

Securities Law & Regulation (Law 317-002)

Course Syllabus

Spring Semester 2023

Adjunct Professors:

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Required Reading:

The case book (CB) we will use is *Securities Regulation: Cases and Analysis*, Fifth Edition, Stephen J. Choi and A.C. Pritchard.

We will make extensive reference to the Securities Act of 1933 (SA) and the Securities Exchange Act of 1934 (SEA) and rules and regulations under both. These are all public documents and are available free of charge on the web (for example <http://taft.law.uc.edu/CCL/33Act/>). The statutory supplement that accompanies the case book is optional.

We will also use materials that we will provide you throughout the semester.

Securities law is a dynamic area. We reserve the right to make changes to the syllabus to reflect developing issues in securities law. Such changes only will be made with adequate advance notice to allow students to prepare properly.

Office Hours:

Immediately following class or another time by request. Feel free to email any questions.

Course Description:

This is an introductory course to securities regulation. This securities course will introduce students to a range of important areas of concern for today's securities lawyer including but not limited to: the definition of a security and materiality; public and private enforcement of the federal securities laws; the role of SEC Commissioners and the SEC; regulations and exemptions related to securities offerings; regulated entity and regulated individual compliance issues; and strategies for approaching securities law issues. The course will discuss legal theories and the practical application of those theories in real world scenarios. Class participation is required.

We may supplement our lectures by having top practitioners in securities law come to class to lecture on developing topics.

We meet on Tuesdays and Thursdays from 8:10 p.m. to 9:35 p.m.

Class Objectives:

By the end of this class, students will:

- Be able to demonstrate knowledge of key concepts in securities regulation, including key concepts found within the Securities Act of 1933, the Securities Exchange Act of 1934, regulations promulgated under those statutes, and key securities laws cases.
- Be able to define key terms, such as “security” and “materiality,” and understand those terms in the context of securities regulation.
- Be able to analyze fact scenarios to identify securities law issues and apply the key laws and regulations applicable to those issues.
- Be able to describe the basic policies underlying securities regulation.
- Be able to apply knowledge of securities laws to real world situations.

Grading:

A final exam will be administered that will test the students on the topics covered during the semester. Students may be tested on topics covered in class *and* topics addressed in the reading assignments. The final examination will count for approximately 95% of your grade. Class participation will count for approximately 5% of your grade (one grade adjustment).

If you plan to miss a class for whatever reason (illness, family, job interview, personal reason), please email one of us in advance and simply let us know that you will not be present. You do not need to provide a reason. If you show up to class unprepared, your grade will be adversely affected.

Attendance:

We will take attendance each class period. The law school has an attendance policy (available here: https://www.law.gmu.edu/academics/regulations#AR_4_Course_Work_and_Evaluation_of_Academic_Performance_4). The policy provides that a student is not eligible to receive credit for a course if they miss more than 20% of the course sessions. For a class that meets twice a week, a student may not miss more than six classes. There is a provision for substituted work (in the instructor’s discretion) if a student misses between 20% and 30% and circumstances merit. If a student misses more than 30%, however, for any reason, the student may not receive credit for the course. If you are coming close to the maximum permitted absences, please alert us.

Visual or Audio Recording Class:

Visual and/or audio recording of class is *not* permitted unless a student submits a written request and receives prior permission from the professors.

Closing Thoughts:

We are passionate about the practice of law, especially securities law. We hope to instill that same passion in students through non-pressured, but lively, class discussions about cutting-edge issues in securities regulation. Our goal is to create a fun and stimulating learning environment in which friendly debate is welcomed graciously. This will not be your normal, everyday law school class. We hope that you will enjoy the class as much as we will enjoy teaching it.

We welcome your comments on the class during the semester. If you have any constructive criticism, please email us. Also, if you have read any articles that you think may be of interest to the entire class, please let us know.

It is an honor and a pleasure to teach this class, and we hope this will be an intellectually rewarding and fun class for you.

Week 1	January 17 and 19	Tuesday: CB Chapter 1 pp. 1-48 Thursday: CB Chapter 2 pp. 49-80	Introduction Materiality
Week 2	January 24 and 26	Tuesday: CB Chapter 2 pp. 80-109 Thursday: CB Chapter 3 pp. 111-163	Materiality, cont'd The Definition of a Security
Week 3	January 31 and February 2	Tuesday: CB Chapter 3 pp. 163-195 Thursday:	The Definition of a Security, cont'd The Definition of a Security, cont'd Crypto assets Remarks by William Hinman, at the Yahoo Finance All Markets Summit entitled Digital Asset Transactions: When Howey Met Gary (Plastic), available at https://www.sec.gov/news/speech/speech-hinman-061418
Week 4	February 7 and 9	Tuesday CB Chapter 4 pp. 197-240 Thursday: CB Chapter 5 pp. 241-287	Disclosure and Accuracy Rule 10b-5 Antifraud
Week 5	February 14 and 16	Tuesday: CB Chapter 5 pp. 287-340 Thursday: CB Chapter 5 pp. 341-403	Rule 10b-5 Antifraud, cont'd Rule 10b-5 Antifraud, cont'd
Week 6	February 21 and 23	Tuesday: CB Chapter 6 pp. 405-449 Thursday: CB Chapter 6 pp. 449-486	Insider Trading Insider Trading, cont'd / Midterm Review
Week 7	February 28 and March 2	Tuesday: CB Chapter 7 pp. 487-520 Thursday: CB Chapter 7 pp. 520-567	Public Offerings Public Offerings, cont'd
Week 8	March 7 and 9	Tuesday: CB Chapter 8 pp. 569-596 Thursday: CB Chapter 8 pp. 596-619; 622-625; 630-638 (Section 12(a)(1) liability); 641-642 (Section 12(a)(2) liability)	Civil Liability Under the Securities Act Civil Liability Under the Securities Act, cont'd
SPRING RECESS - MARCH 13-17			
Week 9	March 21 and 23	Tuesday: CB Chapter 9 pp. 663-739 Thursday: Materials to be provided	Exempt Offerings Introduction to broker-dealers and the Financial Industry Regulatory

Authority (FINRA)

Week 10 March 28 and March 30

Tuesday: Materials to be provided **Introduction to the Investment
Advisers Act**
Thursday: CB Chapter 10 pp. 773-811 **Secondary Market Transactions**

Week 11 April 4 and 6

Tuesday: CB Chapter 12 pp. 857-880 **Public Enforcement**

Paul S. Atkins and Bradley J. Bondi, *Evaluating the Mission: A
Critical Review of the History and Evolution of the SEC Enforcement
Program*, 13 Fordham J. Corp. & Fin. L. 367 (June 2008) (selected
pages).

Thursday: CB Chapter 12 pp. 881-904 **Public Enforcement, cont'd**

Week 12 April 11 and 13

Tuesday: CB Chapter 12 pp. 905-935 **Public Enforcement, cont'd**

Thursday: CB Chapter 13 pp. 937-983 **Gatekeepers**

Speech by Stephen M. Cutler to the UCLA School of Law, September
20, 2004, entitled: The Themes of Sarbanes-Oxley as Reflected in the
Commission's Enforcement Program, available at:
<http://www.sec.gov/news/speech/spch092004smc.htm>.

Week 13 April 18 and 20 (last day of class)

Tuesday: Materials to be provided **Emerging issues in securities
regulation and the future of
securities regulation**

Thursday: **Exam Review**

May 2 Tuesday: Final Exam at 6:00 p.m.