

Title: DRS confirmation bias confirmed!!!

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Created 2022-02-20 02:11:52 UTC

Permalink: /r/GME/comments/swq6ge/drs_confirmation_bias_confirmed/

Url: https://www.reddit.com/r/GME/comments/swq6ge/drs_confirmation_bias_confirmed/

I was reading through a recent DD post by u/P_mage which was discussing how short sellers may be using Canadian securities laws or lack thereof to execute their short selling strategies and found a nice bit of confirmation bias. The whole post is worth a read and I would encourage everyone to give it a look and continue the dig if you are so inclined.

https://www.reddit.com/r/Superstonk/comments/suvxgc/hot_potato_through_the_tunnel_under_the_border_a/?utm_source=share&utm_medium=ios_app&utm_name=iossmf

In u/P_mage's original post there was a link to an old post on the forum Silicon Investor explaining short selling and the many opportunities for broker dealers and MMs to engage the practice. Also worth a read and here's that link:

<https://www.siliconinvestor.com/readmsg.aspx?msgid=22856435>

I found the very last paragraph to be particularly relevant to the GME DRS case:

"In regards to the "Pool" of shares held at the DTCC that is available in the case of an emergency, this was allowed by Addendum C- (1) of the NSCC's (National Securities Clearing Corp.) rules and regs. They were taken over by the DTC several years ago, the amalgamation of which formed the DTCC. The Lending Departments of a firm monitor things here and are one of the biggest profit centers in any firm. From a practical point of view, until this pool is 100% empty of shares, don't expect any upward pressure on share prices due to the borrowing ability provided by the pool. Once it is empty, however, each further demand for the registration and delivery of shares should theoretical cause a forced buy-in of shares under a "Guaranteed Delivery" basis. Once shareholder groups get organized it is relatively easy to empty out their "pool" at the DTCC. If a company has 70 million shares at the DTCC and a naked short position of 500 million shares, then all that shareholder group has to do is withdraw 70 of 570 million shares available to be withdrawn. As was stated earlier, all of the brokerage firms represented along the chain of events of one buy order are HIGHLY incentivised not to demand the correction of those "Failures to receive and deliver". THE PROCESS HAS TO BE STARTED BY THE SHAREHOLDER THAT BOUGHT THE SHARES!!!!!! In order for this to occur, the shareholder must be educated as to how this game is played."