COURSE OVERVIEW

Securities are a means through which individuals and institutions invest funds in companies, governments, and other entities. In a prototypical transaction, a commercial enterprise issues stock, bonds, debentures, notes, or transferable shares to interested investors in order to raise working capital to conduct business affairs. Investors who purchase these security instruments recognize that it represents a type of financial value, often a right to payment based on the success of the underlying business endeavor. Securities regulations are intended to protect these investors in their expectations that the instruments they purchase represent their expected value, and to protect against fraud or manipulation of the securities market. Lawyers who represent businesses or other commercial entities that seek to issue securities must be aware of the scope of securities regulation and know how to comply with its requirements. Lawyers who represent investors should also understand the laws and protections associated with securities, and recognize when certain causes of action may arise. Securities regulation is therefore a valuable area for any law student interested in working with business entities in either investing or raising capital.

In this course, students will:

- become familiar with the economic incentives motivating securities regulation;
- learn how the regulatory regime affects relevant actors;
- evaluate the policy rationale behind regulation and weigh the benefits and consequences of specific regulatory provisions;
- apply regulatory provisions to hypothetical situations, observing the likely consequences.

COURSE MATERIALS

The following materials are required for the course:

- S. Choi & A. Pritchard, Securities Regulation: Cases and Analysis (4th ed. 2015)

Frequent reference will be made to the statutory regulations themselves, which are publicly available online. Students are also welcome to seek out a statutory supplement if they wish to avoid internet use during class.
ATTENDANCE AND CLASSROOM PARTICIPATION

Attendance:

Regular and punctual class attendance is required of all law students as a matter of school policy. I strongly encourage you to make every effort to attend all classes. I will send around an attendance sheet at the beginning of every regularly scheduled class. (Attendance will not be taken at makeup classes.) Unexpected absences are sometimes necessary; accordingly, every student will have four automatically excused absences during the semester. This means that you are not required and should not feel obligated to explain these absences or to notify me in advance. More than four absences – for whatever reason – will result in the reduction of your grade, as explained below in the grading section.

I expect to be out of town multiple times this semester for a series of previously scheduled work obligations. I expect to cancel class on the following days:

- February 15 – Makeup scheduled for 1:00 on February 20, Room 3
- March 22 – Makeup scheduled for 1:00 on March 20, Room 3
- April 17 – Makeup scheduled for 1:00 on April 12, Room 3

Class Participation:

I will use the Socratic Method and group discussion as the primary means of teaching this class. In my experience, students get the most out of the classroom experience when everyone is engaged in a structured dialogue. Each student should anticipate being called on at least once every class to give thoughts, explain a case, or interpret a statutory provision. You should come to class prepared, attentive, alert, and ready to answer questions pertaining to the discussion. Every assignment will include problem sets intended to encourage thoughtful analysis of the topics at hand, and to help prepare students for the final exam. This form of participation may be more demanding than simply sitting and listening to a lecture, but it will also provide a bigger educational payout for you and your fellow students.


I expect that you will do the reading assignment as listed below and be prepared to discuss it in class. If you are not prepared to participate in class discussion, (i.e., because you have not done the reading, have developed laryngitis, or intend to spend the class pretending to listen while you answer emails) you may sign a sheet in the front of the class and take a “pass” for the day. You may sign the pass sheet twice without it affecting your grade, as explained below in the grading section. Please note that in some classes we may not make it through all the assigned reading for that day. This information will be covered at the beginning of the next class period. Accordingly, if our class discussion does not cover all the material that has been assigned for a particular day, you should review the remaining material for the following class period (in addition to that day’s assigned reading) so that you are prepared to discuss it. If you do not sign the pass sheet and are not prepared in class, your grade may be affected.
OFFICE HOURS

Because I have small children, my time in the office can be unpredictable. Accordingly, rather than assign set office hours, I will maintain an open door policy, meaning I will be generally available to visit with students while in the office. (Even if my door is shut.) On occasion, I may be tied up and unable to entertain student questions, in which case I will try to schedule an alternative time. It is always a good idea to contact me in advance if you would like to drop by with questions or thoughts. My office phone number is (573) 882-3914. My email address is gotbergb@missouri.edu.

GRADING:

You will be graded based on your performance on a take-home final at the end of the semester. You will have access to your casebook, notes, and online statutory sources. Per the Honor Code, you will not be permitted to consult with each other or with third parties in writing your exam. I will adjust grades to account for the attendance policy stated above with the reduction of one grade point per absence for four or more absences, and for class participation with the reduction of one grade point per “pass” after two freebies. I also reserve the right to adjust grades to reflect extremely good or extremely poor classroom participation.

ASSIGNMENTS:

All reading assignments are from the Casebook. Each listed assignment is intended to be covered in class on the assigned date, and should be read and prepared in advance. However, reading assignments may change as a consequence of how far we get in the class discussion. The priority is to understand the information in each lesson, even if it means reducing the total amount of information covered. In addition to reading the material listed below, you are expected to look up the statutes referenced in the reading.

January 16: Ch. 1 Introduction, pgs. 1-15
January 18: Ch. 1 Introduction, pgs. 15-45
January 23: Ch. 2 Materiality, pgs. 47-57
January 25: Ch. 2 Materiality, pgs. 57-76
January 30: Ch. 2 Materiality, pgs. 76-94
February 1: Ch. 3 Definition of “Security,” pgs. 95-115
February 6: Ch. 3 Definition of “Security,” pgs. 115-142
February 8: Ch. 3 Definition of “Security,” pgs. 142-160
February 13: Ch. 4 Disclosure & Accuracy, pgs. 161-182
February 15: No Class
February 20: (Make Up) Ch. 4 Disclosure & Accuracy, pgs. 182-196
February 20: Ch. 5 Rule 10b-5, pgs. 197-215
February 22: Ch. 5 Rule 10b-5, pgs. 227-246
February 27: Ch. 5 Rule 10b-5, pgs. 246-265
March 1: Ch. 5 Rule 10b-5, pgs. 265-289
March 6: Ch. 5 Rule 10b-5, pgs. 289-311
March 8: Ch. 5 Rule 10b-5, pgs. 311-327
March 13: Ch. 6 Insider Trading, pgs. 329-343
March 15: Ch. 6 Insider Trading, pgs. 344-362
March 20: (Make Up) Ch. 6 Insider Trading, pgs. 362-387
March 20: Ch. 7 Public Offerings, pgs. 393-423
March 22: No Class
April 3: Ch. 7 Public Offerings, pgs. 423-435
April 5: Ch. 7 Public Offerings, pgs. 435-449
April 10: Ch. 7 Public Offerings, pgs. 449-458
April 12: (Make Up) Ch. 7 Public Offerings, pgs. 458-466
April 12: Ch. 9 Exempt Offerings, pgs. 549-559
April 17: No Class
April 19: Ch. 9 Exempt Offerings, pgs. 559-588
April 24: Ch. 9 Exempt Offerings, pgs. 627-640
April 26: Ch. 10 Secondary Distributions, pgs. 641-657
INFORMATION REGARDING DISABILITIES:

If you anticipate barriers related to the format or requirements of this course, if you have emergency medical information to share, or if you need to make arrangements in case the building must be evacuated, please contact Associate Dean David Mitchell as soon as possible.

If disability related accommodations are necessary (for example, a note taker, captioning), please register with the Disability Center (http://disabilitycenter.missouri.edu), S5 Memorial Union, 573.882.4696, and then notify Dean Mitchell or Law School Registrar Denise Boessen of your eligibility for reasonable accommodations. (Please do not discuss examination accommodations with me. Notice of special accommodations may impair the “blind grading” policy we use at the law school.) For other MU resources for persons with disabilities, click on “Disability Resources” on the MU homepage.