

## **LAW 682: SECURITIES REGULATION**

Spring 2008 – Professor Teitelbaum

Thursday & Friday, 2:30pm - 3:55pm, 290 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, 110 Myron Taylor Hall, 607-255-5423, [jct35@cornell.edu](mailto:jct35@cornell.edu)

Office Hours: Thursday, 9:00am – 12:00pm

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 Thursday, May 1, at 1:30pm. 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* (CASE)

Choi & Pritchard, *Securities Regulation: Statutory Supplement, 2007 Edition* (STAT)

In addition, there is one optional textbook:

Palmiter, *Securities Regulation: Examples and Explanations*, Third Edition (PALM)

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
Thu, Jan 24	Introduction	CASE: 1-46	
Fri, Jan 25	Materiality	CASE: 47-58, 67-97	Exchange Act § 10(b); Rules 10b-5, 12b-20. Regulation S-K Items 401, 403, 404, 406.
Thu, Jan 31	Definition of "Security"	CASE: 103-124	Securities Act §§ 2(a)(1), 2(a)(3), 3(a)(3). Exchange Act §§ 3(a)(10), 3(a)(14), 27, 29.
Fri, Feb 1	Definition of "Security"	CASE: 124-140	
Thu, Feb 7	Definition of "Security"	CASE: 140-155	
Fri, Feb 8	Disclosure and Accuracy	CASE: 156-176	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.
Thu, Feb 14	Disclosure and Accuracy	WEB: Reg FD Supp CASE: 195-200	Regulation FD. 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). SEC Standards Of Professional Conduct For Attorneys.
Fri, Feb 15	Rule 10b-5	CASE: 250-271	Exchange Act § 10(b); Rule 10b-5.
Thu, Feb 21	Rule 10b-5	CASE: 283-315	Exchange Act §§ 21D(b), 21E
Fri, Feb 22	Rule 10b-5	CASE: 318-341, 347-349, 356	Exchange Act §§ 20(e), 21D(b)(4), 21D(f).
Thu, Feb 28	Insider Trading	CASE: 357-372	Exchange Act §§ 14(e), 20(d), 20A, 21A; Rules 10b5-1, 10b5-2, 10b5-18, 14e-3.
Fri, Feb 29	Insider Trading	CASE: 372-393	
Thu, Mar 6	Insider Trading	CASE: 393-407	Exchange Act § 16; Rules 16a-1, 16a-2, 16a-3, 16a-4.
Fri, Mar 7	Public Offerings	CASE: 409-437	Securities Act §§ 2(a)(3), 2(a)(10), 5, 10; Rules 135, 163A, 168, 169, 405, 433. Form S-3 General Instruction 1.
Thu, Mar 13	Public Offerings	CASE: 437-453	Securities Act §§ 2(a)(3), 2(a)(10), 5(b), 10(b); Rules 134, 164, 168, 405, 430, 433.
Fri, Mar 14	Public Offerings	CASE: 453-463	Securities Act §§ 2(a)(10), 8, 10(a); Rules 172-174, 430A, 434. Reg S-K Item 512(i). Exchange Act Rule 15c2-8.

<b>Class</b>	<b>Topic</b>	<b>Reading Assignment</b>	<b>Statutes and Rules</b>
Thu, Mar 27	Public Offerings	CASE: 463-479	Regulation M. Securities Act § 2(a)(3); Rules 413, 415, 424, 430. Reg S-K Item 512(a).
Fri, Mar 28	Securities Act Liability	CASE: 480-490	Securities Act §§ 6(A), 11, 15; Rule 405.
Thu, Apr 3	Securities Act Liability	CASE: 490-516, 524-528	Securities Act §§ 11(b), 11(c), 11(e), 11(f), 13; Rules 158, 176.
Fri, Apr 4	Securities Act Liability	CASE: 528-550	Securities Act §§ 2(a)(3), 2(a)(10), 2(a)(11), 10, 12(a)(1), 12(a)(2); Rules 159, 159A.
Thu, Apr 10	Exempt Offerings	CASE: 551-562	Securities Act § 4(2)
Fri, Apr 11	Exempt Offerings	CASE: 562-586	Securities Act Rules 135c, 152, 155. Regulation D.
Thu, Apr 17	Exempt Offerings	CASE: 586-599, 616-631	Regulation A. Regulation S.
Fri, Apr 18	Secondary Distributions	CASE: 632-650	Securities Act §§ 2(a)(3), 2(a)(11), 2(a)(12), 4, 5.
Thu, Apr 24	Secondary Distributions	CASE: 650-660	Securities Act Rule 144
Fri, Apr 25	Secondary Distributions	CASE: 660-667	Securities Act Rule 144A