

Title: Repost since many still don't understand

Author: doctorzaius6969

Created 2022-07-22 15:44:26 UTC

Permalink: /r/GME/comments/w5dsbu/repost_since_many_still_dont_understand/

Url: <https://i.redd.it/6iika4sc45d91.jpg>

3.4k

Thought this was a good explanation. Splividend Vs. Normal stock split

Discussion / Question



~~REDACTED~~ 28m

CantStonk, WontStonk, GameStonk



1 Award

In a normal 4-1 stock split, after hours on the split day, all the brokers would just 4x your shares and $\div 4$ your share price at the same time and boom, the stock is split. With a stock split via dividend all the brokers essentially gotta line up to Computershare with their hands out and hope that there are some shares left when they get to the front of the line. GameStop will only issue the current shares outstanding x3 worth of new shares. DRSD shares, insiders, institutions will get theirs first and then brokers. But when the newly minted shares run out, that's it. And then brokers and SHFs are scrambling to buy shares to fulfill their dividend obligations.



41

