INITIATING CONFERENCE
March 23-24, 2017
Columbia Law School, Room 106

NEW SPECIAL STUDY OF THE SECURITIES MARKETS

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NEW SPECIAL STUDY OF THE SECURITIES MARKETS
INITIATING CONFERENCE March 23 - 24, 2017, Columbia Law School

Thursday, March 23rd, 2017

2:15 PM  Conference Check-in
Room 106, Columbia Law School, 435 W. 116th Street

3:00 PM  Introductory Welcome
• Gillian Lester, Dean, Columbia Law School
• Merritt Fox, Columbia Law School

3:15 PM  Thursday Keynote Address
• Keynote: Michael Piwowar, Acting Chairman, SEC
• Introduction: Lawrence Glosten, Columbia Business School

4:00 PM  The Economics and Regulation of Primary Securities Markets
Edward Greene, Columbia Law School, (Session Chair)
• Paper presentation: Economics of Primary Markets
  Author: Kathleen Weiss Hanley, Lehigh University
• Paper presentation: Regulation of Primary Markets
  Author: Donald Langevoort, Georgetown University
• Commenter presentation: Primary Markets
  Commentator: Jay Ritter, University of Florida
• Panel discussion:
  Panelist: Keith Higgins, previously SEC
  Panelist: Bill Williams, Sullivan & Cromwell
  Panelist: Craig Barrack, Citi
• Q&A

5:45 PM  Break

5:55 PM  Discussion: Technology and Capital Markets
Merritt Fox, Columbia Law School, (Session Chair)
Panelist: Joseph Grundfest, Stanford University
Panelist: Reena Aggarwal, Georgetown University
• Q&A

6:45 PM  Conference Adjourns
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Friday, March 24th, 2017

8:30 AM  Conference Check-in and Breakfast
Room 106, Columbia Law School, 435 W. 116th Street

9:00 AM  The Economics and Regulation of Trading Markets
Lawrence Glosten, Columbia Business School, (Session Chair)
  • Paper presentation: Economics of Trading Markets
    Authors: Erik Sirri, Babson College
             and Ryan Davies, Babson College
  • Paper presentation: Regulation of Trading Markets
    Authors: Paul Mahoney, University of Virginia and
             Gabriel Rauterberg, University of Michigan
  • Commenter presentation: Trading Markets
    Commentator: Charles Jones, Columbia Business School
  • Panel discussion
    Panelist: Gregg Berman, Citadel
    Panelist: Rick Ketchum, former Chairman and CEO, FINRA
    Panelist: Tal Cohen, Nasdaq
  • Q&A

10:45 AM  Break

11:00 AM  The Economics and Regulation of Intermediaries
Edward Greene, Columbia Law School, (Session Chair)
  • Paper presentation: Economics of Intermediaries
    Authors: Jonathan Berk, Stanford University and
             Jules van Binsbergen, University of Pennsylvania
  • Paper presentation: Regulation of Intermediaries
    Authors: Allen Ferrell, Harvard University
             and John Morley, Yale University
  • Commenter presentation: Intermediaries
    Commentator: Chester Spatt, Carnegie Mellon University
  • Panel discussion:
    Panelist: Buddy Donahue, previously SEC
    Panelist: Steve Fraidin, Pershing Square
    Panelist: Lanny Schwartz, Davis Polk
  • Q&A

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Friday, March 24th (continued)

12:45 PM  Break

1:00 PM  Friday Keynote Address and Boxed Lunch Reception
  • Keynote: Robert Cook, President and CEO, FINRA
  • Introduction: Merritt Fox, Columbia Law School

2:00 PM  Break

2:10 PM  Globalization
  Lawrence Glosten, Columbia Business School, (Session Chair)
  • Paper presentation: Globalization
    Authors: John Armour, Oxford University,
    Luca Enriques, Oxford University, and
    Martin Bengtzen, Oxford University
  • Commenter presentation: Globalization
    Commentator: Howell Jackson, Harvard University
  • Panel discussion
    Panelist: Chris Bates, Clifford Chance
    Panelist: Eric Pan, CFTC
    Panelist: Joanna Perkins,
    Financial Markets Law Committee
    Panelist: Edward Greene, Columbia Law School

  • Q&A

3:30 PM  Closing Remarks
  • Lawrence Glosten, Columbia Business School
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Participant Biographies

Reena Aggarwal
Vice Provost For Faculty and Professor in the Mcdonough School Of Business
Robert E. Mcdonough Professor of Business Administration and Professor off Finance; Director, Georgetown Center For Financial Markets and Policy, Georgetown University
Reena Aggarwal is the McDonough Professor of Business Administration and Professor of Finance at Georgetown University's McDonough School of Business. She also serves as the director of the university's Center for Financial Markets & Policy. Aggarwal specializes in international stock markets, initial public offerings, and corporate governance. She has worked on major consulting projects sponsored by Credit Suisse, Wachovia, the World Bank, IMF, NASDAQ OMX Group, United Nations, and USAID. Aggarwal obtained her MMS from BITS, India, and her Ph.D. in finance from the University of Maryland.

John Armour
Hogan Lovells Professor of Law and Finance, University of Oxford

Craig Barrack
Managing Director and General Counsel of Corporate and Investment Banking, Capital Markets Origination and Research, Citigroup Global Markets
Craig Barrack and his team are responsible for advising on issues relating to debt and equities securities issuance, mergers and acquisitions, leveraged finance, corporate loans and research. Since joining Citi in 1997, he has served as counsel for Citi when accessing the capital markets; counsel to Citi’s charitable foundation and Audit Committee; Chief of Staff to Citi’s General Counsel; General Counsel of Citi Research and Citi Capital Advisors; and head of the Control Group.

Chris Bates
Partner, Clifford Chance LLP
Chris Bates is a partner and head of Clifford Chance’s financial regulatory practice in London. He is a member of the Council and Executive Board of the International Regulatory Strategy Group advising the City of London Corporation and TheCityUK. Mr Bates joined Clifford Chance in 1980 and from 1983 to 1988 was based in the firm’s Hong Kong office. He is a Solicitor of the Supreme Court in England and holds degrees from Oxford University and Columbia Law School.

Martin Bengtzen
Lecturer, University of Oxford
Martin is currently completing a research project in Oxford on the law and economics of disclosure in the capital markets. Before Oxford, he worked in capital markets for a leading New York law firm and for investment banks. He has LLM degrees from Harvard and Stockholm and a finance degree from Stockholm.

Jonathan Berk
A.P. Giannini Professor of Finance, Graduate School of Business, Stanford University
Jonathan Berk is the A.P. Giannini Professor of Finance at the Graduate School of Business, Stanford University and is a Research Associate at the NBER. His research covers a broad range of topics including delegated money management; the pricing of financial assets; valuing a firm’s growth potential; the capital structure decision and the interaction between labor markets and financial markets. He has also coauthored two widely used textbooks, Corporate Finance, and Fundamentals of Corporate Finance.

Gregg Berman
Director of Research for Market Integrity, Monitoring, and Surveillance, Citadel
Gregg Berman is currently a Managing Director at Citadel focusing on the use of objective data and analytics to inform on market structure compliance, regulations, rules, and the overall integrity of the markets themselves. Prior to joining Citadel Berman was a Principal at Ernst & Young providing market-structure consulting to banks, broker-dealers, and asset managers. Prior to that, he was an Associate Director in the Division of Trading and Markets at the SEC where he established the Office of Analytics and Research.
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Tal Cohen
Senior Vice President, North American Equities, Nasdaq
Tal Cohen joined Nasdaq in April 2016 as the Senior Vice President of North American Equities. Prior to joining Nasdaq, Cohen was the Chief Executive Officer of Chi-X Global Holdings, LLC. Cohen currently serves as a Director on the Investment Industry Regulatory Organization of Canada (IIROC) Board and as a Director on the Canadian Depository for Securities (CDS) Board. He is a member of IIROC’s Human Resources committee.

Robert W. Cook
President and CEO, Financial Industry Regulatory Authority (FINRA)
Robert W. Cook is President and CEO of FINRA, and Chairman of the FINRA Investor Education Foundation. Prior to joining FINRA, Mr. Cook was a partner based in the Washington, DC, office of an international law firm. During his years of private practice, Mr. Cook worked extensively on broker-dealer regulation, advising large and small firms on a wide range of compliance matters. Prior to private practice, Mr. Cook served as the Director of the Division of Trading and Markets of the U.S. Securities and Exchange Commission. Mr. Cook earned his J.D. from Harvard Law School, a Master of Science in Industrial Relations and Personnel Management from the London School of Economics, and an A.B. in Social Studies from Harvard College.

Ryan J. Davies
Associate Professor of Finance, Babson College
Ryan J. Davies is an Associate Professor of Finance and Chair of the Finance Division at Babson College. His research is focused on financial market microstructure. His interests span securities markets regulation, liquidity risk measurement, trading cost measurement, intraday cross-sectional return patterns, modeling risk in electricity markets, and the manipulation of closing prices in equity, option, and futures markets.

Andrew J. (“Buddy”) Donohue
Formerly, Chief of Staff (2015-2017), U.S. Securities and Exchange Commission

Luca Enriques
Allen & Overy Professor of Corporate Law, University of Oxford Faculty of Law
Luca Enriques is the Allen & Overy Professor of Corporate Law at the Faculty of Law of Oxford University. He is a coauthor of The Anatomy of Corporate Law and of Principles of Financial Regulation. He has published several articles in major European and US reviews and journals, including the Journal of Economic Perspectives, the Cornell Law Review, and the Harvard Business Law Review. He has held visiting positions at the University of Cambridge, IDC Hertzliya, Harvard Law School, and other universities.

Allen Ferrell
Harvey Greenfield Professor of Securities Law, Harvard Law School
Allen Ferrell is the Greenfield Professor of Securities Law at Harvard Law School. He received his Ph.D in economics from MIT and his J.D. from Harvard Law School. He has written widely in the areas of securities regulation and corporate governance. His publications include “Socially Responsible Firm”, 122 Journal of Financial Economics 585 (2016) and “Thirty Years of Shareholder Rights and Firm Valuation”, 69 Journal of Finance 1167 (2014).
Participant Biographies

Merritt B. Fox

Michael E. Patterson Professor of Law; NASDAQ Professor for the Law and Economics of Capital Markets; Co-Director of the Program in the Law and Economics of Capital Markets, a joint program of Columbia Law School Business School; Co-Director of the Center for Law and Economic Studies, Columbia Law School

Merritt Fox is a graduate of the Yale Law School and also received a Ph.D. in economics from Yale University. Prior to entering academia, Professor Fox practiced with the firm Cleary, Gottlieb, Steen & Hamilton. His teaching and research have centered in the areas of corporate and securities law, law and economics, international securities regulation, and comparative corporate law. His recent work has focused on the regulation of capital markets. Professor Fox is a past chair of the Business Associations section of the American Association of Law Schools.

Stephen Fraidin

Vice Chairman of Pershing Square Capital Management, Pershing Square Capital Management

Steve Fraidin graduated from Tufts University and Yale Law School. He has been a partner in Fried Frank (until 2003) and in Kirkland & Ellis (until 2015), specializing in mergers and acquisitions, has co-taught a Law & Economics course for over 25 years at Yale Law School, and is now Vice Chairman of an activist hedge fund.

Lawrence R. Glosten

S. Sloan Colt Professor of Banking and International Finance of Columbia Business School; Adjunct Professor of Columbia Law School; Co-Director of the Program in the Law and Economics of Capital Markets, a joint program of Columbia Law School & Business School; Director of Initiative on Financial Markets Regulation for the Program for Financial Studies of Columbia Business School, Columbia Business School

Lawrence R. Glosten has been on the faculty of Columbia since 1989. He has published articles on the microstructure and industrial organization of securities markets; the relationship between venture capitalists and entrepreneurs; evaluating the performance of portfolio managers; asset pricing and, more recently, the law and economics of capital market regulation. His work on electronic exchanges in the Journal of Finance won a Smith Breeden Distinguished Paper Prize. He has served as an editor of the Review of Financial Studies, associate editor of the Journal of Finance and serves on several other editorial boards.

Edward F. Greene

Senior Counsel, Cleary Gottlieb Steen & Hamilton LLP; Lecturer-in-Law & Senior Research Scholar, Columbia Law School; Co-Director, Program in the Law and Economics of Capital Markets, Columbia Law School & Business School

Edward F. Greene teaches International Securities Regulation and Issues on Global Regulatory Reform at Columbia Law School. Mr. Greene also continues to represent clients as Senior Counsel at Cleary Gottlieb Steen & Hamilton LLP, where his practice focuses on capital markets and corporate governance. He joined the firm in 1982 after serving as General Counsel of the SEC and Director of the Division of Corporate Finance. He has practiced out of the firm’s New York, Washington, London, and Tokyo offices. Greene is the author and co-author of numerous works, including U.S. Regulation of the International Securities and Derivatives Markets and The Sarbanes-Oxley Act: Analysis and Practice.

Joe Grundfest

William A. Franke Professor of Law and Business, Stanford Law School

Commissioner, Securities and Exchange Commission (1985-1990). Professor at Stanford Law School, and founder and co-director of the Rock Center on Corporate Governance, Securities Class Action Clearinghouse, FCPA Clearinghouse, and Directors’ College (1990-present). Co-founder and Director of Financial Engines ($130 billion in AUM), and director and chair of the audit committee at KKRLtd.
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Kathleen Weiss Hanley
Professor of Finance; Bolton-Perella Chair; Director of the Center for Financial Services, Lehigh University College of Business and Economics
Kathleen Weiss Hanley joined the Lehigh University faculty in 2015. From 2011-2013, she was the Deputy Chief Economist of the SEC and the Deputy Director in the Division of Economic and Risk Analysis where she oversaw the integration of economic analysis into policy and rule-making across a broad range of topics in financial economics including the implementation of the Dodd-Frank Act and the JOBS Act. In addition, she managed the Division’s research activities, data analytics and risk assessment initiatives.

Keith F. Higgins
Former Director of Corporation Finance, U.S. Securities and Exchange Commission
Keith F. Higgins served as the Director of the Division of Corporation Finance at the U.S. Securities and Exchange Commission from June 2013 to January 2017. During his tenure, the Division recommended, and the Commission adopted, rules implementing the capital formation provisions of the JOBS Act of 2012. Prior to joining the Division, Mr. Higgins practiced law for 30 years at Ropes & Gray LLP in Boston, Massachusetts.

Howell E. Jackson
James S. Reid, Jr., Professor of Law, Harvard Law School

Charles M. Jones
Robert W. Lear Professor of Finance and Economics; Chair of the Finance subdivision, Columbia Business School
Charles M. Jones has been on the faculty of Columbia Business School since 1997. Professor Jones studies the structure of securities markets, liquidity, and trading costs, and he is particularly noted for his research on short sales, algorithmic and high-frequency trading, and the variation in liquidity over time. His published articles have won a number of best paper awards and appear in outlets ranging from the Journal of Finance to Barron’s.

Richard Ketchum
Retired Chairman and CEO of the Financial Industry Regulatory Authority (FINRA)
Rick Ketchum retired as CEO of FINRA in August of 2016. Prior to that he was President of NYSE Regulation and General Counsel of Citigroup’s Global Institutional Bank and Broker Dealer. Earlier in his career he was Director of the Division of Market Regulation (now Trading and Markets) of the SEC.

Donald C. Langevoort
Thomas Aquinas Reynolds Professor of Law, Georgetown University Law Center
Professor Langevoort went into teaching in 1981 after serving on the staff of the SEC’s Office of General Counsel. He was given the Presidential Distinguished Scholar-Teacher Award at Georgetown in 2016, and is the author of a recent book, Selling Hope, Selling Risk: Corporations, Wall Street and the Dilemmas of Investor Protection (Oxford University Press, 2016).

Gillian Lester
Dean of the Faculty of Law; Lucy G. Moses Professor of Law, Columbia Law School
Gillian Lester is Dean and the Lucy G. Moses Professor of Law at Columbia Law School. She joined the Law School in 2015 as its 15th dean. As a nationally recognized authority on employment law and policy, Lester’s research focuses on exploring workplace intellectual property law, public finance policy, and the design of social insurance laws and regulations. Lester began her teaching career in 1994 at the University of California, Los Angeles, School of Law, where she later became a full professor in 1999. In 2006, Lester joined the Berkeley Law faculty, where—in addition to serving as acting dean from 2012 to 2014—she was the Alexander F. and May T. Morrison Professor of Law and the Werner and Mimi Wolfen Research Professor. Lester also co-directed the Berkeley Center for Health, Economic and Family Security and was the Associate Dean for the J.D. Program and Curricular Planning.

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Participant Biographies

Paul G. Mahoney

David and Mary Harrison Distinguished Professor, University of Virginia School of Law
Paul G. Mahoney teaches Securities Regulation, Financial Derivatives, and Contracts, among others, at the University of Virginia School of Law, where he served as dean from 2008-2016. His book, Wasting a Crisis, Why Securities Regulation Fails was published by the University of Chicago Press in 2015. He is a fellow of the American Academy of Arts & Sciences and a member of the Council on Foreign Relations.

John Morley

Professor of Law, Yale Law School
John Morley is a Professor of Law at Yale Law School, where he writes about the law of investment funds, organization and trusts and estates. He is one of the United States’ leading experts on the regulation and structure of investment funds, including mutual funds, private equity funds and hedge funds.

Eric J. Pan

Director, Office of International Affairs, U.S. Commodity Futures Trading Commission
Eric oversees CFTC international regulatory policy initiatives and represents the CFTC in international bodies, including the Board of the International Organization of Securities Commissions (IOSCO) and Financial Stability Board (FSB), and in official dialogues with China, Europe, India and Japan. Eric is chair of the IOSCO Committee on Derivatives, OTC Derivatives Regulators Group, and FSB Working Group on UTI and UPI Governance. Eric previously was Head of International Regulatory Policy at the SEC.

Menesh Patel

Menesh Patel is the post-doctoral research scholar in the Program in Law and Economics of Capital Markets at Columbia University. His current research interests are in corporate law, antitrust, capital markets, and contracts. Menesh has a J.D. from Stanford Law School and a Ph.D. in Economics from the University of Wisconsin-Madison. Before coming to Columbia, Menesh was in private practice at Sidley Austin in Chicago.

Joanna Perkins

CEO of the Financial Markets Law Committee (FMLC); Associate Member, South Square Chambers
Joanna has held lectureships at Durham University, Paris II (Panthéon-Assas), Université de Paris and Birkbeck College, and University of London. She has published articles on, inter alia, completing a Doctorate at Oxford University, where she worked as a college lecturer, Joanna was called to the Bar in 2001. She recently served as Chair of the Oversight Committee of ICE LIBOR.

Michael S. Piwowar

Acting Chairman, U.S. Securities and Exchange Commission
Michael S. Piwowar was appointed to the U.S. Securities and Exchange Commission by President Barack Obama and sworn in on August 15, 2013. He was designated Acting Chairman of the Commission by President Donald Trump on January 23, 2017. Previously, Dr. Piwowar was the Republican chief economist for the U.S. Senate Committee on Banking, Housing, and Urban Affairs under Senators Mike Crapo and Richard Shelby where he was the lead Republican economist on the four SEC-related titles of the Dodd-Frank Act and the JOBS Act. Prior to that, during the financial crisis and its immediate aftermath, Dr. Piwowar served as a senior economist at the President’s Council of Economic Advisers (CEA) in both the George W. Bush and Barack Obama Administrations. Dr. Piwowar received a B.A. in Foreign Service and International Politics from the Pennsylvania State University, an M.B.A. from Georgetown University, and a Ph.D. in Finance from the Pennsylvania State University.
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Participant Biographies

Gabriel Rauterberg
Assistant Professor of Law, University of Michigan Law School
Gabriel Rauterberg is Assistant Professor of Law at the University of Michigan Law School. His research interests include financial trading markets, corporate law, and securities regulation. His recent research explores the intersection of market microstructure and regulation, and corporations that waive aspects of their managers’ duty of loyalty. Prior to entering academia, he was an associate at Cooley LLP and Skadden, Arps.

Jay R. Ritter
Joseph Cordell Eminent Scholar, University of Florida Warrington College of Business
Since 1996, Jay R. Ritter has served as the Joseph Cordell Eminent Scholar in the Department of Finance at the University of Florida. Prof. Ritter is best known for his articles concerning equity issuance. He has served as a Director of the American Finance Association, and was President of the Financial Management Association during 2014-15. Prof. Ritter received his BA, MA, and PhD (1981) degrees in economics and finance from the University of Chicago.

Lanny Schwartz
Partner, Davis Polk & Wardwell LLP
Lanny A. Schwartz is a Partner in Davis Polk’s Financial Institutions Group, and he advises on securities and derivatives compliance, regulatory and transactional matters. Formerly, Mr. Schwartz was Executive Vice President and General Counsel of the Philadelphia Stock Exchange and a Managing Director at Bankers Trust Company. Mr. Schwartz has been a leading figure in counseling clients on the Dodd-Frank Act, including OTC derivatives, municipal advisors and the Volcker Rule.

Erik R. Sirri
Professor of Finance, Babson College
Erik R. Sirri is a Professor of Finance at Babson College. He has served as the U.S. Securities and Exchange Commission’s Director of the Division of Trading and Markets and the Commission’s Chief Economist. Sirri received his B.S. in Astronomy from the California Institute of Technology, and his Ph.D. in Finance from the UCLA. He has served on the boards of securities exchanges, mutual funds, industry associations, and foundations.

Chester S. Spatt
Professor of Finance, Carnegie Mellon University Tepper School of Business
Chester Spatt has been a faculty member at Carnegie Mellon University since 1979. He served as Chief Economist of the SEC from 2004 through 2007. He earned his Ph.D. in economics from the University of Pennsylvania and received his undergraduate degree from Princeton University. He is an expert on market microstructure and trading. Professor Spatt has served as Executive Editor and one of the founding editors of the Review of Financial Studies. He is a member of various governmental and outside advisory committees, including the SEC’s Equity Market Structure Advisory Committee.

Jules van Binsbergen
The Nippon Life Associate Professor of Finance, University of Pennsylvania Wharton School of Business
Jules van Binsbergen conducts theoretical and empirical research in finance. His current work focuses on asset pricing, in particular the relationship between financial markets and the macro economy, and the organization, skill and performance of financial intermediaries. Some of his recent research focuses on the influence of financial market anomalies on real economic activity, measuring the skill of mutual fund managers and the term structure of cash flow growth and stock return predictability.

William J. Williams, Jr. (Bill Williams)
Of Counsel, Sullivan & Cromwell LLP
Bill Williams has over 50 years’ experience advising issuers, underwriters, and broker-dealers. He proposed the current structure of Regulation S-K, Regulation C and 33 Act registration forms. Williams led the ABA proposal that became the current public offering shelf system and an ABA report on private placements law outside the safe harbors. Williams represented the securities industry in the successful defense of the “fixed price offering system” against SEC and DOJ attacks.