



Course	FIN 6308-Regulation of Business and Financial Markets
Professor	Lisa Gibson, J.D.
Term	Spring 2011
Meetings	Thursdays 2:30-5:15 SOM 2.106

Professor's Contact Information	
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Office Location	TBA
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Office Hours	Thursdays 1:00-2:30
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General Course Information	
Co-requisites	FIN 6301 (Financial Management) and MECO 6303 (Business Economics)
Course Description	The objective of this course is to develop a student's understanding of the laws and regulations which govern businesses and financial markets. In addition, this course considers the ethical issues that financial analysts and financial planners face.
Learning Outcomes	Students will be able to critically analyze current and proposed regulations from a legal, economic and policy perspective.
Required Texts & Materials	<i>Law, Business, & Society</i> (9 th Edition), Tony McAdams, et al. (referred to in the assignment list as " <i>LBS</i> ") <i>CFA Standards of Practice Handbook</i> (10 th Edition) (May be purchased online from the CFA institute or Amazon.com. You may also download a free pdf version directly from the CFA's website at: http://www.cfainstitute.org/learning/products/publications/ccb/Pages/ccb.v2010.n2.1.aspx#) Various cases, news and journal articles as listed in the individual assignments (<i>The New York Times</i> will be abbreviated as " <i>NYT</i> ", <i>The Wall Street Journal</i> will be referred to as " <i>WSJ</i> ")
Suggested Materials	<i>The New York Times</i> , <i>Wall Street Journal</i> and <i>The Financial Times</i> (We will discuss related current events in class.)

Assignments & Academic Calendar	
1/13	The Role of the Market—Capitalism and Regulation: <i>LBS</i> (p. 6-26) <i>Opposition to Health Law is Steeped in Tradition</i> (David Leonhardt, December 14, 2010, <i>NYT</i>) <i>Going Dutch</i> (Russell Shorto, May 3, 2009, <i>NYT</i>) <i>Is Italy Too Italian?</i> (David Segal, August 1, 2010, <i>NYT</i>)

1/20	<p>Ethics and Self-Regulation (the Role of Corporate Social Responsibility): <i>LBS</i> (p. 84-90, 99-115) <i>Russia Uses Microsoft to Suppress Dissent</i> (Clifford J. Levy, September 12, 2010, <i>NYT</i>) <i>Microsoft Moves to Help Nonprofits Avoid Piracy-Linked Crackdowns</i> (Clifford J. Levy, October 16, 2010, <i>NYT</i>) <i>The Case Against Corporate Social Responsibility</i> (Aneel Karnani, August 23, 2010, <i>WSJ</i>) <i>The World According to CSR</i>, (January 22, 2005, <i>The Economist</i>) <i>How Costco Became the Anti-Wal-Mart</i> (Steven Greenhouse, July 17, 2005, <i>NYT</i>)</p>
1/27	<p>The Rule of Law and the Constitution as the Basis of Regulation: <i>LBS</i> (p. 124-129; 132-140 (<i>skim</i>), 174-183, 186-206) <i>Citizens United v. Federal Election Commission</i> (130 S. Ct. 876, January 21, 2010) [We will discuss the Supreme Court’s opinion in the <i>Citizens United</i> case as a basis for our discussion of the First Amendment, corporations and the (always contentious) issue of campaign finance reform.] <i>Judicial Activism, Inc.; The Supreme Court Tosses out reasonable limits on campaign finance.</i> (Editorial, January 22, 2010, <i>The Washington Post</i>) <i>Campaign Finance Reform, RIP</i> (Editorial, November 2, 2010, <i>WSJ</i>)</p>
2/3	<p>Regulation and the Constitution (cont.)—the Commerce Clause and Administrative Agencies: <i>LBS</i> (p. 304-347) <i>Proposed Law Could Limit Interstate Wine Shipping</i> (Eric Asimov, October 20, 2010, <i>NYT</i>)</p>
2/10	<p>Regulation through Litigation (or threat thereof), Business Torts and Product Liability: <i>LBS</i> (p. 258-266 (<i>skim</i>); 268-298) <i>The Uneasy Case for Product Liability</i> (A. Mitchell Polinsky and Steven Shavell, <i>Harvard Law Review</i>, April 2010) (<i>read only</i> Section I (Introduction), Section II (Safety Benefits of Product Liability) and Section V (Costs))</p>
2/17	<p>Employment Regulation: <i>LBS</i> (p. 471-499; 560-592)</p>
2/24	<p>Anti-Trust—Restraints of Trade: <i>LBS</i> (p. 399-424) Federal Trade Commission Report on Patents, “To Promote Innovation: The Proper Balance of Competition and Patent Law and Policy” (<i>read</i> Executive Summary only) http://www.ftc.gov/os/2003/10/innovationrptsummary.pdf <i>A Great Idea Lives Forever. Shouldn’t Its Copyright?</i> (Mark</p>

	Helprin, May 20, 2007, <i>NYT</i>)
3/3	Anti-Trust—Monopolies and Mergers: <i>LBS</i> (p. 429-459) <i>In the Grip of the New Monopolists—Do away with Google? Break up Facebook? We can't imagine life without them—and that's the problem</i> (Tim Wu, November 13, 2010, <i>WSJ</i>) <i>The Very Bottom Line; America's Most Hated Companies</i> (December 24, 2005, <i>The Economist</i>)
3/10	Mid-Term
3/17	Spring Break—no class
3/24	CFA Ethics materials
3/31	Consumer Protection: <i>LBS</i> (p. 600-631) <i>Tougher Health Warnings Are Free With Every Pack</i> (Betsy McKay, et al., November 11, 2010, <i>WSJ</i>) <i>For Scots, a Scourge Unleashed by a Bottle</i> (Sarah Lyall, February 4, 2010, <i>NYT</i>) <i>Caffeine and Alcohol is a Potent Mix for Young</i> (Abby Goodnough, October 27, 2010, <i>NYT</i>) <i>F.D.A. Issues Warning Over Alcoholic Energy Drinks</i> (Abby Goodnough, November 18, 2010, <i>NYT</i>)
4/7	Corporate Governance & Banking Regulation: <i>LBS</i> (p. 354-370) <i>Banking Regulation Review</i> (read Chapter 35—United States), pdf available online at: http://www.davispolk.com/files/Publication/944e65d5-1c5c-463a-8990-0649a2e309ea/Presentation/PublicationAttachment/b860143e-68e8-4ffd-aa66-9ef99bbd5bf1/ghenghi.cfong.agrawal.final.ibrr.chapter.nov10.pdf
4/14	Securities Regulation, Insider Trading & Sarbanes-Oxley: <i>LBS</i> (p. 371-393) <i>The End of the Financial World as We Know It</i> (Michael Lewis and David Einhorn, January 3, 2009, <i>NYT</i>) <i>First, Let's Fix the Bonuses</i> (Joe Nocera, February 20, 2009, <i>NYT</i>) <i>Lending Magnate Settles Fraud Case</i> (Gretchen Morgenson, October 15, 2010, <i>NYT</i>) <i>The More You Gain, the More You Lose</i> (read Sect. I.A.1.-Sect. I.A.3 and Sect. I.A.5., p. 169-177, p. 179-184)
4/21	Hedge Funds—To Regulate (or not)? <i>Goldstein v. SEC</i> (451 F. 3d 873) <i>The Running of the Hedgehogs</i> (Duff McDonald, April 16, 2007, <i>New York Magazine</i>) <i>A Hedge Fund's Loss Rattles Nerves</i> (Gretchen Morgenson and Jenny Anderson, September 19, 2006, <i>NYT</i>) <i>Betting the House and Losing Big</i> (Jenny Anderson, September 23,

	2006, NYT)
4/28	Papers due , catch-up and final exam review
TBA	Final Exam

Course Policies	
Grading Criteria	<p>Your grade in this class will be based on the following:</p> <p>Midterm: 30%</p> <p>Paper: 30%</p> <p>Final Exam: 30%</p> <p>Attendance and participation: 10%</p> <p>Letter grades will be assigned as follows: 90-100 = A, 80–89 = B, 70-79 = C, 60–69 = D, and below 60 = F.</p>
Make-up Exams	<p>There will be no make-up exams except for approved absences. Approved absences include death (of a close relative), serious illness (you), religious events, or participation in a University of Texas at Dallas sanctioned athletic event.</p>
Extra Credit	There is no extra credit for this class.
Late Work	All projects or assignments are due at the end of class on the due date listed on the syllabus. Late work will not be accepted.
Special Assignments	A 10-15 page paper related to one of the matters discussed in class. (You may select your own topic or choose from a list that I will provide.)
Class Attendance	Your attendance and participation is expected (and encouraged). You should be prepared to discuss the topic of the day when called on and you should feel free to volunteer your thoughts and questions during the class.
Classroom Citizenship	Please turn off your cell phone before class. You may use your laptop to take notes in class; however, if it becomes a distraction to you or other students, I reserve the right to revoke this privilege.
Field Trip Policies Off-Campus Instruction & Course Activities	<p><i>Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm. Additional information is available from the office of the school dean. Below is a description of any travel and/or risk-related activity associated with this course.</i></p>
Technical Support	If you experience any problems with your UTD account you may send an e-mail to: assist@utdallas.edu or call the UTD Computer Helpdesk at 972-883-2911.
Student Conduct and Discipline	The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student

	<p>organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD printed publication, <i>A to Z Guide</i>, which is provided to all registered students each academic year.</p> <p>The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the <i>Rules and Regulations, Series 50000, Board of Regents, The University of Texas System</i>, and in Title V, Rules on Student Services and Activities of the university's <i>Handbook of Operating Procedures</i>. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391) and online at http://www.utdallas.edu/judicialaffairs/UTDJudicialAffairs-HOPV.html</p> <p>A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.</p>
<p>Academic Integrity</p>	<p>The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.</p> <p>Scholastic Dishonesty, any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts.</p> <p>Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.</p>

Copyright Notice	<p>The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted materials, including music and software. Copying, displaying, reproducing, or distributing copyrighted works may infringe the copyright owner's rights and such infringement is subject to appropriate disciplinary action as well as criminal penalties provided by federal law. Usage of such material is only appropriate when that usage constitutes "fair use" under the Copyright Act. As a UT Dallas student, you are required to follow the institution's copyright policy (Policy Memorandum 84-I.3-46). For more information about the fair use exemption, see http://www.utsystem.edu/ogc/intellectualproperty/copypol2.htm</p>
E-mail Use	<p>The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, e-mail raises some issues concerning security and the identity of each individual in an e-mail exchange. The university encourages all official student e-mail correspondence be sent only to a student's U.T. Dallas e-mail address and that faculty and staff consider e-mail from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free e-mail account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.</p>
Withdrawal from Class	<p>The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.</p>
Student Grievance Procedures	<p>Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's <i>Handbook of Operating Procedures</i>.</p> <p>In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent").</p>

	<p>Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.</p> <p>Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.</p>
Incomplete Grades	<p>As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of F.</p>
Disability Services	<p>The goal of Disability Services is to provide students with disabilities equal educational opportunities. Disability Services provides students with a documented letter to present to the faculty members to verify that the student has a disability and needs accommodations. This letter should be presented to the instructor in each course at the beginning of the semester and accommodations needed should be discussed at that time. It is the student's responsibility to notify his or her professors of the need for accommodation. If accommodations are granted for testing accommodations, the student should remind the instructor five days before the exam of any testing accommodations that will be needed. Disability Services is located in Room 1.610 in the Student Union. Office hours are Monday – Thursday, 8:30 a.m. to 6:30 p.m., and Friday 8:30 a.m. to 5:00 p.m. You may reach Disability Services at (972) 883-2098.</p> <p>Guidelines for documentation are located on the Disability Services website at http://www.utdallas.edu/disability/documentation/index.html.</p>
Religious Holy Days	<p>The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious</p>

	<p>holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.</p> <p>The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.</p> <p>If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.</p>
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These descriptions and timelines are subject to change at the discretion of the Professor.