PAD435/535/ACC535: Law in Financial Market Regulation, Fall 2014 (online course taught through Blackboard [https://blackboard.albany.edu/]). Syllabus revised August 31, 2014.

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You should ask any questions relating to the course in general—such as questions about grading policies, assignments, submission of assignments, or other general course matters—through the discussion boards on Blackboard; this is so other students, as well, will benefit from the questions and responses. You should ask questions about general course policies on the discussion board on the syllabus page. You should ask questions pertaining to specific weeks of the class on the discussion boards for those weeks. You can contact me directly through email on Blackboard, or at the address above, if you have a personal question, such as a question about a specific grade that you received. I will be checking the course site to respond to questions at least once a day, and usually more often.

Office Hours: I will be in Milne 317 on Wednesdays from 12-1, can be contacted on email continuously, and will be pleased to set up appointments to speak with students in person or on the telephone throughout the week.

Course Description: This course examines the history, rationales, and structures of laws dealing with financial markets in the United States. It focuses particularly on laws and regulations relating to securities markets but discusses how the issues in securities appear in other areas such as banking and the derivatives markets.

Readings Assigned


The law firm Cadwalader (http://www.cadwalader.com/) is making the Cadwalader Cabinet available to students in order to support an initiative in online education in financial market regulation. Understanding legal issues in financial markets requires understanding how laws and regulations may or may not apply in diverse circumstances. Lofchie’s Guide to Broker-Dealer Regulation discusses these issues clearly, but never avoids their important complexities. Thus, understanding the readings in this course will require serious effort on your part, and assumes that you have had prior coursework in regulation and/or finance. However, completing the course assignments effectively will give you experience in working with one of the most prominent and valuable resources available to professionals in financial markets (For comments on this, see http://www.cadwalader.com/thecabinet/page.php?page_id=48). The benefit for you as a student is that being familiar with the issues in Lofchie’s Guide to Broker-Dealer Regulation, and the Cadwalader Cabinet in general, will help you compete effectively for internships and professional positions in financial markets, as well as in your work in such positions.

You should use the discussion boards actively to resolve any uncertainties you have about the readings by asking questions and participating in discussions. I also will be posting comments on the discussion boards for the weeks, treating the discussion boards as the equivalent of continuous in-class sessions. Actively engaging the
discussion boards is as critical to completing this course successfully as is class attendance for a course in a traditional format.

Grading System
The course grade will be based on weekly papers (80%) and overall engagement with the class (20%).

Course Papers
Beginning on Sunday, August 31, each week you should submit a two-page, double-spaced paper (minimum 11-point font) answering questions on that week’s readings posted on the Blackboard course site. You can go somewhat beyond two pages to avoid cutting an argument short, but definitely do not go beyond three pages. You should state your arguments clearly and concisely; writing a paper beyond three pages will violate the rules for the assignment rather than make the paper more effective. You should submit these papers to Blackboard in Microsoft Word (do not use other software; I will not accept papers that I cannot open) by the end of the day designated. You can submit assignments earlier than the due dates.

When submitting your assignments, use the following format in naming the file: Your Name_Date Due (e.g., David McCaffrey_Sept 7 or other date due). Do NOT send in the paper with a title like “Paper 1”—the file title should be your name and the date the paper is due because otherwise I will need to re-name the file.

The papers will be due at 11:59 pm on the specified date. I will not be accepting late papers so be sure to prepare the paper in time to allow for any problems in submissions. You should assume that you are going to encounter computer or other problems of one kind or another and allow for those contingencies by having back-up files and computers and allowing yourself time to deal with unexpected difficulties of any type. You must submit all of the papers assigned for the course.

You should analyze the readings and other materials actively and creatively in working on these questions. I will be posting supplementary materials on Blackboard and you can draw on these as well, but that is not required, and you must be sure to address the assigned readings. The questions may require you to complete an additional short reading, view a video, or other task related to the assignment. The questions periodically will ask that you draw on material from earlier in the course as well as for the current week.

Papers will be graded on presentation as well as their content so write and edit the papers carefully. A main goal of this course is to practice careful analysis and writing relating to financial market regulation.

I will mark down papers that contain editing errors, inconsistent formatting, and other mistakes that should have been corrected in advance. I will reduce grades particularly sharply when the student has not read, or has disregarded, earlier feedback on similar errors—for example, when, despite earlier corrections, a student continues to use commas almost randomly, continues to use “it’s” when “its” is required, or “there” when “their” is required, or continues to refer to a public or private regulatory organization as “the firm” (a regulatory organization is not a “firm.”). How clearly, cleanly, and effectively you write these papers will influence your course grade substantially.

One of the assigned readings for the first week is “Guides for Writing and Avoiding Editing Errors.” This document combines three discussions of writing and the importance of avoiding editing errors. Two of these documents were prepared for earlier
UAlbany classes by Professors Sue Faerman and Sue Epstein and by Professor Richard Fogarty. We have different perspectives on some of the specific points made in the documents—for example, Professor Fogarty emphasizes the need to avoid semicolons, while I use them frequently. Professor Fogarty also wrote his guide in a provocative tone in order to encourage debate about some of the suggestions. However, we all agree on most of the points made in these documents. Most important, the combined documents convey that writing requires thoughtful, informed choices. I am including these guides as assigned readings for the first week to emphasize the importance of your paying attention to the writing and editing of these papers starting with the first assignment.

In the 2013-2014 academic year I found myself repeatedly correcting errors that were flagged in advance in these editing guides assigned for the first week. It is critical that you not make errors that are noted in advance in these editing guides. This means that you need to study these guides carefully prior to submitting the first paper. I will handle errors that were flagged in advance in these editing guides on the first paper, and papers throughout the semester, as cases of disregarded prior editing feedback.

Also, you should make regular use of other guides on writing available on the internet. One useful guide to proper use of punctuation is The Punctuation Guide http://www.thepunctuationguide.com/index.html. You should use this and other sources whenever you are uncertain about the proper use of punctuation, a word, or other device in writing these papers. Referring to such guides frequently will improve your papers. Also, feel free to ask questions on the Blackboard site about editing issues that you cannot clarify through other sources.

The main point to keep in mind is that you should exercise the same level of care in writing these papers as you would exercise in entering numbers on a spreadsheet, or in a mathematical calculation. Errors in spreadsheets and mathematical calculations diminish grades in assignments. Similarly, editing and other writing errors will diminish grades in these papers.

Please review the University definitions and policies regarding plagiarism in the current Undergraduate and Graduate Bulletins. Plagiarism, in both its subtle and flagrant forms, including long summaries without appropriate citation of the work of others, is a serious offense. The papers will be processed through SafeAssign plagiarism detection software integrated with Blackboard. If a paper, comment in the Blackboard discussion forum, or any other submission connected with the course shows signs of plagiarism the University policy will be enforced strongly.

Active and Effective Engagement in the Class (20%)

As noted above, contributions to the discussion boards through thoughtful comments and questions are the equivalent of class attendance in this course.

Examples of effective comments and questions would be those addressing relationships in the assigned readings, such as asking how two or three issues in the readings relate to the paper topic and specifying why you are asking the question, or posting a link to an article and discussing specifically how it relates to the readings and paper topic, or responding thoughtfully to such contributions. Such activity will help you, and others, in the writing of the papers. Conversely, posting a link to an article that you encountered with little relationship to the readings or explanation of how you see it applying, or citing a quote from the readings and then asking “What does everybody think about this?,” or otherwise posting something just to show up on the discussion board, do not count as
effective engagement with the course. If you would like to run a draft comment by me ahead of time, definitely feel free to send me an email or otherwise contact me and I will respond as soon as I can.

Additionally, you can demonstrate active participation in the class through your ability to consistently draw on material thoughtfully and creatively in writing the responses to questions on the readings. The pattern of work you show throughout the course on the written answers and other course activities transcends the individual grades on the papers. Twenty percent of the course grade will be based on the various indicators of the level and quality of engagement through the duration of Law in Financial Market Regulation. At the end of the semester I will base this component of the grade mainly on the quantity and—most important—the quality of participation on the discussion boards.

**Meaning of Grades**

A grade of A reflects highly successful effort to think creatively about the course material and to present assignments effectively. A grade of B reflects good, comprehensive work with the assigned material. A grade of C reflects knowledge of much of the material, but weak preparation of a substantial share of it. A grade of less than C reflects major gaps in knowledge or persistent lack of performance in the various aspects of the course. The grade scale used is 3.8-4 (A), 3.6-3.7 (A-), 3.3-3.5 (B+), 3.0-3.2 (B), 2.7-2.9 (B-), 2.3-2.6 (C+), 2.0-2.2 (C); 1.7-1.9 (C-); 1.3-1.6 (D+); 1.0-1.2 (D). Less than .7 is an E. Students enrolled in the graduate section of the class (PAD535) need to earn C or better for the class to earn academic credit. Although the same grade scale is used for those enrolled as undergraduate and graduate students, the grading standards for graduate work are higher, as appropriate for graduate-level work and credit.

**Main Reading Assignments for Designated Weeks.** Links to websites, or PDFs of documents in the public domain, are provided on course pages for the designated weeks. The number of pages for selections from *Lofchie’s Guide to Broker-Dealer Regulation* refers to the number of pages in print format.

**August 25-31**


Agency and Organization Websites (for overview of agencies and private regulatory organizations):


- Financial Industry Regulatory Authority (FINRA), *What We Do*. Review sections on “What We Do,” “Chairman’s Message,” and “Technology.”
• National Futures Association (NFA), About the NFA. Review “Introduction,” “NFA’s role in the U.S. derivatives industry,” “How NFA fights fraud and abuse,” “Customer protection initiatives,” “Dispute resolution,” and “Resources for investors.”


September 8-14 **Lofchie’s Guide to Broker-Dealer Regulation**, 03. How to Register (8 pages); Employees and Other Associated Persons (15 pages); 05. Dealing with Customers, beginning of chapter through II. “Other Potential Liability Relating to Dealing with Customers” (9 pages).

September 15-21 **Lofchie’s Guide to Broker-Dealer Regulation**, 05. Dealing with Customers, III. “Online Trading” through conclusion of chapter (17 pages) and 06. Communications (18 pages).


October 6-12 **Lofchie’s Guide to Broker-Dealer Regulation**, 08. Trading, Section X. “General Marketplace Obligations and Restrictions” through conclusion of chapter (24 pages).


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<td>November 24-30</td>
<td>No readings/assignment in light of Thanksgiving Break Nov. 26-30. November 17-23 assignment is due on November 30.</td>
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