

UNIVERSITY SENATE
UNIVERSITY AT ALBANY
STATE UNIVERSITY OF NEW YORK

Introduced by: Undergraduate Academic Council

Date: December 11, 2007

FACULTY-INITIATED INTERDISCIPLINARY
MAJOR AND MINOR IN “FINANCIAL MARKET REGULATION”

IT IS HEREBY PROPOSED THAT THE FOLLOWING BE ADOPTED:

1. That the attached proposal to create a Faculty-Initiated Interdisciplinary Major and Minor in “Financial Market Regulation” be approved by the University Senate effective for the Fall 2008 term.
2. That this proposed major and minor be forwarded to the Interim President for approval.

Rationale:

The attached proposal has been reviewed and supported by the Interdisciplinary Studies Committee of UAC and it has been considered and approved by the Undergraduate Academic Council.

The major and minor in Financial Market Regulation are being proposed as faculty initiated programs in order to validate them. In time these programs will be reevaluated and proposed as regular Major and Minor programs.

This interdisciplinary effort brings together the School of Business, College of Computing and Information, and Nelson Rockefeller College of Public Affairs and Policy. The coursework and related professional experience reflect the interdisciplinary nature of financial market regulation and supervision, and the three units bring necessary, complementary strengths to the programs.

It is expected that some of the students graduating with the major or minor will directly enter the field in firms or regulatory organizations, where they will receive continuing training; while others will go on to law school, or further graduate work, before entering the financial markets.

Their industry and regulatory partners have responded enthusiastically to the program, which is a good market test of its potential contribution to the careers of graduates.

As advised by industry and regulatory professionals, this program addresses four areas of education that are especially important: the *business* of financial markets, the *law* of securities regulation, the *public policy* in securities regulation and the *technology* of information management and data analysis.

Both programs have a 3.2 GPA requirement to be admitted into and stay in them. UAC debated extensively on this requirement and accepted it as the School of Business already has the GPA requirement for their upper level courses. Students in either major or minor would not be able to take the Business School courses without this requirement. However, and because of this restriction, students willing to be enrolled in the minor are required written permission to be admitted to the minor.

PROPOSAL FOR A FACULTY-INITIATED INTERDISCIPLINARY MAJOR AND MINOR IN FINANCIAL MARKET REGULATION

**College of Computing and Information
Nelson A. Rockefeller College of Public Affairs and Policy
School of Business
University at Albany-SUNY**

Revised December 8 with Clarifications in Response to Senate Executive Committee Questions

The School of Business, College of Computing and Information, and the Nelson A. Rockefeller College of Public Affairs and Policy propose a faculty-initiated interdisciplinary major and a faculty-initiated interdisciplinary minor in Financial Market Regulation, with the major leading to the Bachelor of Science degree in Interdisciplinary Studies in Financial Market Regulation. The proposed major and minor emerge from over two years of developmental work with the financial services industry, regulatory organizations, and law firms. The major and minor reflect the interdisciplinary nature of financial market regulation and supervision, and the three academic units bring necessary, complementary strengths to the programs.

Background and Educational Value of the Proposed Major and Minor

The public and private sectors work together closely in regulating the financial markets. Federal agencies such as the Securities and Exchange Commission, self-regulatory organizations—especially the Financial Industry Regulatory Authority and New York Stock Exchange Regulation—and securities firms all play important roles in overseeing this system. An extensive system of state securities regulation also oversees the financial markets.

The technological sophistication and managerial demands of this system grew in the past 30 years and the Sarbanes-Oxley Act of 2002 accelerated these trends. In 1983 the Compliance and Legal Division of the Securities Industry and Financial Markets Association had about 250 members; presently it has about 2500 members. An article in the May 31, 2004 *Investment Dealers' Digest* ("The Street's New Cops") reported that "legal hiring is up tenfold this year, and at least three out of every 10 hires these days are compliance personnel. Some of those positions are fairly senior jobs that didn't even exist at the firm before this year," with one individual commenting that "There has been a tremendous increase in hiring, particularly of compliance and regulatory professionals...I'd say the demand for folks like that has at least doubled." Referring to 2005 but projecting continuation of the trend, the Securities Industry and Financial Markets Association [SIFMA] observed in 2007 that "[securities firms'] commitments to risk management, as well as the rising oversight obligations required by recent regulatory changes, fueled hiring of compliance professionals.

Double-digit percentage point employment gains in 2005 were seen by compliance officers (13.0%), financial examiners (11.3%), as well as by accountants and auditors (10.2%)” (*SIFMA Research Report: Securities Industry Employment and Compensation Trends*, May 2, 2007, p. 28). The budget and employment of the Securities and Exchange Commission similarly have increased substantially since 2002 (U.S. Government Accountability Office, *Securities and Exchange Commission: Review of Fiscal Year 2003 and 2004 Budget Allocations*, GAO-04-818, July 2004). The supervisory challenges posed by private equity, hedge funds, financial globalization, technology-driven increases in transactional volume and complexity, and the rising numbers of retirees depending on effective supervision of their retirement accounts assure that demand for such individuals in the private, nonprofit, and public sectors will not diminish.

On November 7, 2007, in response to clarifying inquiries from the Interdisciplinary Studies Committee of the Undergraduate Academic Council, we contacted three members of our Advisory Council—discussed below—for their thoughts on the prospects for bachelor’s graduates who have completed work in the major or minor. Gerard Citra, Counsel at Chadbourne & Parke, responded through email:

In securities firms, I believe the most likely positions would be in the compliance, legal or audit departments. In addition, there are a growing number of jobs in the supervisory control area which is a hybrid between the business and compliance function. The title for the positions would vary by firm, but would be junior compliance officer, compliance analyst or compliance examiner. In audit, the title would probably be junior auditor, analyst or examiner. These would generally be non-officer positions but be in the chain that could eventually lead to chief compliance officer, head of internal audit, or the head of supervisory control, all very senior level positions at most firms. In the legal department, you would probably have paralegals or specialists that concentrated on document gathering and production in support of examinations, enforcement proceedings and litigation. While the growth potential for these positions would be limited by the lack of a legal degree, well trained personnel could and frequently do move into other positions in the compliance and audit departments of firms.

In regulatory bodies, junior level positions might be similarly titled as junior examiner, compliance analyst or auditor...Another avenue for employment might be paralegal specialist at a law firm concentrating in SEC enforcement or regulatory work. While some law firms have senior paralegal specialists in certain areas, including securities law, this would not generally be a career path position but instead a stepping stone to law school or another job in the industry.

Business majors who have a double major or minor in the Program could still go into a wide range of business jobs including the Graduate Training Programs in the investment banking and trading divisions of large securities firms. Participation in the program might open doors for the graduates by establishing a strong interest in the financial markets, as well as train those future employees to be better able to deal with regulatory issues going forward.

John Malitzis, the Senior Vice President for Market Surveillance at the New York Stock Exchange, wrote:

As regulators, the degree would be relevant to surveillance analysts, managers, directors, etc. up through Division Head of a market surveillance division. We also have examiners that perform market analysis and reconstruct trading. Analysts not only look for rule violations but look at trends in data/behavior changes.

Most broker/dealers have surveillance departments and control room functions that look for violations of market rules, fraud, and manipulation as well as inside trading.

Grace Vogel, Executive Vice President for Member Regulation at the Financial Industry Regulatory Authority, commented on the prospects for bachelor's graduates with the major or minor:

We would be looking to hire examiners. We have a one year training program that includes a combination of class room training and on the job training. The examiners have responsibility for reviewing the financial and operational condition of member firms to ensure compliance with various SEC and FINRA regulations. We generally hire accounting or finance majors. The broker-dealers will hire these individuals into the finance function, including regulatory reporting, or into the compliance department.

As noted above, some of the students graduating with the major or minor will directly enter the field in firms or regulatory organizations, where they will receive continuing training. Other students will go on to law school, or further graduate work, before entering the financial markets; in fact, we expect that a good number of especially strong graduates will take this approach because they would be ideal candidates for law and graduate school. So, like other majors and minors, students' career tracks will differ. However, our industry and regulatory partners have responded enthusiastically to the program, which is a good market test of its potential contribution to the careers of graduates.

These proposals stem from the University's Program in Financial Market Regulation, which is a cooperative project of the financial services industry, regulatory organizations, and major law firms with the School of Business, the College of Computing and Information, and the Rockefeller College of Public Affairs and Policy at the University at Albany and Albany Law School. It facilitates interdisciplinary education, research, internships, and mentoring that prepare students for careers in regulation and supervision in the private, nonprofit, and public sectors. It promotes understanding of effective systems of risk management, supervision, and regulation through communication and collaborative work among market participants, regulators, and academic researchers and teachers.

The program's Advisory Council includes senior executives and professionals of the Financial Industry Regulatory Authority (FINRA) and NYSE Regulation—the two principal private sector securities regulators in the United States—and the financial services industry

and law firms, as well as recent alumni and faculty and staff from the University at Albany and Albany Law School. A list of its membership is appended to this document.

Industry and regulatory support for this program has been strong because of the importance of effective controls in financial markets and the need for professionals to develop and implement these systems. Industry and regulatory professionals advising us on this program identify four areas of education that are especially important:

1. An understanding of the *business* of financial markets in order to know how regulations and controls affect business functions and to work credibly with those responsible for these functions.
2. An understanding of the *law* of securities regulation in order to realize how rules apply to business functions and deal with related issues.
3. An understanding of *public policy* in securities regulation in order to anticipate how regulations should be designed given tradeoffs among competing considerations, to effectively negotiate often contentious issues, and to manage change in regulated firms and regulatory organizations.
4. An understanding of the *technology* of information management and data analysis in order to work effectively with information systems essential to modern regulation and supervision.

While the proposed major and minor focus on financial market regulation, they challenge students to acquire a broad range of knowledge applicable to many other substantive areas. Students will graduate having taken a systematic program of study in finance, law, public policy, and information technology.

The program requires a minimum overall grade point average of 3.2 and a minimum grade point average in lower-division “core courses” of 3.0 for admission into the major or minor. This information is summarized in Appendices A and B. The School of Business currently restricts access to its upper level courses to School of Business majors who meet minimum GPA requirements for entry into the Business major. The School of Business has insisted, quite appropriately, that students taking its upper level classes required for the proposed major and minor, especially when the students come from outside the School of Business, should have a minimum GPA of 3.2 with a 3.0 in the initial lower level courses. This reflects both the demanding nature of the upper level courses and the currently heavy student load within the courses in the School of Business. The participation of the School of Business in both the major and minor, without which neither the major nor the minor can operate, presumes that those GPA restrictions, comparable to those already in place for access to School of Business upper level courses, are in effect. The three participating units fully support this position. ***The purpose of the minimum GPA requirements is not to increase academic standards for this program beyond those now in place across the University, but to align the program with the academic standards now in place for access to upper level courses in the School of Business.*** If the requirements were removed, the major and minor will conflict with current University policy regarding access to upper level School of Business courses, provide a “back door” to such courses, and the program will not be feasible

because the School of Business will not participate in it. Given the potential value of the program to many students, and even the University as a whole, we believe this would be a serious loss.

This interdisciplinary program will prepare students for work or further graduate studies in financial market regulation, but it also will provide diverse abilities and intellectual confidence transferable to any number of fields in the private, public, and nonprofit sectors. In 2006-2007 several students took related classes as their required specialization for the undergraduate major in Public Policy and Management or as part of their BA/MPA programs, and in the future students would be able to take the coursework as the required specialization for other majors or programs to the extent permitted by academic regulations. (Three of the students involved in the program held related internships in the summer of 2007, with two at the New York Stock Exchange and the third at Lehman Brothers.) We are proposing the option of an interdisciplinary major so that students, if they wish, could deepen their coursework in this area and be recognized more formally as having completed a systematic program of study in financial market regulation. Similarly, we are proposing an interdisciplinary minor so that students will be recognized formally as taking a systematic program of study complementing majors in Accounting, Business, Computer Science, Economics, Sociology, and other areas. Our discussions with students over the past year have revealed the importance to students of a formal designation of a major or minor in their academic planning.

Students who take the major in Financial Market Regulation could, of course, be drawn to any number of minors, including those well outside of the field. For those students majoring in this subject who wish to have a close connection between the major and minor, they could find such minors in Business, Computer Science, Economics, Public Policy and Management, Political Science, and Sociology. In turn, as noted above, students majoring in those fields, or in other fields such as Accounting, could be drawn to Financial Market Regulation as a complementary minor.

To our knowledge, this would be the first undergraduate interdisciplinary major and minor in financial market regulation in the nation. Other institutions, such as the Wharton Business School, have longstanding relationships with the Financial Industry Regulatory Authority (FINRA) to provide continuing professional education, and in 2006 FINRA established a professional diploma program in Capital Markets, Regulation, and Compliance with the University of Reading in England. In July 2007, JPMorgan Chase announced a \$30 million, ten-year partnership with Syracuse University for education in financial information technology. Representatives of the Albany Program in Financial Market Regulation met with participants from JPMorgan Chase and Syracuse on November 6 to discuss ways in which the two universities' programs could complement each other, and JPMorgan Chase asked that we add a representative from that firm to our Advisory Council—a request we welcomed enthusiastically. Thus, while the proposed program's broadly-based, interdisciplinary nature is unique, it reflects demand for education in this developing field and potential collaboration with other institutions.

Content of the Interdisciplinary Major in Financial Market Regulation

All undergraduate students in the Interdisciplinary Major in Financial Market Regulation will take the following courses or appropriate substitutes approved by the Academic Program Advisor, in consultation with the participating academic units. The Academic Program Advisor will serve as the first point of advisement contact for students, and will oversee student records, working closely with the participating academic units. Appendix C presents a representative sequence of these courses through a student's four years at the University.

Business and Finance

B Acc 211 Financial Accounting (3)

Basic principles of accounting theory and practice, nature of assets and equity; income measurement and statement preparation. Not open to freshmen.

B Fin 300 Financial Management (3)

Introductory course that covers the basic concepts essential to a comprehensive understanding of financial management. Topics to be covered include valuation models, financial statement analysis, operating and financial leverage, capital budgeting, cost of capital, and working capital management. Prerequisite(s): B Acc 211.

B Fin 333 Investment Management (3)

Development of the fundamental approach to the valuation of equity securities. Examines the institutional environment in which investment decisions are made. Reviews the concept of portfolio theory, and contrasting theories of the behavior of equity securities prices. Develops various models for the pricing of common stock and equity derivative instruments. Term project requiring written and oral presentation of a securities analysis. Extensive computer spreadsheet assignments. Prerequisite(s): B Fin 300.

B Fin 375 Money and Capital Markets (3)

Rigorous examination of the U.S. financial system, stressing the importance of financial markets, financial securities, and market participants. Emphasizes the factors that influence the level and structure of interest rates, including monetary policy actions of the Federal Reserve System and financial regulation. Develops models for the pricing and analysis of bonds and various fixed income derivative instruments. Extensive computer spreadsheet assignments. Prerequisite(s): B Fin 300.

Public Policy and Law

R Pad 236 Institutions and Policy in Business Regulation (3)

This course examines the public regulation of business, surveying the field in general but with special attention to regulatory controls in financial markets. Its subjects include the justifications and critiques of government regulation, ethical considerations in regulatory decisions, international dimensions of regulatory policy and management, and how political, legal, and technological processes shape regulation.

R Pad 435 Fundamentals of Securities Law (3) (course to be cross-listed with Accounting)

This course examines the history, rationales, and structures of securities laws in the United States, focusing mainly on the federal level but touching on issues pertaining to the states. Topics include public requirements governing the issuance of securities; mandatory public disclosures; legal requirements governing corporate mergers and acquisitions; primary and secondary markets for securities; exemptions from full coverage of laws, the reasons for exemptions, and how technology and market changes have affected these exemptions over time; and the basic structure of securities market regulation.

R Pad 436 Regulation of Securities Markets (3) (course to be cross-listed with Accounting)

This course examines the history, organization, and central issues of securities market regulation in the United States. The course discusses the roles of federal and state regulation, self-regulatory organizations, and firms within the regulatory system. Topics include, but are not limited to, the history and main principles of federal securities statutes; examinations and supervision by different levels of the regulatory system; and the relationships among change in financial markets such as financial innovations and regulatory structure and practice.

Information Management and Analysis

I Csi 201 Introduction to Computer Science (4)

Computer algorithms and their representation. The principle of information hiding and its relation to program block structure. File structure and access methods. The efficient use of computational resources. Program development and style.

I Inf 201 Introduction to Information Technology (3)

This course comprises three skills-based modules: information management (UNIX, directory management and presentation software), web technologies (HTML, digital imaging, file formats and transfer), and networks (protocols, layer model, information security).

B Itm 330 Business Information Systems & Technologies (3)

This course offers an introduction to the fundamentals of information systems and information technology in business. It focuses on models for modern business processes, integration of business functions, and the tasks and techniques for developing computer-based information systems. Topics such as project planning, time, risk, and resource management in various business applications will be supported by software tools, such as Microsoft Project. Elements of database management, information systems building and prototyping will be introduced using popular end-user software packages such as Access and Excel. Prerequisite(s): A Mat 106 and B Msi 215 or their equivalents; B Msi 220 or A Mat 108 or A Eco 320. Offered fall and spring. ***NOTE: I Csi 201 and I Inf 201 will be accepted as substitutes for prerequisites for B Msi 215 for B Itm 330. As specified above, students normally will need to take A Mat 106, A Mat108, A Eco 320, or equivalent class in statistics as a prerequisite for B Itm330.***

B Itm 331 Business Application Development (3)

This hands-on course includes creating and using relational database software (ACCESS), elements of database theory and modeling, information systems analysis and design. Experience with system building is gained through individual and group projects with integrate database technology with prototyping methodology. Prerequisite(s): BITM 215 or its equivalent, and BITM 330. Offered spring and summer (may not be offered every summer).

Choose One from the Following Two Courses:**B Itm 416 Communication, Networking, and Security (3)**

This course provides an introduction to integrative business strategy, practice, and enabling technologies. Topics include telecommunication (concepts, protocols, and hardware), computer networks (client-server, LAN, and OSI), computer security (Security Threats and Vulnerabilities, Network Security, Cryptography, and Privacy), and related emerging technologies.

I Ist 423 Networking Essentials (3)

Covers the fundamentals of computer networking concepts and implementation and the client and server operating systems that run on networked PCs. Special emphasis is placed on network protocols and how they operate at all layers of the networking model. Emphasis also is placed on the interoperability of networks that run on multiple protocols, platforms, and operating systems.

Internship

Students in the major and minor will be encouraged, but not required, to complete an internship, usually over the summer between the junior and senior years and of approximately three months duration, in a financial firm, law firm, financial regulatory organization, or other related organization. If resources permit, students will be encouraged to have a second internship in a different category of organization to expose them to work in a different setting.

A faculty member in Rockefeller College, Assistant Dean and Public Service Professor David Liebschutz, will oversee placement and evaluation of interns, working with the participating academic units and our Advisory Council. Assistant Dean Liebschutz presently oversees the extensive internship program of the Rockefeller College and so is experienced in such operations. In 2007 the University provided \$97,000 in developmental funding for the Program through the Selective Investment Process, with \$72,000 of that targeted toward development of the internship program. Our efforts to attract external funding will focus, among other goals, on support for the internship program in the future and we have received substantial encouragement in this area from the professionals on our Advisory Council.

Content of the Interdisciplinary Minor in Financial Market Regulation

The Interdisciplinary Minor in Financial Market Regulation will provide interdisciplinary coursework focusing on financial market regulation in ways complementing existing majors in accounting, finance, computing and information science, or other fields. Appendix D presents a representative sequence of these courses through a student's four years at the University.

Business and Finance

B Acc 211 Financial Accounting (3)

Basic principles of accounting theory and practice, nature of assets and equity; income measurement and statement preparation. Not open to freshmen.

B Fin 300 Financial Management (3)

Introductory course that covers the basic concepts essential to a comprehensive understanding of financial management. Topics to be covered include valuation models, financial statement analysis, operating and financial leverage, capital budgeting, cost of capital, and working capital management. Prerequisite(s): B Acc 211.

B Fin 333 Investment Management (3)

Development of the fundamental approach to the valuation of equity securities. Examines the institutional environment in which investment decisions are made. Reviews the concept of portfolio theory, and contrasting theories of the behavior of equity securities prices. Develops various models for the pricing of common stock and equity derivative instruments. Term project requiring written and oral presentation of a securities analysis. Extensive computer spreadsheet assignments. Prerequisite(s): B Fin 300.

B Fin 375 Money and Capital Markets (3)

Rigorous examination of the U.S. financial system, stressing the importance of financial markets, financial securities, and market participants. Emphasizes the factors that influence the level and structure of interest rates, including monetary policy actions of the Federal Reserve System and financial regulation. Develops models for the pricing and analysis of bonds and various fixed income derivative instruments. Extensive computer spreadsheet assignments. Prerequisite(s): B Fin 300.

Public Policy and Law

R Pad 236 Institutions and Policy in Business Regulation (3)

This course examines the public regulation of business, surveying the field in general but with special attention to regulatory controls in financial markets. Its subjects include the justifications and critiques of government regulation, ethical considerations in regulatory decisions, international dimensions of regulatory policy and management, and how political, legal, and technological processes shape regulation.

R Pad 435 Fundamentals of Securities Law (3) (course to be cross-listed with Accounting)

This course examines the history, rationales, and structures of securities laws in the United States, focusing mainly on the federal level but touching on issues pertaining to the states. Topics include public requirements governing the issuance of securities; mandatory public disclosures; legal requirements governing corporate mergers and acquisitions; primary and secondary markets for securities; exemptions from full coverage of laws, the reasons for exemptions, and how technology and market changes have affected these exemptions over time; and the basic structure of securities market regulation.

Information Management and Data Analysis

I Csi 201 Introduction to Computer Science (4)

Computer algorithms and their representation. The principle of information hiding and its relation to program block structure. File structure and access methods. The efficient use of computational resources. Program development and style.

Admission and Retention Standards for the Major and Minor in Financial Market Regulation

Students who declare a major or minor in Financial Market Regulation must have a minimum overall grade point average of 3.2 at the University and a minimum grade point average of 3.0 in required lower-division courses for admission into the major or minor. As noted above, these GPA restrictions are necessary in order to align the program with current University policy regarding access to upper-level School of Business courses required for the major and minor. Students declaring a minor in Financial Market Regulation must obtain written permission to be admitted into the minor.

Students not admissible to the major or minor may write a letter of appeal detailing any extenuating circumstances that they feel affected their academic performance. Documentation of the extenuating circumstances should also be provided. Appeals will be reviewed by the Appeals Committee consisting of two representatives from the School of Business, the College of Computing and Information, and Rockefeller College. At least one member from each of the units must be a faculty member teaching in the program and one member an administrator involved in the program.

Appeals will be due at the end of a spring semester (by June 10th), at the end of a UAlbany summer session (August 10th), or at the end of a fall semester (January 10th). All students who appeal will be notified of the Committee's decision in writing.

Administrative Support for the Program and Resources Required

While any new initiative necessarily involves commitment of some time and other resources that otherwise would be devoted to other activities—meeting with our Advisory Council and prospective students, for example, involves time and other resources—this proposal is as “resource neutral” as a new initiative reasonably could be. Three new courses focusing on law and policy in securities market regulation have been developed over the past two years; PAD435/536 and PAD535/536 (Securities Law and Securities Market Regulation) were taught for the first time in 2006-2007, and PAD236 will be taught for the first time in the spring 2008 semester. Otherwise, this proposal draws entirely on existing courses, although we anticipate that as units develop new courses—such as those stemming from the Forensic Accounting Program within the School of Business—new courses will be integrated into the major and minor as appropriate. The School of Business, College of Computing and Information, and Rockefeller College completed the initial developmental work for this program without requesting resources from the University and have begun seeking external funding for the program. As noted above, in 2007 the University provided \$97,000 through the Selective Investment Process for curriculum development and the formation of an internship program in 2007-2008, and a main purpose of those funds is to position us to request continued external funding. We expect that approval of the interdisciplinary major and minor will increase the likelihood that we would be successful in obtaining external funding to support activities related to the major and minor and the Program in Financial Market Regulation more generally. While we expect to be able to obtain external funding, the success of the program is not contingent on obtaining external funding, as the internship is optional, internship support is funded by sponsoring organizations, and the program draws on existing courses.

We expect enrollment in the major to be no more than 10 students initially, and likely fewer, and to not exceed 15 students in the first few years of the program, with most of those students being double majors. Enrollment in the minor should not exceed 25 students in the first few years of the program. We expect the minor to attract more students than the major because of the ways in which the minor complements established majors in Business, Computer Science, Economics, Public Policy and Management, and Political Science. We base these estimates on our contacts with students to date and the experience of the Financial Analyst Program within the School of Business, the enrollment for which has been 25-35 students after several years of operation. We doubt very much that the major and minor will attract a larger number of students than this and so cannot foresee circumstances in which we would need to cap the major or minor. However, if it does appear that the major and minor is attracting a larger number of highly qualified students (and given the minimum GPAs required, all students enrolled in it would be highly qualified) that would greatly strengthen our efforts to raise external funds for program delivery, including external support for new faculty.

A committee consisting of faculty and staff from the School of Business, College of Computing and Information, and Rockefeller College of Public Affairs and Policy will oversee the program, including retention standards for students. One faculty member will take responsibility as overall academic coordinator of the major and minor. A faculty

member from Rockefeller College, David McCaffrey, has indicated a willingness to serve in the role of Academic Program Advisor initially, and related student records will be housed in the Rockefeller College Contact Office in Humanities 16 on the uptown campus. When the role turns over to an Academic Program Advisor from another unit the records will be turned over to that academic unit.

Program Evaluation

Evaluating the relative success of the proposed major and minor will be fairly direct because of their structures. The initiative will be successful to the extent that it attracts an ongoing group of 20-40 students, distributed between the major and minor, who complete its coursework successfully, can be placed in competitive internships, and who move successfully into related professional employment or graduate studies. We will be sensitive to the impact of the minimum GPA restrictions on program implementation and effects. Working so closely with professionals in industry and regulatory organizations, including but not limited to the members of our Advisory Council, has provided constant evaluation on the design and operation of our efforts to date. That active feedback will continue. Another indicator of success will be our ability to attract external funding support for the program. That effort is underway, and approval of the major and minor will help because it would give us a formal program, as opposed to the informal structure in place now, to which fundraising activities could point. Finally, we will continuously solicit the opinions of students and alumni regarding the value of the program for their professional development and the ways in which it can be improved.

Appendix A: Admission and Retention Standards for Proposed Faculty-Initiated Major in Financial Market Regulation		
Desired Activity	Metric	Minimum Required Level
Admission into Major	Overall GPA	3.2
	GPA in four core courses: R Pad 236, I Csi 201, B Acc 211, I Inf 201	3.0

Appendix B: Admission and Retention Standards for Proposed Faculty-Initiated Minor in Financial Market Regulation		
Desired Activity	Metric	Minimum Required Level
Admission into Minor	Overall GPA	3.2
	GPA in three core courses: R Pad 236, I Csi 201, B Acc 211	3.0

Appendix C: Representative Sequence of Courses for Proposed Faculty-Initiated Major in Financial Market Regulation		
	Fall	Spring
First Year		R Pad 236: Institutions and Policy in Business Regulation (3 credits)
Second Year	I Csi 201: Introduction to Computer Science (4 credits) B Acc 211: Financial Accounting (3 credits)	I Inf 201: Introduction to Information Technology (3 credits)
Third Year	B Itm 330: Business Information Systems and Technologies (3 credits) R Pad 435: Fundamentals of Securities Law (3 credits)	B Fin 300: Financial Management (3 credits) B Itm 331: Business Application Development (3 credits) R Pad 436: Regulation of Securities Markets (3 credits)
Summer Between Junior and Senior Year	Recommended Internship (not required for completion of major)	
Fourth Year	B Fin 375: Money and Capital Markets (3 credits) I Ist 423: Network Essentials (3 credits) (<u>or taken in Spring: see following cell</u>)	B Fin333: Investment Management (3 credits) B Itm 416: Communication, Networking, and Security (3 credits) <u>or</u> I Ist 423: Networking Essentials (3 credits)

Appendix D: Representative Sequence of Courses for Proposed Faculty-Initiated Minor in Financial Market Regulation		
	Fall	Spring
First Year		R Pad 236: Institutions and Policy in Business Regulation (3 credits)
Second Year	B Acc 211 Financial Accounting (3 credits) I Csi 201: Introduction to Computer Science (4 credits)	
Third Year	R Pad 435: Fundamentals of Securities Law (3 credits)	B Fin 300: Financial Management (3 credits)
Summer Between Junior and Senior Year	Recommended Internship (not required for completion of minor)	
Fourth Year	B Fin 375: Money and Capital Markets (3 credits)	B Fin333: Investment Management (3 credits)

16-November-2007

Dr. William Rainbolt
Chair, Committee on Interdisciplinary Studies
Undergraduate Academic Council

Dear Professor Rainbolt:

I am pleased to write in strong support of the Faculty-Initiated Interdisciplinary Major and Minor in Financial Market Regulation. School of Business faculty and staff are firmly behind this initiative. We are excited to have the program's students in our courses. Indeed, we hope that over time, many School of Business students will choose this program as a major or minor.

I attended one of the first meetings on this proposal in New York about three years ago. Professors McCaffey and Liebschutz took the lead in developing the initial proposal, and have involved School of Business faculty and administrators at every stage in crafting this innovative program. Perhaps the most credible vote of support I know of is that numerous School of Business alumni – among the healthiest skeptics I know – serve as active, enthusiastic members of the program's Advisory Board.

Reading the proposal, I see in the program an extremely compelling opportunity. As our economy's financial sector has expanded due to demographic and other factors, the need for highly qualified professionals in financial market regulation and compliance is growing apace. The proposed curriculum is challenging and relevant, and the internship program will enrich the learning experience greatly.

We in the School of Business are not equipped to prepare students for regulation/ compliance careers on our own, and I believe that other UAlbany schools and colleges are not either. This particular market need presents a genuine necessity for interdisciplinary training. It is also important to note that careers of this type are very likely to make a positive difference to society.

The lead up to UAC consideration has been extremely deliberate and thoughtful. The proposal's main champions have listened to and integrated contributions from many legal and financial practitioners, UAlbany alumni, faculty across all the disciplines, and also the students who are going through the course sequence on a pilot basis. I know they will welcome input from University governance bodies as well.

In sum, for a variety of reasons, this initiative has my very strong support. Best wishes in your deliberations.

Sincerely,

Paul A. Leonard
Dean and Professor of Finance
School of Business

November 27, 2007

Dr. William Rainbolt
Chair, Committee on Interdisciplinary Studies
Undergraduate Academic Council

Dear Professor Rainbolt:

I am pleased to write in strong support of the Faculty-Initiated Interdisciplinary Major and Minor in Financial Market Regulation. Rockefeller College was one of the initiators of this program, and we are firmly behind the initiative to broaden it to the status of a major and minor.

Even before I came to Rockefeller College 16 months ago from the Maxwell School at Syracuse University, I had heard about this program and was excited about the prospect of getting involved in it. My colleagues, David McCaffrey and David Liebschutz, were instrumental in developing the initial program, but what excited me most about the program was the involvement of the Rockefeller College Advisory Board. Two members of this board - Jerry Citera '77 and John Malitzis '89 -- have been recognized by the University at Albany Alumni Association for their distinguished service in making the program a reality and getting buy-in from the securities industry and regulators to train and hire our students as interns and as full-time professionals.

The program was created to fill a pressing need in the securities industry, and the expansion of it to be a full-fledged major and minor will take advantage of the best of university-wide resources in not only the Rockefeller College but in the School of Business and the College of Computing and Information. Students who major or minor in financial market regulation will most likely do so in combination with another undergraduate degree in one of the three schools. This will make them extremely marketable for a career in market regulation either on its own or with a graduate or professional degree.

While the program has been in existence for a year without a major or minor, granting this status to it will send a strong message to the regulatory community that the University at Albany is committed to making this program an exemplar of the best that the University can offer. The commitment of nearly \$100,000 in selective investment funds was a start to this commitment, the granting of this academic status will be the next major step to doing so.

Therefore, I heartily endorse the UAC to approve the proposal and am happy to provide any further information should you seek it.

Sincerely,

Jeffrey D. Straussman
Dean
Rockefeller College

**Members of the Advisory Council of the Program
In Financial Market Regulation (July 26, 2007)**

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