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orporate Law
Seminar Series

2003

**THE TECHNOLOGY OF FINANCE
AND THE RECENT US
FINANCIAL SCANDALS**

FACULTY OF LAW
UNIVERSITY OF SYDNEY

Professor Donald C. Langevoort
Thomas Aquinas Reynolds Professor of Law,
Georgetown University Law Center

Monday 14 July 2003
5.30 – 7.00 pm

Venue: Faculty of Law, 173 Phillip Street, Sydney

173-175
Phillip Street
Sydney 2000

DX 983
Sydney

General Convenor:
Professor Jennifer Hill

The Technology of Finance and the Recent US Financial Scandals

This seminar will explore the intersection between innovation in information technology and the recent US financial scandals.

Debate over the financial scandals in the US (and, increasingly, elsewhere) has underestimated the role technological innovation played in creating the conditions for abuse. The technology intersection occurs at a number of disparate levels, including the following:

- (1) The growth of on-line brokerage during the 1980s, which led to a rapid increase in retail investor participation and greater volatility in the markets, particularly in the technology sector. Both issuers and intermediaries (e.g. Wall Street analysts) directed increasing attention to methods of publicity designed to influence (manipulate) this retail market segment.
- (2) B2B technological innovation in marketing arrangements gave rise to new forms of customer relationships that required new methods of accounting for revenues and costs. At the same time, technology-driven innovation in financial instruments-derivatives in particular - created opportunities for customised hedging and speculation techniques.
- (3) Technology increased the competitiveness of product markets, with innovation at all levels of research, production and marketing. Firms felt pressure to grow not only to meet investor expectations but to survive, and high stock prices were necessary to finance this growth.

The seminar will discuss the regulatory lessons to be learned from these developments. One could argue that the coincidence of these developments was an unusual event, from which learning from experience - rather than regulatory reform - is the right response. To the extent that the influences of technology will persist and repeat themselves, then more flexible forms of regulation are needed.

Professor Donald C. Langevoort, is Thomas Aquinas Reynolds Professor of Law at Georgetown University Law Center, Washington DC. Prior to joining the Law Center faculty in 1999, Professor Langevoort was the Lee S. and Charles A Speir Professor at Vanderbilt University School of Law, where he joined the faculty in 1981. Professor Langevoort is the co-author with Professors James Cox and Robert Hillman, of *Securities Regulation: Cases and Materials* (Aspen Law & Business), and the author of a treatise entitled *Insider Trading: Regulation, Enforcement and Prevention* (West Group). He has also written many law review articles, a number of which seek to incorporate insights from social psychology and behavioural economics into the study of corporate and securities law and legal ethics. Professor Langevoort has testified numerous times before Congressional committees on issues relating to insider trading and securities litigation reform.

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The Technology of Finance and the Recent
US Financial Scandals

- Date:** *Monday 14 July 2003*
- Time:** *5:30 - 7:00 pm (seminar commences at 6.00pm)*
- Venue:** *Faculty of Law, University of Sydney, 173-175
Phillip Street, Sydney NSW 2000*
- Cost:** *\$70 (including GST)(includes light refreshments)*

FORTHCOMING SEMINARS**Market Manipulation - Nothing New?****Date:** Monday 11 August 2003 - 5.30 - 7.00 pm**Speaker:** Professor Paul G. Mahoney, Brokaw Professor of Corporate Law, and Albert C. BeVier, Research Professor, University of Virginia Law School**The Revitalised Takeovers Panel - Current Developments,
Future Directions****Date:** Tuesday 28 October 2003 - 5.30 - 7.00pm**Speaker:** Emma Armson, University of Sydney Law School**Protection of Creditors: Do Employees Deserve Special
Treatment?****Date:** Monday 15 December 2003 - 5.30 - 7.00 pm**Speaker:** Dr David B Noakes, Allens Arthur Robinson

Professor Langevoort will also be conducting an Intensive Course on the topic "Securities Fraud - Litigation and Enforcement in the US" on the 11/12 and 18/19 July 2003. For further information please download the following document:

<http://www.law.usyd.edu.au/cle/2003/SecuritiesFraud2003.pdf>

For further information concerning other corporate and commercial law courses available on an "Attendance Only" basis, please download the following document: http://www.law.usyd.edu.au/cle/2003/CLEPGB_2003_2.pdf

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UNIVERSITY OF SYDNEY

Registration Form

University of Sydney ABN: 15211513464

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I would like to attend the following seminar/s:

- The Technology of Finance and the Recent US Financial Scandals**
(14 July 2003)
- Market Manipulation - Nothing New?** (11 August 2003)
- The Revitalised Takeovers Panel - Current Developments,**
Future Directions (28 October 2003)
- Protection of Creditors: Do Employees Deserve Special Treatment?**
(15 December 2003)

(The cost of each seminar is \$70.00 including GST and light refreshment).

Please Note: Payment should be made in advance of the seminar. Places at the seminar are limited, and payment will secure your registration.

I enclose my cheque for \$..... made payable to The University of Sydney

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