

I think if Numerai ended up getting too many submissions that were too similar (for whatever reason, not just because someone is trying to push out others), they would just turn off the Corr payment and only pay on MMC. Then modeler X gets additionally punished by having large stakes on the models they're presumably also staking on. Furthermore, I'm not sure anyone would choose to purposefully drive the payout factor to 0.5 in an attempt to get participants to leave, even if they could by waving a magic wand. I think that would sacrifice a huge amount of earnings without any guarantee that the payout factor would go back up. And the actual process of purposefully decreasing the payout factor would require a huge amount of new stakers willing to gamble on your predictions who are also facing the same decreased payout. Certainly what you describe is possible, but I would categorize it as very unlikely and it could be solved by changes to the payouts that they haven't hesitated to implement in the past like adjusting the balance between Corr/MMC payouts.