SYLLABUS  1/13/05
MET FI 720  Legal and Regulatory Issues in the Financial Industry

Prof. David H. London
Prof. Silvestre A. Fontes

Overview

This course will focus on the legal and regulatory issues affecting the “financial industry” – broadly defined to include, among others, public companies, public accounting firms, broker-dealers, investment advisers, and investment companies. The course, taught by Messrs. Fontes and London, attorneys in the Enforcement Division of the U.S. Securities and Exchange Commission, will cover traditional regulatory areas such as the issuance of securities and insider trading, in addition to current “hot topics” in the regulatory environment (such as “market timing” and late trading). The grade received on a final essay examination and class participation will determine a student’s grade.

Class Schedule and Classroom Location

The class will meet in Psy B51 on the following dates and times: Jan. 21 (6 – 9 p.m.); Feb. 4, 5, 11, 12 (8:30 a.m. – 5:30 p.m.). The class will meet in Psy B35 on the following dates and times: March 7, 8, 9 (8:30 – 11:30 a.m.). The final exam will be administered during the March 9 class.

Textbook

The textbook for this course is Securities Regulation: Cases and Materials (4th ed.), authored by Cox, Hillman and Langevoort.

Grading

Your final grade will be based on the following:
Final Exam: 70%; Class Participation: 30%.

Attendance

Attendance at all classes is mandatory unless excused in advance or if there is a personal emergency. Failure to adhere to this rule will result in a lowering of the final grade, or, in extreme instances, an incomplete in the course.

Communication with Instructors Outside of Class

The instructors can be reached at the following numbers and e-mail addresses: London: 617-573-8997 (w), 978-562-4576 (h), londond@sec.gov; Fontes: 617-573-8991 (w), 978-443-3849 (h), fontess@sec.gov.
Communication Skills Required of MET Students

Metropolitan College students, in addition to achieving mastery of subject matter and professional terminology, must be proficient in written and spoken English in order to achieve success in their academic studies and professional careers. Please be advised that papers and oral presentations that do not meet the high normative standards of university education will be downgraded and returned for revision.

Help is available at every stage of the writing process and with oral communication and presentations. Please ask your instructor, academic advisor, or check the MET website www.bu.edu/met/students. Also, please see the Student Code of Conduct www.bu.edu/met.students.conduct_code.

Reading Assignments

1. Introduction: The Legal and Regulatory Environment

   Cox, Hillman, pp. 1-16, 89-93 (please read for the first class)

2. Insider Trading

   Cox Hillman, pp. 849-884
   Wall Street (movie) -- to be shown in class on February 4

3. What is a Security?

   Cox Hillman, pp. 17-45, 62-71

4. Security Issuance Process

   Cox, Hillman, pp. 136-145, 255-256, 269-277, 284-295

5. Financial Reporting

   Cox, Hillman, pp. 529-534, 548-560

6. Primary and Secondary Liability

   Cox, Hillman, pp. 730-735

7. Market Timing, Late Trading, and the Role of Broker-Dealers, Investment Advisers, and Investment Companies

   Readings to be handed out