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

Office Hours: I would be glad to set up meetings prior to or immediately after our class on Tuesdays or Thursdays, or other times during the week depending jointly on our schedules. I also can be contacted on email continuously.

Syllabus dated January 22, 2015.

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.

Readings Assigned:


Diana Hacker and Nancy Sommers, Rules for Writers (7th Edition, Bedford/St. Martin’s, 2011).


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 two examinations (both 20% of the grade), two five-page papers (both 20% of the grade), and active and effective participation in the course (20%).

Examinations

The examinations are scheduled for the class periods of March 5 and April 16. The examinations will consist of short answers to questions, taking up to 60 minutes of the class. The March 5 examination will focus on material covered prior to March 5. The April 16 examination will focus on material covered March 5-April 14, but may refer to earlier material as well.

Course Papers

You will write two five-page papers for the course, responding to the questions specified below. These are due by March 26 and May 10. The papers should be double-spaced (minimum 11-point font), with one-inch margins. You can go a bit beyond five pages to avoid cutting an argument short, but definitely do not go beyond six pages. Pages for references do not count against the page limits. You should not use a cover page on these papers; your name and the date are the only items required prior to the text. You
should state your arguments clearly and concisely. Writing a paper beyond the page limits 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 due date and time.

**Paper Due March 26**

Identify a significant current issue involving government agencies designing, issuing, and/or enforcing regulations. You can select the issue from an area of regulation that interests you. Demonstrate, using material drawn primarily from 2014 and 2015, including descriptive statistical information, why this issue is important today. You also should discuss the status of the issue as of March 2015.

**Paper Due May 10**

Identify a significant current issue involving the regulation of financial instruments or the regulation of financial market systems. The issue must differ from the issue that you discussed in your paper due March 26. Drawing on material primarily from 2014 and 2015, including descriptive statistical information, state the strongest arguments that analysts can make on two conflicting points of view on this issue.

When submitting your assignments, use the following format in naming the file: Your Name_Date Due (e.g., David McCaffrey_March 26). 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. 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.

One of the main purposes of PAD236 is to practice locating and using material in analyzing regulatory issues. Thus, the questions will ask that you analyze a current regulatory issue using material beyond the course as well as material that we have covered. In analyzing the current regulatory issues you must identify outside sources primarily from 2014 and 2015. The appropriate number of sources will vary depending on what they are; for example, a publicly available data set will enable more analysis than an online article from Bloomberg. We frequently will discuss the writing of these papers in class, and you should always feel free to review with me your ideas for them. You should be prepared to meet with me to explain the process and reasoning you used in writing the papers, and so you should retain the material and notes you have used in writing them.

Fifty percent of the grades for these papers will be based on the quality of presentation and writing and 50% will be based on the substantive material in the paper. You will get separate grades for each component, combined into a single grade. 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 not be editing your draft papers. It is your responsibility
to make sure that the writing, editing, and formatting of the paper are as clean as
possible. One of the books assigned for the course is Diana Hacker and Nancy
Sommers, *Rules for Writers* (7th edition, 2012). We will be discussing writing issues
throughout the semester, referring to this source, and you should use the book as a
reference as you are writing and formatting your papers. 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, or slight changing in
wording to avoid quotation of another person’s writing, is a serious offense. The papers
will be processed through SafeAssign plagiarism detection software integrated with
Blackboard. If a paper or any other submission connected with the course shows signs
of plagiarism the University policy will be enforced strongly. As noted above, you should
be prepared to meet with me to explain the process and reasoning you used in writing
the papers, and so you should retain the material and notes you have used in writing
them.

**Active and Effective Participation in the Course (20%)**

Twenty percent of the grade is based on the extent to which you ask and respond to
questions in ways informed by close attention to the readings. Students have told me
that they often are not comfortable speaking in class. This is something that we will
need to overcome this semester.

Active and effective participation in the course means participation, informed by
knowledge of the readings and other materials, in class discussions. 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.

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 or exams. 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 10:15. 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**

- **January 22**  

- **January 27/29**  
  *Regulation and Public Interests*, pp. 77-133 (pp. 26-76 optional).

- **February 3/5**  

- **February 10/12**  
  *Regulation and Public Interests*, pp. 196-257.

- **February 17/19**  

- **February 24/26**  
  *Checking on Banks*, pp. 1-52.

- **March 3/5**  
  *Checking on Banks*, pp. 53-112. **Examination on March 5.**

- **March 10/12**  
  *Checking on Banks*, pp. 113-188.

- **March 17/19**  
  University class suspension.

- **March 24/26**  
  *13 Bankers*, pp. 3-56, video, *Inside the Meltdown*. **First course paper is due March 26.**

- **March 31/April 2**  
  *13 Bankers*, pp. 57-119.

- **April 7/9**  
  *13 Bankers*, pp. 120-188; video, *The Warning*.

- **April 14/16**  
  *13 Bankers*, pp. 189-231; David McCaffrey and David Hart, *Wall Street Polices Itself* (Oxford University Press, 1998), manuscript version, pp. 1-59 (pp. 3-41 in book). **Examination on April 16.**

- **April 21/23**  

- **April 28/30**  
  *Wall Street Polices Itself*, manuscript version, pp. 141-237 (pp. 93-149 in book).

- **May 5**  
  *Wall Street Polices Itself*, manuscript version, pp. 238-297 (pp. 150-187 in book). **Second course paper is due May 10.**