

January 8, 2012

Securities Regulation

Professor Gerding

Class times: Tuesday & Thursday, 9:00 to 10:15 am

Office: 469

Office hours: Tuesday & Thursday, 10:30 to 11:30 am
& by appointment

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Grading: A final examination will be worth 100% of your grade, however, your grade may be adjusted for participation as noted below.

Participation: I expect lively participation by every student. ***I will cold call.*** If you have any problems with participating in a particular class or in general, I expect you to e-mail me or give me a note before class. Please do not pretend to have read the materials if you have not. You will just waste your classmates' time. I will lower a student's grade one notch (*e.g.* from a B to a B-) for every three unexcused absences.

Laptop use: You may use a laptop computer to take notes. If I think your use of the laptop is preventing you from participating in class, I will call on you. Use of the laptop computer to communicate with others, to play games or for any other purpose that is not directed to class participation is prohibited during class meetings. Use of cell phones or other electronic devices in class is also prohibited.

Office hours: I encourage you to come visit me during office hours or to make an appointment. I hope to meet everyone on an individual basis during the semester. I will endeavor to respond to e-mails within 24 hours, but I will likely respond by asking you to talk to me in person.

Textbook and materials: We will be using the following texts in the class:

- Cox, Hillman & Langevoort, SECURITIES REGULATION: CASES AND MATERIALS (6TH Edition, Aspen 2009) [**Referred to as "Casebook" in the syllabus below**];
- the 2011 supplement to the Casebook [**Referred to as "Supp." in the syllabus below**];
- the accompanying 2011 statutory supplement (also Aspen)

I will distribute additional materials in class and may have occasional optional reserve readings in the Library.

To prepare for class, you are expected to have done the reading in the Casebook and Supplement, worked through any assigned problems on your own, and have read any statutory or regulatory material mentioned in the readings. Bring your statutory supplement to class.

Class readings:

Class 1. INTRODUCTION. Casebook pp. 3-10; 93-111; 585-90; and 599-606. *Problems 3-1, 3-2, 11-3.*

Class 2. DEFINITION OF A SECURITY. Casebook pp. 19-33; 38-44; and 48-57. *Problems 2-1, 2-2, 2-3.* §§ 2(a)(1), 3(a)(3) of the Securities Act

Class 3. DISCLOSURE AND LIABILITY IN THE PUBLIC OFFERING. Casebook pp. 115-23; 143-58; and 479-97. Also, read the text of '33 Act section 11 carefully, and skim the Weight Watchers S-1 in **Supp.** 5-67.

Class 4. PUBLIC OFFERINGS. Casebook pp. 158-77. *Problems 4-1, 4-7, 4-8, 4-12, 4-13, 4-15, 4-17 and 4-20.*

Class 5. PUBLIC OFFERINGS (CONT'D). Casebook pp. 177-79, 515-19, 530-37 and 238-43—and read the text of '33 Act Section 12(a) carefully. *Problems 4-21, 4-22, 9-8, 9-11 and 9-12.*

Class 6. PUBLIC OFFERINGS (CONT'D). Casebook pp. 182-96; 203-07; and 497-508. *Problems 4-27, 4-28 and 9-3.*

Class 7. PRIVATE OFFERINGS. Casebook pp. 266-73; 281-302; and 310-13; **Supp.** p. 70. *Problems 5-10, 5-24, 5-28 and 5-34.*

Class 8. MORE ON EXEMPT OFFERINGS. Casebook pp. 254-58; 309-10; 315-26; 334-36; and 521-30. *Problems 5-35 and 5-41 (on p. 333).*

Class 9. THE "UNDERWRITER" CONCEPT. Casebook pp. 337-40; 345-50; and 354-74. *Problems 6-2, 6-9, and 6-17.*

Class 10. OTHER SALE AND RESALE ISSUES. Casebook pp. 350-54; 374-87; and 216-30. *Problems 6-30 through 6-35.*

Class 11. MERGERS, SPIN-OFFS, AND PUBLIC COMPANY REGISTRATION. Casebook pp. 399-415; and 545-53. *Problems 7-5 through 7-8, and 10-1.*

Class 12. FINANCIAL REPORTING. Casebook pp. 554-58; 570-83; 599; and **Supp.** 82. *Problems 10-5, 10-8 and 11-2 (on pp. 599).*

Class 13. CORPORATE GOVERNANCE AND INTERNAL CONTROLS. Casebook pp. 558-70; 630-49; and **Supp.** 94-95. *Problems 10-3, 10-4, 11-7 and 11-8.*

Class 14. CORPORATE MISCONDUCT AND SEC ENFORCEMENT. Casebook pp. 649-57; and 803-23. *Problems 11-10, 13-11, and 13-12.*

Class 15. RULE 10B-5 LITIGATION. Casebook pp. 659-62; 590-99; 606-09; and 685-96. *Problem 12-5.*

Class 16. RULE 10B-5 LITIGATION (CONT'D)

Class 17. FRAUD ON THE MARKET. Casebook pp. 698-707; and 711-26. *Problems 12-6 and 12-9.*

Class 18. LITIGATION REFORM. Casebook pp. 758-65; 662-68; and 671-84. *Problems 12-1, 12-3 and 12-4.*

Class 19. MORE ON LITIGATION REFORM, AND EXTRATERRITORIALITY. Casebook pp. 617-26; 753-55; and **Supp.** pp. 93-94 and 139-55. *Problem 11-4.*

Class 20. SECONDARY LIABILITY. Casebook pp. 755-58; 765-83; 726-27; and **Supp.** pp. 109-114. *Problems 13-3, 13-4, 13-7 and 12-10.*

Class 21. STOCKBROKERS AND INVESTMENT ADVISERS. Casebook pp. 1027-30; 1036-51; 1075-84; and **Supp.** pp. 128-29, 131-32. *Problems 17-4, 17-6, 17-7 and 18-1 (on p. 1093).*

Class 22. LAWYERS' LIABILITY AND ETHICS. Casebook pp. 830-35; and 847(note 4)-862. *Problems 13-15, 13-18 and 13-19.*

Class 23. SECTIONS 13(D) AND 16. Casebook pp. 964-74 and 918-30. *Problems 16-1 and 14-11.*

Class 24. INSIDER TRADING. Casebook pp. 879-98; and **Supp.** pp. 119-22. *Problems 14-1, 14-2 and new 14-3 (Supp. p. 122).*

Class 25. MORE INSIDER TRADING. Casebook pp. 898-917. *Problems 14-4 through 14-8.*

Class 26. DEBT, DERIVATIVES AND THE FINANCIAL CRISIS. Casebook pp. 65-81 and 429-32. *Problem 2-11. Supp.* pp. 1-2, 67-68 and 129-30.