This course examines the public regulation of business, surveying the field in general but with special attention to regulatory controls in financial markets. Its subjects include the justifications and critiques of government regulation, ethical considerations in regulatory decisions, international dimensions of regulatory policy and management, and how political, legal, and technological processes shape regulation.

One main goal of this course is to practice careful analysis, writing, and discussion of materials related to regulatory policy. Another goal is to encourage you to begin to develop a research project early in your studies at the University, either in this field or in another field of your interest. Throughout the semester we will discuss how to develop research projects based on this material, and I would be pleased to work with you in advancing those projects during the semester.

**Instructor:** David McCaffrey, Distinguished Teaching Professor, Milne 317 (downtown campus), 442-5282, dmccaffrey@albany.edu.

**Office Hours:** I will be in Milne 317 on Wednesdays from 12-1, and would be glad to set up meetings on the uptown campus prior to or immediately after our class on Tuesdays or Thursdays, or other times during the week. I also can be contacted on email continuously.

**Readings Assigned:**


David McCaffrey and David Hart, *Wall Street Polices Itself: How Securities Firms Manage the Legal Hazards of Competitive Pressures* (Oxford University Press, 1998), manuscript version (provided on Blackboard).

**Grading System**

The course grade will be based on weekly papers (80%) and active and effective participation in the course (20%).

**Course Papers**

Beginning on September 2, each week you should submit a two-page, double-spaced paper (minimum 11-point font) answering questions posted in advance on the Blackboard course site. You can go a bit 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 through the submission process on Blackboard in Microsoft Word (do not use other software; I will not accept papers that I cannot open) by the start of the first class for the week (11:45 am) in which the assignment is due.
When submitting your assignments, use the following format in naming the file: **Your Name_Date Due** (e.g., David McCaffrey_Sept 2). 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 rename the file.

You need to submit all of the papers for the course. 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 materials. The assignments may require you to complete an additional short reading, view a video, or other task related to the assignment.

Papers will be graded on presentation as well as their content so write and edit the papers carefully. Experienced professionals emphasize to us that the ability to analyze information and write subsequent reports effectively is an essential and increasingly rare skill among applicants for positions in their organizations. A main goal of this course is to practice careful analysis and writing relating to regulatory issues so that you develop those skills.

This means that you must pay close attention to your writing. 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 non-fiction work as a “novel.” How clearly, cleanly, and effectively you write these papers will influence your course grade substantially.

One of the assigned readings for August 26 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.

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](http://www.thepunctuationguide.com/index.html). I will suggest other guides in the course of reviewing your papers. You should use these 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.
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, in a mathematical calculation, or in conducting a scientific experiment. Errors in spreadsheets, math, or experiments diminish grades in such 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 Bulletin. 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 Participation in the Course (20%)**

Active and effective participation in the course means participation, informed by knowledge of the readings and other materials, in class sessions and other aspects of the course. This can include participation in the discussion forums on Blackboard. It requires more than simply coming to class and it does not mean an effort to dominate class discussion. If you find yourself saying something every 5 minutes that is going over the edge of effective class participation, and hardly ever responding to questions during class discussions falls short of effective class participation. The best indication of effective class participation is the ability to ask and respond to questions in ways informed by close attention to the readings. A main purpose of the papers is to prepare you for the class discussions.

You should abide by basic norms of appropriate social conduct in classes, just as you would in other types of professional meetings. A minimum requirement for any credit in the class participation component is that you are there and focused on the class. I will mark you as absent for the class if you miss the class or leave the class early. You should not use electronic devices like laptops, smartphones or tablets except for those used to take notes. If I believe that you are sending or checking messages, browsing the web, reading unrelated materials, sleeping, talking with others beyond the point of brief exchanges, or otherwise conveying that it is not worth your time to be in class, I will mark you as absent for that session. Eight absences during the course of the semester will mean that you receive little if any credit for the class participation component.

Please arrive at the class by 11:45. It is disruptive when individuals arrive late and disrespectful of your colleagues who get to the class on time. Let me know if I can answer any questions about this or any other section of the syllabus.

**Meaning of Grades**

For the papers, participation, and overall grade for the course, a grade of A reflects strong ability to work with the material and to think creatively about it. A grade of B reflects a good, comprehensive awareness of 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); .7-.9 (D-). Less than .7 is an E.
Reading Assignments

August 26/28  Guides for Writing and Avoiding Editing Errors; Crole, Regulation and Public Interests, pp. 1-25.

September 2/4  Regulation and Public Interests, pp. 77-133 (pp. 26-76 optional).


September 16/18  Regulation and Public Interests, pp. 196-257.

September 23  Regulation and Public Interests, pp. 258-306; video, House of Cards. September 25 is a University class suspension.

Sept. 30/Oct. 2  Checking on Banks, pp. 1-52.

October 7/9  Checking on Banks, pp. 53-112.

October 14/16  Checking on Banks, pp. 113-188.

October 21/23  13 Bankers, pp. 3-56, video, Inside the Meltdown.

October 28/30  13 Bankers, pp. 57-119.

November 4/6  13 Bankers, pp. 120-188; video, The Warning.

November 11/13  13 Bankers, pp. 189-231; video, October 1987: Crash and Comeback (not required for assignment; to be viewed in class); video, Money and Speed: Inside the Black Box.

November 18/20  David McCaffrey and David Hart, Wall Street Polices Itself (Oxford University Press, 1998), manuscript version, pp. 1-96 (pp. 3-65 in book).

November 25  Wall Street Polices Itself, manuscript version, pp. 97-140 (pp. 66-92 in book). November 27 is a University class suspension.

December 2/4  Wall Street Polices Itself, manuscript version, pp. 141-237 (pp. 93-149 in book).

December 9  Wall Street Polices Itself, manuscript version, pp. 238-297 (pp. 150-187 in book).