

Audentes lesson plan

4/8 Tuesday

Introduction

- me/office times/contact information/background/speaking/language/pacing
- Summary of course
 - § meeting days
 - § course materials/glossary
 - § attendance/class participation
 - § tests (end of week - Thursday) (quiz) [notes/class analysis]
 - § papers
 - § grading
- Topic schedule
 - 1st week - U.S. Legal and Regulatory Structure
 - court system
 - Constitution/legislative/administrative agencies
 - Federal/State courts/weekly wrap up/website
 - 2nd week - Concepts of Fraud
 - common law fraud
 - securities fraud
 - EU fraud directives/paper/weekly wrap/websites/quiz
 - 3rd week - disclosure regimes
 - 33 Act/prospectus/Forms/SEC
 - 34 Act/10Ks/proxies/paper due
 - EU directives/weekly wrap/paper/quiz

4th week - securities markets

- NYSE/NASDAQ/markets
- NYSE/FINRA/regulators
- website
- What I expect you to get out of this course:
 - Broad outline of U.S. legal and regulator structure as it applies to securities and investments
 - Conceptual understanding of U.S. legal system including common law
 - Disclosure regimes for public companies

4/9 Wednesday

- U.S. Legal Structure
 - § Constitution/Bill of Rights
 - § Federal/State governments
 - § Branches of Government
 - § Federal/State laws/courts
 - Federal - securities/market regulation (<http://www.sec.gov>)
 - Securities Act of 1933 ("33 Act") (<http://www.sec.gov/about/laws/sa33.pdf>)
 - Securities Exchange Act of 1934 ("34 Act") (<http://www.sec.gov/about/laws/sea34.pdf>)
 - Investment Company Act of 1940 ("40 Act") (<http://www.sec.gov/about/laws/ica40.pdf>)
 - Investment Advisers Acts of 1940 ("Advisers Act") (<http://www.sec.gov/about/laws/iaa40.pdf>)
 - State - corporation/business entity law
 - Delaware/Maryland
 - corporation
 - business trust
 - partnerships
- European Union Securities Regulation (http://ec.europa.eu/internal_market/securities/index_en.htm)

4/10 Thursday

- Federal Courts
 - District Court/U.S. Appeals Court/U.S. Supreme Court
 - Federal laws/Diversity of Citizenship/Constitutional issues: Bill of Rights - freedom of speech/press/due process/Federal Statutes
- State Courts
 - District Courts/Courts of Appeal/State Supreme Courts
 - State Laws
- Statutory Law/Common Law
 - Legislative enacted
 - Court precedent
- Quiz

4/15 Tuesday

- Common Law concepts of fraud
 - Tort/Deceit/Fraud
 - 1) false representation of
 - 2) a material
 - 3) fact
 - 4) dependent must know of its falsity ("scienter") but make the statement nonetheless to induce plaintiff to rely on it
 - 5) plaintiff must rely on it
 - 6) suffer damages
- SEC--Rule 10b-5 (sale/purchase of securities)
 - 1) employ any device, scheme or artifice to defraud
 - 2) make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, or
 - 3) to engage in any act, practice or course of business which operates as a fraud or deceit upon a person
- EU Anti-Fraud Rules--Directive 2003/6/EC (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:096:0016:0025:EN:PDF>)

- 4/16 Wednesday

Important Anti-Fraud Court Decisions

- insider purchase (SEC v. Texas Gulf Sulphur Co., 401 F.2d 833 (2d Cir. 1968))
- inside information (Chiarella v. United States, 445 U.S. 222 (1980))
- liability of tippers/tippees (Dirks v. SEC, 463 U.S. 646, (1983))
- failure to act (Blue Chip Stamps v. Manor Drug Stores, 421 U.S. 723 (1975))

4/17 Thursday

- Paper due
- Scheme liability (Stoneridge Investment Partners, v. Scientific-Atlanta, 128 S.Ct. 761 (2008))
- Quiz

4/22 Tuesday

- Disclosure Regimes under the U.S. Federal Securities Laws
- Securities Act of 1933 (public offering of securities)
- Form S-1 (prospectus) and Regulation S-X (disclosure items)
 - Business of the Company
 - Risk Factors
 - Management's Discussion and Analysis
- Sample prospectuses
 - Wireless Ronin
 - Action Products
 - Jones Soda

4/23 Wednesday

- Securities Exchange Act of 1934
- Form 10-K and Regulation S-X (also Forms 10-Q & 8-K)
- Sample 10-Ks
 - Netflix, Inc
 - K-Swiss
 - California Pizza Kitchen

4/24 Thursday

- Continuation of disclosure discussion
- EU Securities Disclosure Directive 2003/71/EC
(http://ec.europa.eu/internal_market/securities/docs/prospectus/reg-2004-809/reg-2004-809_en.pdf)

4/29 Tuesday

- Paper Due
- Principal U.S. Securities Exchanges
 - New York Stock Exchange (<http://www.nyse.com>)
 - NASDAQ
(http://www.nasdaq.com/about/listing_information.stm)
 - Financial Industry Regulatory Authority ("FINRA")
(<http://www.finra.org/index.htm>)

4/30 Wednesday (Final Class)

- Final wrap-up

This course is designed to provide an introduction to U.S. and EU securities regulation, anti-fraud prohibitions, disclosure requirements, and equity market structures. (Note: particular emphasis will be placed on the U.S. legal and regulatory environment.) The course will meet 3 days a week for four weeks covering the following topics:

1st week - U.S. Legal and Regulatory Structure

- Introductory remarks. Grading system. Paper & test requirements.
- U.S. Constitution/legislative/administrative agencies
- U.S. Federal/State court system
- U.S. Securities and Exchange Commission (SEC) role and structure

2nd week - Concepts of Fraud

- common law fraud
- securities fraud
- EU fraud directives

3rd week - Disclosure Regimes

- Securities Act of 1933/prospectus requirements
- Securities Exchange Act of 1934/10Ks/proxies
- EU Disclosure Directives

4th week - Equity Securities Markets

- Principal U.S. equity markets--NYSE/NASDAQ
- Self regulatory agencies--NYSE/FINRA

You are expected to get out of this course a basic understanding of the U.S. legal and regulatory structure as it applies to securities, the U.S. legal system including the common law, and the disclosure regimes for publicly traded securities.

US Investment and Securities Law

Spring, 2008

Syllabus

The aim and the short course description			
<p><u>US Investment and Securities Law</u> (2 credits). This concentrated 4 week course will provide an introduction to: (1) U.S. and EU securities regulatory structures including the U.S. Securities & Exchange Commission (SEC); (2) disclosure protocols and requirements (U.S. Securities Act, and EU securities disclosure directives (Directive 2003/71/EC); (3) anti-fraud prohibitions (SEC Rule 10b-5, and EU anti-fraud rules (Directive 2003/6/EC)) and (4) equity market structures (New York Stock Exchange, NASDAQ & European equity markets). (Note: particular emphasis will be placed on the U.S. legal and regulatory environment.)</p>			
Learning outcomes			
Familiarization with international regulation of securities, and an understanding of information and anti-fraud issues in public securities markets			
Target group: Law students			
Scope of the course (1 AP = 1,5 ECTS)		2 CP / .3 ECTS	
Auditory work (<i>hours</i>)		Independent work (<i>hours</i>)	
Day-time	28	Day-time	52
Evening		Evening	
Distance		Distance	
Evaluation based on attendance, class participation, examinations and final written assignment		Exam	
Instructor			
Name:		John N. Ake	
Contacts (<i>e-mail, phone</i>)		jna18@columbia.edu	
Position (<i>academic degree</i>)		Columbia University (BA), University of Pennsylvania Law School (LLB);.	
Office hours		By appointment	
Prerequisites			
Some familiarity with corporate law would be helpful, but not required			
Course program (<i>topics, hours</i>)--			
<p>This course is designed to provide an introduction to U.S. and EU securities regulation, anti-fraud prohibitions, disclosure requirements, and equity market structures. (Note: particular emphasis will be placed on the U.S. legal and regulatory environment.) The course will meet 3 days a week for four weeks covering the following topics:</p>			
<p>1st week - U.S. Legal and Regulatory Structure</p> <ul style="list-style-type: none"> • Introductory remarks. grading system. paper & test requirements. • U.S. Constitution/legislative/administrative agencies • U.S. Federal/State court system • U.S. Securities and Exchange Commission (SEC) role and structure 			
<p>2nd week - Concepts of Fraud</p> <ul style="list-style-type: none"> • common law fraud • securities fraud • EU fraud directives 			

3rd week - Disclosure Regimes

- Securities Act of 1933/prospectus requirements
- Securities Exchange Act of 1934/10Ks/proxies
- EU Disclosure Directives

4th week - Equity Securities Markets

- Principal U.S. equity markets--NYSE/NASDAQ
- Self regulatory agencies--NYSE/FINRA

You are expected to get out of this course a basic understanding of the U.S. legal and regulatory structure as it applies to securities, the U.S. legal system including the common law, and the disclosure regimes for publicly traded securities.

Description of the independent work (*topics, approximate scope*)

Textbooks and reference books--(To Be Determined)

Obligatory

Primary course material will be prepared by the instructor and will be available in either PDF or Disc format.

Additional references

SEC and EU regulations will be accessible through government websites

Assessment and course requirements (*minimum requirements on attendance, essays, papers, tests etc to be allowed to enter the exam*)--attendance of minimum 50% of lectures, except in cases of medical excuse or family emergencies when dispensation may be granted in exceptional circumstances

Assessment will be based upon final written essay (50%); short exams (25%) and attendance (25%)

Date:

Signature: