

GEORGE MASON UNIVERSITY SCHOOL OF LAW

Law 275

The Law of Investment Management

Course Syllabus, Spring 2009

Professor D. Bruce Johnsen

Office: Room 324

Office Hours: 5:30-6:30 M& W, 7:30-8:00 T&TH, and by appointment.

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Course Materials:

Required: Tamar Frankel and Clifford E. Kirsch, INVESTMENT MANAGEMENT REGULATION (3rd Edition) (F&K), including 2004 Statutory and Casebook Supplements, selected materials as assigned and posted on TWEN, Mathew Fink, *The Rise of Mutual Funds*, and the *Wall Street Journal*.

Optional Background Reading: Richard A. Brealey & Stewart C. Myers, PRINCIPLES OF CORPORATE FINANCE (Fifth Edition, Chs. 7 & 8); Burton G. Malkiel, A RANDOM WALK DOWN WALL STREET; and Diana Henriques, FIDELITY'S WORLD: *The Secret Life and Public Power of the Mutual Fund Giant*.

Course Objective:

The course will examine the law of investment management, an area of securities regulation that includes the Investment Advisers Act (1940), the Investment Company Act (1940), as well as ERISA (1975), the Pension Protection Act (2006), the Securities Act (1933), the Securities Exchange Act (1934), and various other sources of law. Our objective will be to use the economics of organization and financial theory to understand the law and regulation of investment management. Classes will consist of a combination of lecture and discussion.

Grading:

Grades for the course will be determined by a short-essay final exam, class participation, a modest research project, and, given time, a brief presentation of research findings. Out of 45 possible raw points, class participation will be worth 10, the research project and presentation will be worth 10, and the final exam will be worth 25. Optional preliminary drafts of research projects are due by February 15 to give me enough time to provide comments and guidance. Final versions are due by the last day of class.

Calendar & Reading List:

Jan. 8: **Introduction to Investment Management:** Wealth versus income, savings versus investment, risk versus return and the efficient frontier, specialized forms of storing wealth — F&K, Ch. 1, pp. 1-29 (review); Bodie & Merton, FINANCE, Chapter 12 (handout available from Katie Hickey).

Jan. 13: **No class.**

Jan. 15: **The Political Economy of Retirement Savings:** Time-inconsistency in government savings policy, social security privatization — Bonnet, *Tax-Advantaged Accounts: Saving for Retirement, Education, and Medical Expenses*. Ippolito, *A Study of the Regulatory Effect of the Employee Retirement Income Security Act* (skim).

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***** FINAL EXAM: APRIL ??, ??? *****