

SECURITIES REGULATION (LGST 807/223)

Spring 2009

Professor Richard A. Booth
Office Hours: By Appointment

Course Description

This course examines the federal securities laws and the work of the Securities and Exchange Commission (SEC). The first half of the course focuses on the regulation of the capital-raising process under the Securities Act of 1933. Topics covered include the definition of a security (including the status of financial derivatives), registration of offerings, role and status of underwriters and controlling stockholders, civil liability, exempt securities, exempt transactions (including offerings by small firms, private placements, and resales of control and restricted securities), and the regulation of divestitures, recapitalizations, and mergers and acquisitions. The second half of the course considers the registration and reporting obligations of public companies under the Securities Exchange Act of 1934. Topics covered include financial reporting, materiality, fraud under Rule 10b-5, public and private enforcement (including class actions), insider trading, proxy solicitations and proxy contests, tender offers, going-private transactions, state takeover regulation and its relationship to federal law, insider trading, and the regulation of exchanges, broker-dealers, investment advisers, and investment companies.

Course Materials

Required Text:

James D. Cox, et al., *Securities Regulation: Cases and Materials* (Fifth Edition, Aspen 2006) together with 2008 Supplement and 2008 Selected Statutes, Rules, and Forms.

Recommended Reference Works:

Larry D. Soderquist & Theresa A. Gabaldon, *Securities Law* (Concepts and Insights Series, Third Edition, Foundation 2007).

Thomas Lee Hazen, *Principles of Securities Regulation* (Concise Hornbook Series, Second Edition, Thomson West 2006).

Alan R. Palmiter, *Securities Regulation: Examples & Explanations* (Third Edition, Aspen 2005).

Attendance / Examinations / Grading

There are two examinations. The first examination will be in class Monday, March 2 and will last one hour. It will cover the first half of the course. This will be a multiple choice examination and will be closed book except for statute book which may contain reasonable notations. The final examination will be a 24-hour take-home examination to be completed during the exam period. This examination will be an essay examination and will cover the entire course. The first examination will count for one-third of the final grade. The final examination will count for two-thirds of the final grade. Final grades may be adjusted based on class participation. Regular and punctual class attendance is expected.

In addition, there will be four short writing assignments during the semester. These assignments will include a mix of practical problems and policy questions. Answers will be limited to one page (250 words). The assignment questions and answers may be discussed with others, but answers should be written and submitted individually. The answers will be graded, but the grades will not count in the determination of the final grade in the course. Nevertheless, punctual submission of the answers is a course requirement. Answers that demonstrate little effort will not be accepted. Model answers for the assignments will be posted on the WebCafe site for the course when the graded answers are returned.

Reading Assignments

All assignments refer to the Cox casebook. Note that the 2008 Supplement contains additional material relating to most chapters. Thus, you should also read any material in the supplement that goes with the assignments listed below. Specific focus pages for discussion to be announced in advance of each class on the WebCafe site for this course. These reading assignments may be supplemented from time to time with materials to posted on the WebCafe site.

January 14	Chapter 1 – Business and Legal Framework
January 21	Chapter 3 – Markets and Investors
January 26/28	Chapter 2 – What is a Security?
February 2/4	Chapter 4 – Registration of Offerings
February 9	Chapter 6 – Who is an Issuer or Underwriter?
February 11	Chapter 9 – Liability under the 1933 Act
February 16	Chapter 8 – Exempt Securities
February 18	Chapter 5 – Exempt Transactions
February 23	Chapter 7 – Mergers and Acquisitions
February 25	Review
March 2	Midterm Examination
March 4	Chapter 10 -- Financial Reporting
March 16	Chapter 11 -- Materiality
March 18	Chapter 12 – Fraud under Rule 10b-5
March 23/25	Chapter 13 – Class Actions and Enforcement
March 30 / April 1	Chapter 14 – Insider Trading
April 6/8	Chapter 15 – Stockholder Voting and Going Private
April 13/15	Chapter 16 – Tender Offers
April 20	Chapter 17 – Market Regulation
April 22	Chapter 18 – Investment Companies and Investment Advisers
April 27	Review