Who’s Left Holding the Bag? Lessons Learned for Retail Investors from the GameStop Saga

May 19, 2021 | 4:10 p.m. – 5:25 p.m.

**Moderator:** Marni Gibson, Securities Administrator/Director, Kentucky Department of Financial Institutions

**Panelists:**
- Stephen Hall, General Counsel, Better Markets
- Tyler Gellasch, Executive Director, Healthy Markets
- Katrina Prokopy, Manager of Market Oversight, Alberta Securities Commission
- Lauren Jackson, Counsel, Kilpatrick Townsend & Stockton LLP

The BD Section Committee is proud to host the panel: Who’s Left Holding the Bag? Lessons Learned for Retail Investors from the GameStop Saga. The typical dynamics of the stock markets were turned upside down in February as heavily shorted stocks went on a roller coaster ride, fueled largely by commentary in social media platforms and online brokerages that cater to retail investors and offer access to sophisticated products (such as options) with limited determinations of suitability. A panel of regulators and industry experts will examine the lessons learned for retail investors from the “democratization” of the stock market, the impact of social media and gamification on new and inexperienced investors.

The panel will address policy implications from social stock plays and the rise of the retail army. How do regulators and market participants react when a social media campaign can realign the market and create millions in gains “for the little guy” and losses for seasoned investors? And are the little guys in this scenario really small-time retail investors? Panelists will also discuss social media engagement and the impacts on the market and retail investors, including the “gamification” of investing and its potential impacts on retail markets.

Panelists will explore clearinghouse requirements and issues that could lead a potential pause in trading. The panel will also discuss the T+2 clearances process and potential changes to the counterparty risk and clearing house system as well as concerns with payment for order flow and the nuances between United States and Canadian clearing and brokerage rules.

Finally, the panel will consider the influx of retail investors and the how unencumbered access to options trading may effect market prices and strategies. Panelists will provide key takeaways from the GameStop saga and provide opinions on how the market and regulators may respond going forward.

After this panel, attendees should be able to:

1. Understand clearing house rules, T+2 requirements, and Payment for Order Flow for brokerage firms.
2. Speak intelligently to retail market strategies, the potential for market manipulation, and social sentiment investing.
3. Describe the clearing and counterparty rules for U.S. based and Canada based brokerages and clearing houses.