitadel, this is likely happening all the time.

So what does that mean? It means that the shares sitting in your brokerage account are just as useful to an SHF as shares that are sold, margin account or cash account. The only way around this is DRS. Leaving shares in streetname, no matter which one, helps SHFs.

PFOF and "Real" vs Synthetic Shares

There's a lot of strange ideas about shares not actually being bought and people are revealing a lot of confusion about this.

If your brokerage uses PFOF, those shares have been purchased. They can't get paid for all the order routing if the brokerage’s orders aren't being placed. This is a positively *massive* revenue stream for brokerages. It's big enough that they have used this model to replace trade commissions.

Just like in 2008 when securitized mortgages were being fast-tracked without any concern as to whether or not they were worth their rating, brokerages similarly don't give a shit about the nature of how shares are created if it means they can get money for them through PFOF. Any fuckery happening with share creation is due to MMs and SHFs.

To be clear, PFOF does suck ass. It should be illegal, but if they're using a PFOF system then they really are actually buying your shares. They can't make any money if they don't. These are mutually exclusive ideas and we all have to come to Jesus on this. It has to be one or the other and there's literally no incentive for them to break the law, lie to you, and not buy the shares. Their entire business model relies on that revenue stream, so we have to let go of this conspiracy theory about brokerages not buying shares for this reason.

DRS

The length of time it takes for them to DRS isn't because they can't locate the shares, either. It's well-established that many brokerages are getting paid routing orders, so the shares are in the system whether they were legally issued or not. Our fucked up system has allowed shares to be created out of thin air by MMs and SHFs through different means willy nilly, whenever they want, but that's *their* gamble, not the brokerages. The MMs and SHFs creating fake shares hold the bag on that. They're the ones betting that they can tank a company before they have to pay the piper. That's how the entire idea of the MOASS can exist. Brokerages using PFOF are incentivized to keep that flow going whether the MMs and SHFs can cover their idiotic short positions and FTDs or not, so the reason for not being able to satisfy DRS requests has to be something other than locating shares. The overwhelming likelihood is that the DRS departments can’t handle a 100X increase in work to our satisfaction.

I’m not saying it isn’t fucked up that they aren’t doing it in a couple days, but it’s difficult to justify thinking that it’s due to anything illegal if you take a broad view of this stuff.

They know as well as everyone else in the business that this DRS thing is never going to be as big as it currently is ever again, so they aren’t going to hire and train up a whole army of people to do it just to make it go faster. There’s no financial incentive to do that and there’s no legal time limit on it other than that they have to satisfy the requests in a “reasonable” amount of time.

That being said, if you can find a broker that is processing this stuff faster, great! But it doesn’t mean that there’s any crime happening in those that are overwhelmed.

Another detail about DRS

If you're worried about selling your DRSed shares back to SHFs during the MOASS, there's an anachronism involved in that.

The MOASS happens when the SHFs liquidate in a domino effect. The way the new rules were written, DTCC members who are over-leveraged will end up having to liquidate. Their debt gets socialized between those DTCC members that weren't over-leveraged. This is in the new rules as written since January. It was done as a firewall to protect the market from DTCC members dumping inventory into the market and crating a massive crash. It keeps the losses contained within DTCC member organizations.

When all the DTCC member organizations topple, then it's up to the DTCC itself to pay what remains. They have a multi-trillion dollar insurance policy they can draw from. If no one sells, the DTCC liquidates and our shares are worth millions each, in theory.

If you sell from CS at that point there's no one left to short GME! To think that you'd be selling to shorting HFs at that point is like saying that you could lose a NASCAR race to a driver that crashed and destroyed his car. It doesn't make any sense.

Because the shares in brokerage accounts are real, the advantage to DRSing is that the shares can't be misused through fine-print agreements that *all* brokerages take advantage of. ALL OF THEM. Shares left in streetname brokerages are being used to manipulate the price no matter what kind of account you have and no matter what your brokerage’s name is.

The only way around all this is DRS.

TL;DR

Shares are really being purchased by brokerages. The fact that they aren't DRSing quickly has nothing to do with their not having purchased them. Shares in streetname, any streetname, are being used against us and there's no advantage to leaving any of them there rather than DRSing them with ComputerShare. And finally, selling from ComputerShare doesn't reverse the MOASS because it makes no sense in real time or space.

TTL;TA;DR

Buy, HODL, DRS and don't let streetname brokerages or unfounded rumors make you think that the brokerage system is serving us in any way.