



Reasoning with Ethics

FEBRUARY 2, 2021

A Project of The School for Ethical Education | www.ethicsed.org

Ethics in action creates character.

Use this blog to:

1. Lead class discussions in social studies, civics, ethics or advisory classes.
2. Teach students skills to analyze cases with core ethical values.
3. Recognize skills in support of SEE's Tri-Factor Model of ethical functioning.

[Visit the online Ethics Blog.](#)



Core Values and the GameStop Story

The stock market turmoil that has roiled the investment world under the broad headline of GameStop trading includes a multitude of regulatory, emotional, financial, and ethical issues. This story has many seeking to learn about short-trading, the trading community on Redditt, the wide-spread resentment toward hedge-fund managers, and the free-trading app called Robinhood.

While SEE acknowledges this is a complicated story to introduce students to the world of investment, it is a timely lesson and certainly “in the news.” In a virtuous world, stock markets exist to provide a free market evaluation of the financial value of businesses and the products they sell. In a capitalist economy, the free flow of money in and out of businesses and the market’s ability to support good ideas or punish bad management is one of the important impartial judges that supports a successful economy.

The GameStop story has pointed out corrupting influences in the hoped-for virtuous marketplace where it has been alleged that crony capitalism, biased regulation, and temporarily absurd high-market evaluations of GameStop were all exposed in one week. One narrow interpretation of this story notes the collaboration of many small to medium investors seeking to “stick it” to the big hedge funds with a strategy to lock in hedge fund losses in the billions over a failed short-shell strategy with GameStop.

There are many other interpretations of the GameStop story but SEE believes students would “profit” from investigating and learning from this ongoing case with links on our website. Following a review of more background information, what are the core values that students are observing in the actions of those seeking to run up the price of GameStop? There certainly might be many different motivations (make money, hurt hedge funds, support GameStop) in this group. How might different motivations influence your attribution to the core values of individuals? If you have learned how the trading platform, Robinhood intervened to restrict the purchase of GameStop stock, what might have motivated that action and what core values would support that decision?

Supplemental Links:

CBS- Congress to hold hearings on Gamestop-- <https://www.cbsnews.com/news/gamestop-robinhood-trading-freeze-congress-hearings/>

CBS Video of GameStop Story (3:02)-- <https://www.cbsnews.com/news/gamestop-robinhood-trading-freeze-congress-hearings/>

GameStop Explained (not really)-- <https://www.upworthy.com/gamestop-stocks-explained>

New York Post- Steve Cohen not feeling the love

with gamestop- <https://nypost.com/2021/01/28/mets-steve-cohen-not-feeling-the-love-amid-gamestop-chaos/>

PM.- Senate to hold hearing-- <https://thepostmillennial.com/breaking-senate-banking-committee-will-hold-a-hearing-on-the-gamestop-short-squeeze-fiasco>

Fox Bus- NY AG to review Robinhood... -- <https://www.foxbusiness.com/markets/ny-ag-reviewing-robinhood-after-the-platform-restricted-the-trading-of-certain-securities-thursday>

Daily Wire- Is GameStop a Pump and Dump? -- <https://www.dailywire.com/news/is-the-gamestop-surge-a-pump-and-dump-no-evidence-indicates-that-yet>



DailyWire- Google cleans thousands of negative reviews of Robinhood -
- <https://www.dailywire.com/news/big-tech-mania-google-regulates-thousands-of-negative-robinhood-reviews-after-gamstop-trade-freeze>

FoxNews: Double standard on Wall Street? (14:25)-- <script
type="text/javascript" src="https://video.foxnews.com/v/embed.js?id=6227458955001&w=466&h=263"></script><noscript>Watch the latest video at
foxnews.com</noscript>