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.


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:


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 15-minute examinations and class participation.

Weekly Written Examinations (84 points)

Beginning on January 26, at the start of each Tuesday class session, you will write an answer to a question based on the readings assigned for that week. You may not use an electronic device, books, or notes for these answers, and you should bring paper and a pen or pencil for your answers. These answers will take up the first 15 minutes of the class. The purpose of the question is for you to demonstrate your review of the readings and to give me an ongoing sense of your work. The questions will not assess your deep understanding of the issues in the readings—the classes will go over the readings—but rather assess your awareness of their basic themes. The questions will focus on the materials assigned for the week but may draw on materials covered earlier in the semester. There will be no make-ups for these short examinations unless you miss the session for documented circumstances justifying an absence under University policies. The examinations also will be at the beginning of the class, so arriving late to the class, in addition to diminishing your grade for participation (see below), likely will reduce your performance on the weekly examination.

Each of the fourteen questions will count for 6 points of the numerical total in the class, for a total of 84 points.
Active and Effective Engagement in the Class (20 points)

Twenty points of the numerical total will be based on the extent to which you ask and respond to questions in ways informed by close attention to the readings. 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, if the format permits, the examinations. 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 semester will mean that you receive little if any credit for the class participation component.

Meaning of Grades. As noted above, there is a total of 104 points available for grades in this course—84 points from the exams (14 exams with a maximum of 6 points each) and 20 points for engagement in the class. A grade of A for the exams, class engagement, and overall course reflects highly successful effort to deal with the course material. 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

92 and above (A)
88-91 (A-)
85-87 (B+)
80-84 (B)
77-79 (B-)
74-76 (C+)
70-73 (C)
67-69 (C-)
64-66 (D+)
60-63 (D)
57-59 (D-)
Less than 57 is an E.
Reading Assignments

January 26/28    *Regulation and Public Interests*, pp. 77-133 (pp. 26-76 optional).
February 9/11    *Regulation and Public Interests*, pp. 196-257.
February 16/18   *Regulation and Public Interests*, pp. 258-306; video, *House of Cards*.
March 1/3        *Checking on Banks*, pp. 53-112.
March 8/10       *Checking on Banks*, pp. 113-188.
March 15/17      University class suspension.
March 22/24      *13 Bankers*, pp. 3-56, video, *Inside the Meltdown*.
March 29/31      *13 Bankers*, pp. 57-119.
April 5/7        *13 Bankers*, pp. 120-188; video, *The Warning*.
April 26/28      *Wall Street Polices Itself*, manuscript version, pp. 141-237 (pp. 93-149 in book).