

SECURITIES REGULATIONS SYLLABUS

FALL 2009

Professor Z. Jill Barclift

Tuesdays & Thursdays

8:00-9:15AM

Room 103

Office Hours:

Tuesdays and Thursdays 12:30-1:30PM

Other times by appointment

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Office: Room 206 East

Phone: 651/523-2357

Required textbooks:

Securities Regulation: Cases & Materials (6th ed.), Cox, Hillman, Langevoort, (Aspen Publishers) (ISBN 978-0-7355-7805-0)

Securities Regulation: Selected Statutes, Rules and Forms, Cox, Hillman, Langevoort, (Aspen Publishers) (ISBN 978-0-7355-6936)

You should become comfortable searching the SEC's website at www.sec.org. The SEC's website contains statutes, rules, regulations, forms, comment letters, litigation, and other useful resources.

Recommended (not required to purchase for class):

Charels R. Geisst, *Wall Street: A History From Its Beginnings To The Fall of Enron* (Oxford University Press) (ISBN 13:978-0-19-517060-3)

Course Description

This course provides an overview of U.S. federal securities laws and regulations. The course mixes cases, regulatory rules, and current material to assess the laws and regulations of securities and securities transactions.

Please note that this syllabus is intended to serve as a guide to the material to be discussed each day in class. Modifications to the syllabus may be made during the semester to best meet the needs of the class. Not all assigned readings will be discussed in class. Additional readings may also be recommended or assigned. Modifications to the syllabus will be announced as far in advance as possible.

The goals and learning outcomes for this course are:

- (i) To introduce the basics of federal regulation of securities and securities transactions;
- (ii) To understand the legal rules and regulatory principles of securities laws; and
- (iii) To develop problem-solving skills in securities laws.

Class participation

In addition to class assignments, student participation in class discussion is strongly encouraged. Thoughtful, engaging discussions in the classroom facilitates learning by encouraging questions, and clarification of subject matter.

If for any legitimate reason you are not prepared for class, please let me know before class begins, and you will not be called upon in class. Please note a legitimate excuse entails such matters as illness, childbirth, or family emergencies. It does not include such matters as working on a paper or some other project for another course. Each student is allowed two excused class participations.

Attendance and Tardiness

Students are expected to attend class and be prepared to discuss the required assignment for that day. Attendance will be taken at each class. Students may miss four classes without penalty. Additional absences will result in the following:

Five absences – the student must submit a **5-8 page paper** on the topics covered in the missed classes. **The paper is due within 7 days of the last missed class.** The paper must be doubled-spaced. Failure to turn in the paper on time will result in the student's name submitted to the Dean's office for excessive absences. The paper will not count as part of the final grade. **Six or more absences** - the name of the student will be submitted to the Dean's office for excessive absences.

Students are expected to arrive in class on time. Students arriving more than ten minutes late for more than four classes during the semester will be marked for one class absence.

Computers, Laptops and Cell Phone Use in Class

Use of computers/laptops for note taking in class is permitted; however, only word processing programs may be open during class unless the class discussion requires access to a specific web browser or for additional understanding of the reading assignments/lectures. Anyone during class using non-class related web browsers, electronic games, communicating via email, instant messaging or otherwise using the computer/laptop/cell phone/electronic devices for purposes not related to the class or learning outcomes may be asked to discontinue use of their computer/laptop/cell phone/electronic devices, and may not be permitted to bring their computer/laptop/cell phone/electronic devices to class for the duration of the course. All cell phone ringers or pagers (vibrate only) must be turned off during class.

TWEN - Course Website

Students must enroll on the TWEN website for class and provide an e-mail address. Any changes to the syllabus or other course material will be posted on the TWEN Course Website.

Course Assignments

There are three assignments for the class – Case Brief (team project and presentation) and mini-paper (25% of grade), Securities Regulation short paper (35% of grade), and Final Paper (40% of grade).

Case brief, class presentation, mini-paper (25%):

Select a securities fraud case and with another student, read the complaint, the motion to dismiss and the court decision on the motion to dismiss in a securities fraud class action.

Prepare a case brief of the securities fraud case. The case brief should include the following:

- Summary of the facts of the case and the allegations of the complaint
- The issues raised by the case (including the parties' arguments on the motion to dismiss)
- The applicable legal rules, the court's holding (or resolution of the issues)
- The analysis the court used to reach its decisions

Each team of students must present the case brief in class on the assigned dates (sign-up sheets will be distributed on the first day of class).

In addition to the team assignment, each student must individually prepare a 1-2 page paper (single-spaced, double-spaced between paragraphs and headings) analyzing the court's decision, including whether the court reached the correct result. **The individual student papers are due on the same day as the team presentation.**

Securities Regulation “in the news” short paper assignment (35%):

Select a news story on some aspect of securities regulation, (preferably something covered in the assigned readings). Prepare a 2-3 page paper (single-spaced, double-spaced between paragraphs and headings) that summarizes the news item and discusses how it relates to a class topic. Analyze whether the regulatory approach at issue seems efficient, appropriate, or wise. **The securities regulation “in the news” short paper assignment is due in class on Tuesday, November 24.**

Final paper (40%):

Identify a law review or other academic article on some aspect of securities regulation of interest to you. You may locate these articles on Westlaw, Lexis, or ssrn.com. Write a minimum 15 (maximum 20 pages) page paper (doubled-spaced, between paragraphs and headings) that describes the article and critiques the article by analyzing its scope, thesis, and purpose. Please include a citation and electronic link to or paper copy of the article you select. All footnotes should be in bluebook form. **The final paper is due on December 10th at 5pm in the registrar's office.**

Required Reading Assignments

Please complete the required assignments before the class for which they are assigned unless you are directed otherwise. Come prepared to discuss the reading assignment and problems as assigned. Additional assignments may be handed out in class.

August

Thursday, August 20

In class video: Crash of 1929

PBS video available at: <http://wideeyecinema.com/?p=659> or www.pbs.org and read Chapter 1, The Framework of Securities Regulation and Chapter 3, Markets and Their Efficiency

Tuesday, August 25

In class video: October '87: Crash and Comeback

Continue reading Chapter 1, The Framework of Securities Regulation and Chapter 3 Markets and Their Efficiency

Thursday, August 27

Chapter 2, The Definition of a Security pp.19 - 45 and problems 2-2, 2-3 and 2-4

September

Tuesday, September 1

Chapter 4, Public Offering, pp 117-135

Thursday, September 3

Chapter 4, Public Offering, pp. 135-158 and read the NYSE and NASD blue ribbon committee report on IPOs available at:

<http://www.finra.org/web/groups/industry/@ip/@reg/@guide/documents/industry/p010373.pdf>

Tuesday, September 8

Chapter 4, Public Offering, pp. 158-191 and be prepared to discuss problems 4-1, 4-2, 4-3, 4-4, & 4-5.

Thursday, September 10

Chapter 5, Exempt Transactions, pp.253-281 and be prepared to discuss problems 5-1, 5-3, 5-4, 5-9, 5-10, 5-11

Tuesday, September 15

Chapter 5, Exempt Transactions, pp.-281-302 and be prepared to discuss problems 5-14, 5-17, 5-21, 5-26, 5-28

Thursday, September 17

Chapter 5, Exempt Transactions, pp. 305-315 and 319-324 and be prepared to discuss problems 5-33, 5-34, 5-38,

Tuesday, September 22

Chapter 6, Secondary Distributions pp. 337- 354 and be prepared to discuss problems 6-1, 6-2, 6-7

Thursday, September 24

Chapter 6, Secondary Distributions pp. 362-374 and be prepared to discuss problems 6-12, 6-13, 6-14, 6-15, 6-16, 6-17 and 6-18

Tuesday, September 29

Chapter 7, Recapitalizations, Reorganizations, and Acquisitions pp. 393-417 and be prepared to discuss problems 7-1, 7-5, 7-9

October

Thursday, October 1

Chapter 8, Exempt Securities pp. 429-443 and 454-463 and be prepared to discuss problems 8-5, 8-6, 8-7

Tuesday, October 6

Chapter 9, Liability Under the Securities Act pp.479-508 problems 9-1, 9-2 and Chapter 12 (note chapters not in order), Fraud in Connection with the Purchase or Sale of a Security, pp.659-684 and be prepared to discuss problems 12-3, 12-4

Thursday, October 8

Chapter 12, Fraud in Connection with the Purchase or Sale of a Security, pp.685-719 and be prepared to discuss problems 12-5, 12-7

Tuesday, October 13

Chapter 12, Fraud in Connection with the Purchase or Sale of a Security, pp.719-743 and be prepared to discuss problems 12-11, 12-12

Tuesday, October 20

Team presentation of case briefs **AND**

Chapter 13, Enforcement of Securities Laws, pp. 745-758 and be prepared to discuss problems 13-1

Thursday, October 22

Team presentation of case briefs **AND**

Chapter 13, Enforcement of Securities Laws, pp.758-773 and be prepared to discuss problem 13-3

Tuesday, October 27

Team presentation of case briefs **AND**

Chapter 13, Enforcement of Securities Fraud, pp. 773-793 and be prepared to discuss problems 13-6, 13-8

Thursday, October 29

Team presentation of case briefs **AND**

Chapter 13, Enforcement of Securities Fraud, pp.793-823 and be prepared to discuss problems 13-10, 13-2

November

Tuesday, November 3

Chapter 10, Financial Reporting: Mechanisms, duties, and Culture, pp.545-570 and be prepared to discuss problems 10-1, 10-3

Thursday, November 5

Chapter 10, Financial Reporting: Mechanisms, duties, and Culture, pp.570-583 and be prepared to discuss problems 10-6, 10-8, 10-9

Tuesday, November 10

Chapter 11, Inquiries into the Materiality of Information, pp. 585-626 and be prepared to discuss problems 11-2, 11-4

Thursday, November 12

Chapter 11, Inquiries into the Materiality of Information, pp. 626-657 and be prepared to discuss problems 11-7, 11-9

Tuesday, November 17

Chapter 14, The Regulation of Insider Trading, pp.879-906 and be prepared to discuss problems 14-1, 14-2, 14-4

Thursday, November 19

Chapter 14, The Regulation of Insider Trading, pp.906-925 and be prepared to discuss problems 14-6, 14-9, 14-11

Tuesday, November 24

Chapter 15, Shareholder Voting and Going-Private Transactions, pp 933-952 and be prepared to discuss problems 15-1, 15-2, 15-3

December

Tuesday, December 1

Chapter 16, Corporate Takeovers, 963-976 (omit bottom of 976- top of 987); 987-995

Chapter 13, The Enforcement of the Securities Laws pp.830-862 and be prepared to discuss problems 16-2, 16-4 and 13-15, 13-16