

Title: Close All Shorts? Rung a Bell. Buckle Up.
Author: Vegetable-Chest-388
Created 2022-09-21 22:09:02 UTC
Permalink: /r/GME/comments/xkins6/close_all_shorts_rung_a_bell_buckle_up/
Url: https://i.redd.it/keew8v2abap91.png



SEC Issues New Rules to Protect Investors Against Naked Short Selling Abuses

FOR IMMEDIATE RELEASE
2008-204

Washington, D.C., Sept. 27, 2008 — The Securities and Exchange Commission today took several coordinated actions to strengthen investor protections against "naked" short selling. The Commission's actions will apply to the securities of all public companies, including all companies in the financial sector. The actions are effective at 12:01 a.m. ET on Thursday, Sept. 18, 2008.

Additional Materials
• [New Short Selling Rules](#)

"These several actions today make it crystal clear that the SEC has zero tolerance for abusive naked short selling," said SEC Chairman Christopher Cox. "The Enforcement Division, the Office of Compliance Inspections and Examinations, and the Division of Trading and Markets will now have these weapons in their arsenal in their continuing battle to stop unlawful manipulation."

In an ordinary short sale, the short seller borrows a stock and sells it, with the understanding that the loan must be repaid by buying the stock in the market (hopefully at a lower price). But in an abusive naked short transaction, the seller doesn't actually borrow the stock, and fails to deliver it to the buyer. For this reason, naked shorting can allow manipulators to force prices down far lower than would be possible in legitimate short-selling.

Top stories

Bloomberg.com

Close All Shorts Echoes Across Trading Floors Into Fed Meeting

3 hours ago