**Syllabus for Securities Regulation**

**Spring 2019**

Professor Peter Molk, pmolk@law.ufl.edu

Class: Monday/Tuesday/Wednesday, 9:00-9:50

Office Hours: Monday/Tuesday/Wednesday, 10:00-10:45

# COURSE OBJECTIVES AND LEARNING OUTCOMES:

# This course will introduce you to fundamental principles of securities law and regulation. By the end of the course, you should be able to:

# Describe the legal and economic foundations of securities law;

# Demonstrate an understanding of the scope of transactions and behavior covered by securities law;

# Explain the interplay between federal and state securities regulation;

# Explain how policy goals have contributed to the development of securities law and related doctrines; and

# Apply strategic and practical considerations throughout the entire process of filing and litigating a securities law dispute.

**COURSE MATERIALS:**

Our casebook is CHOI & PRITCHARD, SECURITIES REGULATION: CASES AND ANALYSIS (4th ed. 2015). There is also a free supplement that updates portions of the casebook, as well as a statutory supplement. The statutory supplement is available for purchase, but you are not required to buy it, because all of the statutes and rules we will read are also available for free online. Perhaps the best source is the Securities Lawyer’s Deskbook: <https://lawblogs.uc.edu/sld/>. The various forms we will study are available at the SEC’s website: <http://www.sec.gov/forms>.

**EXPECTATIONS:**

Class will start on time and end on time. I expect you to attend every class and to arrive on time. Regular class attendance is required as a condition of receiving course credit. If you miss more than **eight** classes, you will receive a failing grade for the course. Observance of religious holidays does not count toward your absences. Please notify me in advance of such religious absences by email. If you are going to miss class for another reason, you do not need to notify me.

# ASSIGNMENTS:

The reading list is attached at the end of the syllabus. It is subject to change from time to time. The particular readings for each corresponding class will be emailed ahead of time.

You should expect to spend approximately two hours on out-of-class preparation for every hour of in-class instruction.

# EXAM AND GRADE:

# Your grade will be based primarily on your performance on a final exam. To assist in your exam, you may use any non-human resources you desire. The exam must be taken at the scheduled date and time except in a case of family or medical emergency or accommodation made by the Office of Student Affairs.

Participation and attendance will also be factored into your final grade and will count for no more than a one-step increase or decrease in your final grade, but such adjustments will be unusual except in the case of a history of late arrivals to class.

**INFORMATION ON UF LAW GRADING POLICIES**

The law school grading policy is available at: <http://www.law.ufl.edu/student-affairs/current-students/academic-policies#9>. Students receive grade points according to the following scale:

|  |  |  |  |
| --- | --- | --- | --- |
| Letter Grade | Point Equivalent | Letter Grade | Point Equivalent |
| A- | 4.0 | C- | 2 |
| A- | 3.67 | C- | 1.67 |
| B+ | 3.33 | D+ | 1.33 |
| B- | 3.0 | D- | 1.0 |
| B- | 2.67 | D- | 0.67 |
| C+ | 2.33 | E- | 0 |

**STUDENT ACCOMODATIONS**

Students requesting accommodation for disabilities must first register with the Disability Resource Center (<http://www.dso.ufl.edu/drc/>). Once registered, students will receive an accommodation letter, which must be presented to the Assistant Dean for Student Affairs (Dean Mitchell) when requesting accommodation. Students with disabilities should follow this procedure as early as possible in the semester.

**ACADEMIC HONESTY**

Academic honesty and integrity are fundamental values of the University community. Students should be sure that they understand the UF Student Honor Code at <http://www.dso.ufl.edu/students.php>.

**STUDENT COURSE EVALUATIONS**

Students can provide feedback on the quality of instruction in this course by completing online evaluations at <https://evaluations.ufl.edu>. Evaluations are typically open during the last two or three weeks of the semester, but students will receive notice of the specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results/>.

**READING LIST**

Bare numbers refer to the casebook. SA and SEA refer to the Securities Act and Securities Exchange Act, respectively.

**Introduction**

 1-2

 2-8 (for those requiring background on basic investment instruments)

 8-43

 Skim 43-45

**Materiality**

 47-58

 63 (begin after hypothetical)-69

**Definition of a Security**

 95-98

 SA § 2(a)(1); SEA § 3(a)(10) (note these are substantively the same)

 98-122

**Disclosure**

 161-173

 Pull up your favorite company on EDGAR, find its most recent 8-K, and figure out why that 8-K was required to be filed.

 176-179

 188-189

 196 (Hypo 5)

**10b-5**

 197-211

 227-239

 246-250

SEA § 21D(b)(1), (b)(2), (b)(3)(A), (b)(3)(B)

 251-257

 Excerpt from Basic v. Levinson

284-305

 311-313 (ignore face-to-face damages)

**Insider Trading**

 329-331

 336-351

362-371 (skim discussion Rule 14e-3 on pp. 368-371)

 SEA Rule 10b5-2 (the stand-alone rule Rule 10b5-2, not a subpart of Rule 10b-5)

 378-387

**Public Offerings**

 393-401

*Where Banks Really Make Money on IPOs*, available on course webpage.

401-405

 Spend five minutes looking at Facebook S-1, available on course webpage.

 406-428

 428-435 (this likely won’t make much sense until we discuss it in class)

 435-437

441-453

 458-466

**’33 Act Liability**

 467-478

 490-501

 514 (“Measuring §11 Damages” only)

518 (Hypothetical 5 only)

 522-531

 541-547

**Exempt Offerings**

 549-559

 Casebook supplement, pages 6-11

Casebook supplement, pages 15-21 (up to “Disqualification”)

Casebook supplement, pages 23 (start at “Other Aspects of Reg D”)-25 (stop before “The Private Placement Process”)

Casebook supplement, pages 27-35

Casebook supplement, pages 27-35

Casebook supplement, pages 36-38

Casebook supplement, pages 41-47

**Secondary Market Transactions**

 641-649

 652-654 (“Control Persons’ Resales”)

655-657 and SA § 4(a)(7)

658-669

SEC summary of Rule 144, <http://www.sec.gov/investor/pubs/rule144.htm>

669-676

**Current Topics in Securities Regulation**

 Initial coin offerings, more crowdfunding, duties of financial advisors as time permits