Title: How DRS helps to amplify the effect of the stock dividend. Also added a collection of links and arguments to hopefully help in educating investors unaware of what is going on in the markets.
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There have been several posts about the stock dividend in the past, but I think to many the implications are still not clear. I have to admit, that it took me a while myself to get the big picture. So let me summarize what we know and calculate an example - with focus on the effect of the stock dividend in combination with DRS.

Disclaimer: I am not working in the financial industry and my post is only a summary of what I have gathered in other posts and on financial websites. This is not financial advice and just my personal view. If you have additional information or counter-arguments, please feel free to post them so they can be either debunked of confirmed. Also sucks, that some terms can not be used here due to policy, so I have to replace them.

So let us start with the crucial difference between a stock split and a stock dividend:

The critical difference between stock dividend vs. stock split is that while stock dividends **allocate shares** free of charge to current investors based on their existing investment, a stock split divides existing shares into multiple units to expand the number of shares.

https://myaccountinghelp.org/stock-dividend-vs-stock-split/

If it is greater than 25% (7-1?), it is considered a **large stock dividend**. The reason you need to understand whether its small or large is because the rules for recording the stock dividend are different. For a small stock dividend, we use the market value, but for a large stock dividend, **you would use the par value**.

https://www.principlesofaccounting.com/chapter-14/splits-and-dividends/

Would need some help here, but I would assume that could be the reason why the price would be split in a similar way compares to a stock split and the market cap would not increase.

But the relevant part is the distribution event.

Lets say we have 75M total shares, but 500M including all phantom shares/IOU.

So in a 7-1 scenario, the new amount of issued shares would be 525M and the total amount including phantom shares/IOU would be 3.5billion!!! shares.

Now the important part is, the more shares insiders own and the more shares are DRSd, the LESS shares are distributed to the DTC.

Just as example: insiders own 10M and retail has 10M DRSd: 55x7 would be 385M to DTC, but if retail has 25M DRSd: 40x7 would be only 280M.

Now the short sellers will have to cover roughly 3B new shares by rehypothecating either 385M or only 280M shares. In any case they are pretty fucked, but the more fucked the better ■■■■■

We have seen some cycles of price running up and down roughly every 3 months in the past. While there are many theories about why this is happening, there is one fact we can all track live:

[Retail buy ratio](https://eresearch.fidelity.com/eresearch/gotoBL/fidelityTopOrders.jhtml)

Even though many believe retail is not selling, this is far from the truth. We have to understand, that not all retail traders are informed like we are. Many are paperhands or daytraders. So while there can be other factors, it looks like the short sellers are trying to suppress the price as long as possible, but at some point have to let the price run up to "reload" shares to short and to use abuse retail to close some fails when they have to.

The reason why I bring this up is, that many believe the short sellers can create as many phantom shares as they want. This does not reflect what is happening, though - as I get it from a post months ago, settlement is limiting the amount of phantom shares they can create per timeframe. In that case the stock dividend would create a massive amount of failures, that the short sellers can not cover in time.

The nature of the Tesla run up would make sense in that context. If there were way less phantom shares, short sellers likely managed to avoid amassing failures by letting the price run up massively and stretching out the short position liquidation while likely hedging at the same time. There could be a good chance they are still not done in closing their positions, just managed to spread out the failure load. The GameStop run up will be a different beast!

As a final note: the stock dividend is not the only deadly bullet Ryan Cohen has prepared. So I think we can all be pretty zen and the main focus should be educating the public of what is really going on. The upcoming crisis might be worse than 2008, so it is mandatory the public is aware this time. That is the only way to ensure prison for financial terrorists.

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A few days ago I had a discussion with a friend. I ran into a brick wall, but it opened my eyes and I will share my conclusions:

We should not be talking about the potential insane run up right at the start, we are likely wasting opportunities because it sounds too crazy without the knowledge about naked short selling and the infinity pool. IMHO it is much better to talk about the broken markets and how retail gets robbed. A 17x increase like in Tesla would be massive and sounds more realistically, plus we have an example this is possible. Some would paperhand, but some would learn, DRS and hold. You can not help stupid, but stupid money can still help the strive for free and fair markets.

First, show George Carlin's awesome video and ask, if they agree:

https://youtu.be/cKUaqFzZLxU

Gerry Gensler admitted publicly, that 90-95% of retail orders no longer goes to lit markets. So how is price discovery supposed to happen to prevent retail from getting robbed?

https://youtu.be/_0rcW8joA60

So now we know for a fact, that "The Big Club" actually indeed "owns" and manipulates the stock market:

https://youtu.be/bP74RBTE8kI

And ask them, if they are aware they are only beneficial shareholders while the DTC/Cede holds the title to their assets. **You register your house in your name. You register your car in your name. Why would you NOT register stocks in your name?** Because retail investors have no way to find out, if they just own an IOU or not (except in case of dividend payments, which would be booked "in Lieu" instead, which also sucks for tax purposes).

Then ask them how they feel about 2008 and the FED actually being privately owned by banks. From there you should be able to convince people, if you really want to piss them off, throw in:

https://youtu.be/T2IaJwkqgPk \- Inside Job https://www.youtube.com/watch?v=8DJlogbrDcA \- Cramer bragging

https://www.youtube.com/watch?v=9RbL8lTsITY \- Power of the FED

https://youtu.be/gHsxLhY-EvE \- Wall Street Conspiracy trailer + full

https://www.youtube.com/watch?v=ZDHA55OCCBg

It is of importance that people understand their retirement savings are in danger - yet again.

“Portfolio managers charge our state exorbitant management fees while underperforming the market”....

[Wall Street’s Biggest Secret Could Be Exposed (levernews.com)](https://www.levernews.com/wall-streets-biggest-secret-could-be-exposed/)

Personally I think it might be even worse and some fund managers might even be in bed with Wall Street, investing into pump and dump schemes on purpose. That would explain, why they underperform the market. That pump and dump is real should be clear after the many Jim Cramer tips like Netflix. And the article below just confirms front-running the pump and dump is really profitable!

[Motley Fool Stock-Pick Hacker Charged With Securities Fraud (2) (bloomberglaw.com)](https://news.bloomberglaw.com/securities-law/motley-fool-stock-pick-hacker-charged-with-securities-fraud)

Please share all that info to anyone you know. We need to wake up way more people to stop the criminals faster and to ensure true change. We do not want an ugly deleverage like 1929, but we need a beautiful deleverage to mitigate the effect of the bubble bursting, that the criminals created over decades.

What we are facing is a Global Kleptocracy. The only thing that gives me hope is to see there are economical leaders like RC, political leaders like the Klitschko brothers and Zelensky, journalists like Jon Stewart and this gang of informed retail investors supporting the fight of wrinkle brains for free and fair markets...

The cool thing is, that the GME run up is the way to mitigate the upcoming crisis, caused by insane decade long greed of institutions by creating a "beautiful deleverage":

https://www.reddit.com/r/Superstonk/comments/u5mt7m/at_the_end_of_an_economic_cycle_is_either_an_ugly

We really need to get the word out and educate people what is really going on...

But this is not financial advice and only my personal opinion. ■■■■■■■■■