

Find topics, articles or authors...

Selected Topic: All topics

## The Naked Truth

Examining Prevailing Practices in Short Sales and the Resultant Voter Disenfranchisement

Robert Brooks, Clay M. Moffett

The Journal of Trading Summer 2008, 3 ( 3 ) 46 - 59

DOI: 10.3905/jot.2008.708836

- Download PDF
- Add to Favorites
- Share
- Labels
- Cite
- Alerts

### The Journal of Trading Vol 3 Issue 3

[\(/content/ijtrade/3/3\)](#)

Volume 3, Issue 3

Summer 2008 [\(/content/ijtrade/3/3\)](#)

**Log in (/openid-connect/sams-sigma/login-redirect?prompt=login&openid\_connect\_destination=/content/ijtrade/3/3/46) to access this content or Request a Demo (/Request-Demo)**



Log in (/openid-connect/sams-sigma/login-redirect?prompt=login&openid\_connect\_destination=/content/ijtrade/3/3/46)

[Request a Demo \(/Request-Demo\)](#)

Focus [\(/highwire\\_display/entity\\_view/node/134263/content\\_tabs\)](#)

- Article
- Authors

### Abstract

This article surveys some of the existing literature on short-selling as well as new evidence of the market phenomenon known as naked short selling. It examines naked shorting and how it differs from conventional short selling of equity shares and goes on to detail the pervasiveness of naked shorting, the process by which it occurs, and its impact on security analysis, equity valuation, and corporate governance. The impact naked shorting has on the markets, regulators, and investors is significant both in scope and in breadth, particularly with respect to the amount of dollars and the number of investors involved. This article explores previously offered explanations of short sale constraints through a perspective independent of heterogeneous agents or beliefs about asset payoffs subject to short sale constraints. In this framework, the beliefs of optimistic, pessimistic, or rational investors are marginalized, as are their ownership rights.

**TOPICS:** [Exchanges/markets/clearinghouses \(https://www.pm-research.com/topic/exchangesmarketsclearinghouses\)](#), [risk management \(https://www.pm-research.com/topic/risk-management-0\)](#)

Reject All

Accept All Cookies

Back to top

Related Topics

- Risk Management in Theory and Practice
- Regulation, Taxation, Governance, and Compliance
- Regulatory Requirements
- Exchanges, Markets, Clearinghouses
- Asset Classes
- Equities
- Derivatives
- Options

THE JOURNAL OF

INVESTING

Special Issue on Trading

We're searching for articles on Trading that could include:

✓ Recent trends in institutional trading costs across all asset classes

✓ Using pre-trade TCA to construct and implement optimal portfolios

✓ Advances in global post-trade TCA

✓ Dynamics in Systematic Internalizer and Central Risk Book liquidity

✓ New venues and novel trading methodologies

✓ Effects of recent volatility and interest rate movements on trading costs

✓ Impact of retail investor activity on institutional trading

✓ Innovation and the role of data and analytics in fixed income trading

Submit your research NOW



By clicking "Accept All Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts.

[Cookies Settings](#)

Reject All

Accept All Cookies



Part of the With Intelligence Group

About (/about-us)

Contact (/contact-us)

Portfolio Management Research (/topic/portfolio-management-theory-and-practice)

## Locations

### New York

41 Madison Avenue  
20th Floor  
New York, NY 10010  
646 931 9045

### London

One London Wall  
London, EC2Y 5EA  
0207 139 1600

### Hong Kong

21/F Cityplaza Three,  
14 Taikoo Wan Road,  
Taikoo

By clicking "Accept All Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts.

Explore our Research

## By Topic

Portfolio Management in Theory and Practice (/topic/portfolio-management-theory-and-practice)

Cookies Settings

Reject All

Accept All Cookies

- [Quantitative Finance \(/topic/quantitative-finance\)](/topic/quantitative-finance)
- [Economics and Financial History \(/topic/economics-and-financial-history\)](/topic/economics-and-financial-history)
- [Risk Management in Theory and Practice \(/topic/risk-management-theory-and-practice\)](/topic/risk-management-theory-and-practice)
- [Asset Classes \(/topic/asset-classes\)](/topic/asset-classes)
- [Regulation, Taxation, Governance, and Compliance \(/topic/regulation-taxation-governance-and-compliance\)](/topic/regulation-taxation-governance-and-compliance)

**By Journal**

- [Portfolio Management \(/content/iijpormgmt\)](/content/iijpormgmt)
- [Financial Data Science \(/content/iijjfds\)](/content/iijjfds)
- [Impact & ESG Investing \(/content/pmrjesg\)](/content/pmrjesg)
- [Fixed Income \(/content/iijfixinc\)](/content/iijfixinc)
- [Investing \(/content/iijinvest\)](/content/iijinvest)
- [Derivatives \(/content/iijderiv\)](/content/iijderiv)
- [Alternative Investments \(/content/iijaltinv\)](/content/iijaltinv)
- [Retirement \(/content/iijretire\)](/content/iijretire)
- [Wealth Management \(/content/iijwealthmgmt\)](/content/iijwealthmgmt)
- [Beta Investment Strategies \(/content/iijindinv\)](/content/iijindinv)
- [Structured Finance \(/content/iijstrfin\)](/content/iijstrfin)
- [Trading \(/content/iijtrade\)](/content/iijtrade)
- [Private Equity \(/content/iijpriveq\)](/content/iijpriveq)
- [Practical Applications \(/pa-reports\)](/pa-reports)

© 2023 With Intelligence Ltd (<https://withintelligence.com/>) | All material subject to strictly enforced copyright laws.

- [Cookies \(https://www.pageantmedia.com/cookies/\)](https://www.pageantmedia.com/cookies/)
- [Code of ethics \(/code-of-ethics\)](/code-of-ethics)
- [Terms & conditions \(https://www.pageantmedia.com/terms/\)](https://www.pageantmedia.com/terms/)
- [Privacy policy \(https://withintelligence.com/privacy/\)](https://withintelligence.com/privacy/)

By clicking “Accept All Cookies”, you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts.

[Cookies Settings](#)

Reject All

Accept All Cookies