

Title: Can we up the stakes for deliberate crimes?

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Been thinking about all the bullshit with GameStop shares being manipulated by Shitadel and all the fines they rack up doing it. These fines are paper cuts and letting them make billions. Isn't this an easy fix?

I have 0.001 wrinkles so I don't know if this would work, but there should be an exponential fine increase and profit redistribution law passed. Each fine amount should be multiplied by $(N^N/2)$ where N is the number of fines you've had the last 365 days. This money should be redistributed among shareholders of a stock negatively effected by the offense. Seems fair. If you make a few honest mistakes you don't get too badly punished, but you are incentivized to learn from your mistakes and not repeat them. If you are literally committing crimes you will quickly bankrupt yourself. For example, making one mistake has no additional penalty, the second fine you pay twice the fine, the third you pay ~5 times the fee, but the 10th you pay 100,000 times the fee. I can't think of it being feasibly possible to make more than 12 mistakes in a year and not be bankrupt. And if you are making that many mistakes or are deliberately manipulating markets you don't deserve to be in business. Also, by directly giving the fines back to the shareholders, with an option to DRIP it back into the stock affected, it would stabilize the negative affects of the original offense. Maybe I missed something here. I'm sure there must be some obvious mistake in my reasoning because it seems so simple the SEC would have done this years ago.