

## **LAW 682: SECURITIES REGULATION**

Fall 2008 – Professor Teitelbaum

Monday, Tuesday & Wednesday, 9:05am - 10:00am, G85 Myron Taylor Hall

### **Course Description**

This course will focus on the regulation of two key aspects of the capital markets in the United States: the primary markets for the raising of capital from public investors governed by the Securities Act of 1933 (Securities Act) and the trading of securities in the secondary market governed by the Securities Exchange Act of 1934 (Exchange Act). The course will feature extended discussion of the complex substantive and financial disclosure obligations required under US federal securities laws, including the interaction between the Securities Act and Exchange Act schemes via integrated disclosure, the preparation of disclosure documentation, exemptions from disclosure requirements and private placements, the relationship between disclosure and various antifraud rules, and the duties of the main participants in securities transactions (including underwriters, lawyers, and accountants). The course will also touch upon how US federal securities laws, including the Sarbanes-Oxley Act of 2002, regulate business practices of issuers and distribution participants.

### **Course Website**

The website for the course is located on Blackboard under LAW 6821-1. The address for Blackboard is <http://www.blackboard.cornell.edu>. Certain course materials, including this syllabus, will be posted on the course website. In addition, announcements will be posted on the course website from time to time, so students should check the website routinely.

### **Professor Information**

Joshua C. Teitelbaum, 236 Myron Taylor Hall, 607-255-5423, [jct35@cornell.edu](mailto:jct35@cornell.edu)

Office Hours: Tuesday, 1:00pm – 4:00pm

Assistant: Anne Cahanin, 115 Myron Taylor Hall, 607-255-7403, [amc227@cornell.edu](mailto:amc227@cornell.edu)

### **Course Requirements and Grading Policy**

The course requirements consist of class participation and a final exam. The final exam is scheduled for Wednesday, December 17, at 11:00am. Course grades will be determined by performance on the final exam (95%) and by participation in class discussions (5%). Grade options are as follows: Letter or S/U for JD students and H/S/U for LLM students.

Note to JD students: The course will adhere to the Law School's mean grade cap for JD students. Accordingly, JD student transcripts will not carry an asterisk next to their grade for the course.

### **Course Materials**

There are two required textbooks:

Choi & Pritchard, *Securities Regulation: Cases and Analysis, Second Edition* (CASE)

Choi & Pritchard, *Securities Regulation: Statutory Supplement, 2008 Edition* (STAT)

Each of these textbooks is available for purchase in the Cornell Store. Additional course materials, including selected SEC releases, will be posted from time to time on the course website (WEB).

## Course Outline

The following table sets forth the topics and reading assignments for the course. It is important that students not only read the assigned pages in CASE but also review the related statutes and rules in STAT. I will endeavor to make the class as interactive as possible. To facilitate class discussion, it is important that students complete the reading assignment in advance of class.

Class	Topic	Reading Assignment	Statutes and Rules
Mon, Sep 1	Introduction	CASE: 1-43	
Tues, Sep 2	Materiality	CASE: 44-67	Exchange Act § 10(b); Rules 10b-5, 12b-20. Regulation S-K Items 103, 303, 401, 403, 404, 406.
Wed, Sep 3	Materiality	CASE: 67-87	
Mon, Sep 8	Definition of "Security"	CASE: 88-109	Securities Act §§ 2(a)(1), 2(a)(3), 3(a)(3). Exchange Act §§ 3(a)(10), 3(a)(14), 27, 29.
Tue, Sep 9	Definition of "Security"	CASE: 109-131	
Wed, Sep 10	Definition of "Security"	CASE: 131-148	
Mon, Sep 15	<b>NO CLASS—Makeup TBD</b>		
Tue Sep 16	Disclosure and Accuracy	CASE: 149-174	Exchange Act §§ 12(a), 12(b), 12(g), 13(a), 15(d); Rules 12g-1; 12g-4, 13a-14. Forms 8-K, 10-Q, 10-K. Regulation S-K Items 101-103, 201, 301-305, 401-404, 601, 701.
Wed, Sep 17	Disclosure and Accuracy	CASE: 174-186	Exchange Act §§ 4C, 10A, 13(b); Rule 13a-1. Sarbanes-Oxley Act §§ 201, 203, 206, 304, 307, 404, 407. SEC Rules of Practice 102(e), 205. SEC Standards Of Professional Conduct For Attorneys.
Mon, Sep 22	Rule 10b-5	CASE: 238-259	Exchange Act § 10(b); Rule 10b-5.
Tue, Sep 23	Rule 10b-5	CASE: 271-286	Exchange Act §§ 21D(b), 21E.
Wed, Sep 24	Rule 10b-5	CASE: 286-305	
<b>TBD</b>	Rule 10b-5	CASE: 308-320	Exchange Act §§ 21D(e), 21D(f).
Mon, Sep 29	Rule 10b-5	CASE: 321-335, 341-343, 350	
Tue, Sep 30	Insider Trading	CASE: 351-366	Exchange Act §§ 14(e), 20(d), 20A, 21A; Rules 10b5-1, 10b-18, 14e-3.
Wed, Oct 1	Insider Trading	CASE: 366-375	
Mon, Oct 6	Insider Trading	CASE: 375-384	Regulation FD.
Tue, Oct 7	Insider Trading	CASE: 384-400	Exchange Act Rule 10b5-2.
Wed, Oct 8	Insider Trading	CASE: 401-414	Exchange Act § 16; Rules 16a-1, 16a-2, 16a-3, 16a-4.

<b>Class</b>	<b>Topic</b>	<b>Reading Assignment</b>	<b>Statutes and Rules</b>
Mon, Oct 20	Public Offerings	CASE: 415-436	Securities Act §§ 2(a)(3), 2(a)(10), 5, 10; Forms S-1, S-3.
Tue, Oct 21	Public Offerings	CASE: 436-447	Securities Act §§ 5, 10; Rules 135, 163A, 168, 169, 405, 433.
Wed, Oct 22	Public Offerings	CASE: 447-458	Securities Act §§ 2(a)(11), 5, 10; Rules 134, 164, 405, 430, 433.
Mon, Oct 27	Public Offerings	CASE: 459-464	Securities Act §§ 4(1), 4(3), 4(4); Rules 137, 138, 139.
Tue, Oct 28	Public Offerings	CASE: 464-476	Securities Act §§ 2(a)(10), 8, 10; Rules 172, 173, 174, 430A, 434. Reg S-K Item 512(i). Exchange Act Rule 15c2-8.
Wed, Oct 29	Public Offerings	CASE: 476-491	Regulation M. Securities Act § 2(a)(3); Rules 413, 415, 424, 430. Reg S-K Item 512(a).
Mon, Nov 3	Overflow & Summary		
Tue, Nov 4	Securities Act Liability	CASE: 492-505	Securities Act §§ 6(a), 11, 13, 15; Rules 158, 176.
Wed, Nov 5	Securities Act Liability	CASE: 505-530	
Mon, Nov 10	Securities Act Liability	CASE: 530-531, 539-550	Securities Act § 12(a)(1).
Tue, Nov 11	Securities Act Liability	CASE: 550-566	Securities Act § 12(a)(2); Rules 159, 159A.
Wed, Nov 12	Exempt Offerings	CASE: 567-578	Securities Act § 4(2)
Mon, Nov 17	Exempt Offerings	CASE: 578-602	Securities Act Rules 135c, 152, 155. Regulation D.
Tue, Nov 18	Exempt Offerings		
Wed, Nov 19	Exempt Offerings	CASE: 602-614	Regulation A.
Mon, Nov 24	Exempt Offerings	CASE: 631-645	Regulation S.
Tue, Nov 25	Secondary Distributions	CASE: 646-657	Securities Act §§ 2(a)(3), 2(a)(11), 2(a)(12), 4, 5; Rule 405.
Wed, Nov 26	Secondary Distributions	CASE: 657-663	
Mon, Dec 1	Secondary Distributions	CASE: 663-674	Securities Act Rule 144.
Tue, Dec 2	Secondary Distributions	CASE: 674-683	Securities Act Rule 144A.
Wed, Dec 3	Overflow & Summary		