

Business ethics



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Insider Information The merger and acquisition business (m&a) involves specialized firms of highly paid lawyers who must sift through a lot of information in confidence with many brokers from investment banks, accountants, and other specialists. There are government laws legislating secrecy and non-disclosure of inside proprietary information. It is possible for individuals working at one of the investment houses or the other involved negotiators to make millions. They would let their associates know the merger is going to happen. These associates invest. After the merger is completed the stock shoots up, and the secret investors make a lot of money. This week federal prosecutors arrested two men who were involved in merger and acquisition and secretly informing partners for over 17 years. They had made millions of dollars. 2. Surrounded with such large stakes of money in such big projects, is it possible to blame such individual traders for transferring inside information and getting a fee? Martha Stewart was busted for trading inside information. Trading firms have compliance departments to keep an eye on the patterns of their traders. When people do make a lot of money suddenly they tend to spend it. Is there any argument that could support this kind of behavior? 3. No, this activity is a clear violation of ethics. One can look at Aristotelian ethics which expresses virtue for the individual as a way of obtaining happiness. In this case virtue is acquiring and showing one's best skill in their profession. For agents and brokers in the merger and acquisition business, one of those skills is trustworthiness. To trade on insider information becomes a stark violation of Aristotelian ethics. The violator should go to jail. Jessica Hall, Greed and technology tempt insider trading culprits. Accessed from <http://www.reuters>.

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