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Faculty News and Research Highlights

Eric Talley comments on the trade-secrets trial pitting star bond fund manager Jeffrey Gundlach against his former firm. [Analysis: Murky trade secret law at heart of Gundlach trial.](#) “In the financial services industry, trade secrets relate to some underlying valuation model or algorithm,” said Talley. “That’s sometimes quite difficult to prove.” (*Reuters*)

Alan Auerbach [questions deficit plan.](#) Previous efforts by Congress to bind its own hands have almost always failed. “I’m a skeptic about these kinds of things,” said Auerbach. “You’re sort of saying, ‘I can’t control myself, so I’m putting in this external mechanism to control myself, but I’m also in control of the external mechanism.’” (*The New York Times*)

Stanley Lubman’s recent posting “[Chinese Social Insurance: Will Foreigners Be Able to Opt Out?](#)” elaborates on China’s expanded coverage of its social insurance. (*WSJ*)

Curriculum

New **Mergers & Acquisitions** Course planned for Spring 2012. **Eric Talley** and **Ken Taymor** are planning a new course on the fundamentals of and critical topics in the law of mergers and acquisitions. The course will cover the financial and transactional issues that mergers and acquisitions present. The principal focus of the course will be on the corporation law and securities regulations aspects of these transactions, the business incentives of the parties to the transactions, and the documentation and negotiation of the deals. Students will explore merger and acquisition transactions by analyzing the way transaction parties attempt to attain business goals. They will learn how legal rules and documentation constrain and create opportunity for the parties’ ability to achieve their objectives. Guest instructors will provide the perspectives of lawyers and business principals in structuring, negotiating and completing successful transactions. A substantial portion of the coursework will include reviewing, analyzing and drafting deal documents. Students will analyze and learn to understand how core provisions of an acquisition agreement are negotiated to create value for and allocate risks among the parties.

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Events

Monday, September 19, 2011

Boalt Hall, Room 145; 12:30 - 1:50 p.m.

Law & Economics Workshop

[The Price of Private Enforcement Under the False Claims Act](#)

David Kwok, UC Berkeley, School of Law

Thursday, September 29-30, 2011

UCLA academic-practitioner roundtable

Theory and Purpose of the Firm

Robert Bartlett, among other scholars from top universities, will participate in this roundtable which will examine alternatives to “shareholder primacy” through cross-disciplinary workgroups, plenary discussion, and small group dialogue. The main objective of this session is to look at practical implications of these theories on corporate governance and business performance, uncover research opportunities, and identify approaches for incorporating new theories into business and law curricula.

Saturday, October 1, 2011

Boalt Hall, 11:00 a.m. – 12:15 p.m.

Alumni Reunion Day ([registration only](#))

Ken Taymor and **Jennifer Urban** will discuss the activities of the Berkeley Center for Law, Business and the Economy and the Samuelson Law, Technology & Public Policy Clinic.

Thursday, October 6, 2011

Boalt Hall, Room 110; 12:45 – 1:45 p.m.

Smart Course Planning

Preview Spring 2012 Courses. Information session about the business law program at Berkeley Law presented by **Ken Taymor** and other business law faculty. The program will review the Spring 2012 business law classes and highlight new course offerings. This is an opportunity for students to learn how business law courses meet their interests and prepare them for professional practice, whether in a firm, government or NGO position. The program will also review the Business Law Certificate requirements.

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Curriculum *(continued)*

Law, Economics & Business. Beginning in Spring 2012, the Law, Economics, and Business course will qualify as an elective course for the Business Law Certificate program. In addition to familiar law and economics topics such as property, contracts, and torts, the course will now include an introduction to various business law topics through the lens of microeconomic analysis. Students will investigate the underlying economic incentives for firms choosing a particular legal form and organization, as well as how taxes and regulations influence a firm's capital structure. An introduction into corporate finance will be given, followed by a discussion of the origins and causes of the recent financial crisis. Students will also receive an overview of classical antitrust law and the cutting-edge antitrust issues facing firms in our digital economy. This course is an excellent introduction to the underlying economics that permeate the business law field as well as an introduction into Berkeley Law's vast business law curriculum.

Visiting Scholars Highlights



Radu N. Catană is a Fulbright Senior Visiting Scholar at the Berkeley Center for Law, Business and the Economy. He holds the chair of business and corporate law at Babeş-Bolyai University in Cluj Napoca, Romania. Prof. Catană focuses his research interests in the

field of company law and corporate governance within several fellowships (e.g., the Max Planck Institute for Comparative Law and Private International Law, Hamburg, 2008) and grants (e.g. Romanian National Council for Scientific Research, 2007-2010). The results of his research can be found in his paper "Shareholders' Democracy in Corporate Law" (2008, Sfera Juridica, Cluj, Romania). By encompassing the actual trends and challenges of corporate law and governance from a comparative law perspective, his research at Berkeley Law will focus on strengthening corporate directors' duties after the global financial crisis.

BCLBE Directors

Ken Taymor, Executive Director

ktaymor@law.berkeley.edu

Eric Talley, Faculty Co-Director

etalley@law.berkeley.edu

Nancy Wallace, Faculty Co-Director

wallace@haas.berkeley.edu

Contact BCLBE at: bclbe@law.berkeley.edu

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Events *(continued)*

Thursday, October 6, 2011

Conference on Systemic Risk and Data Issues

Washington DC

Nancy Wallace, John Hunt, and Richard Stanton will participate in this conference, inspired by the Dodd-Frank Act and the establishment of new entities, particularly the Financial Stability Oversight Council (FSOC) and Office of Financial Research (OFR). They will present their paper "[The End of Securitization? Electronic Registration as a threat to Bankruptcy Remoteness,](#)" which discusses a previously overlooked threat to the stability and continued operation of the market for securitized housing mortgages. The recently created and little known "Mortgage Electronic Registration Systems, Inc.," or MERS, has ownership of over 60 million mortgages that secure trillions of dollars in homeowner debt. Hunt, Stanton and Wallace's paper describes how the MERS structure and operation may create unforeseen risks for investors in mortgage-backed securities and how that risk may be mitigated. To learn more click [here](#).

Monday, October 10, 2011

Boalt Hall, Room 145; 12:30 - 1:50 p.m.

Law & Economics Workshop

[Ideas and Innovations: Which should be subsidized?](#)

Suzanne Scotchmer, UC Berkeley School of Law

Event Recap

Nathan Bush, Partner at O'Melveny & Myers' Beijing office gave a lecture on efforts and challenges to US companies and investors to deal with issues of financial corruption and fraud in China. The summary and links to his lecture are available [here](#).

BCLBE Online

The Network: *Business at Berkeley Law* recently posted on the proposed [AT&T T-mobile merger](#). The Department of Justice (DOJ) brought suit to block the proposed merger asserting that the combination would result in "higher prices, fewer choices, and lower quality products." The Network also posted on the impact of arbitration agreements on [consumer class action lawsuits](#).

Coming Up on The Network: In July, the Circuit Court for the District of Columbia struck down an SEC regulation that would require publicly traded companies to allow shareholders to nominate members for Board of Director positions. The article will look at statistics on companies that have proposed, passed, and implemented shareholder nomination provisions, and the effects on Boards of Directors.

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