

USC Gould

School of Law

Corporate Fraud Seminar (Law 867) Spring 2021 W 2-4:50pm

Units: 3. This course satisfies the writing requirement.

Location: Zoom / Rm. 101

Instructor: Robert H. Fairbank

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Course Description

This course exposes law students to the "real world issues" of major civil and criminal corporate fraud. Nationally recognized lawyers and judges present weekly case studies of many of the largest and most notorious corporate fraud of the last twenty years. The speakers were (and are) active participants - as prosecutors, public defenders, defense counsel, judges, and plaintiffs' lawyers - in many of the nation's major corporate fraud investigations, lawsuits, and trials. The students, in teams of four, then immerse themselves in a simulated internal investigation of one of seven high-profile corporate fraud case studies. Each student writes an in-depth internal investigation report, and each team of four makes a formal presentation of their investigative findings to the defrauded company's "New Board of Directors" (Professor Fairbank and the rest of the class). The goal of the class is to give each student a very realistic and exhilarating introduction to the factual, legal, ethical, and strategic issues involved in the world of major civil and criminal corporate fraud.

Learning Objectives

1. Gain an in depth understanding of "real-world" issues (strategic, factual, ethical, and legal) of major civil and criminal corporate fraud case studies
2. Undertake an in-depth written analysis of one of ten major corporate fraud case studies.
3. Participate in a formal group presentation of an "internal investigation" of major corporate fraud to a (hypothetical) Board of Directors (the class)
4. Acquire an understanding from nationally recognized lawyers and judges of the many diverse and exciting roles in major corporate fraud cases (i.e. judge, prosecutor, public defender, white collar defense counsel, civil plaintiffs, and defense counsel).

Prerequisite(s); co-requisite(s), or recommended preparation:

No prerequisites.

Required Materials (e.g., textbooks or other)

No required materials.

Optional Materials

On Blackboard, I will post weekly reading packets with articles describing the speakers and their respective cases. You will not be tested on anything in the readings. Nevertheless, I am hoping that you will spend about three hours a week reading most or all of the suggested materials.

Assignments

1. **Group Presentation on Randomly Assigned Topic:**
In groups of 4, students will simulate an independent investigation of a major corporate fraud case and present a group investigation report to the class. Presentations will take place the last two weeks of the semester: April 14th, 2021 and April 21st, 2021.
2. **Individual Paper**
Each student will also write an investigation report of 25-45 pages analyzing the fraud you are presenting on. A final version of the draft will tentatively be due on April 1, 2021 in as complete a form as possible. I will then review all the papers and set up 30 minute one-on-one paper revision sessions with each student. The revised paper will tentatively be due on Friday, April 23rd, 2021.

Grading Breakdown

Assignment	% of Grade
Final paper	85
Group presentation	10
Class participation	5
Total	100

Course-specific Policies***Zoom etiquette & participation***

As of now, all classes will be on Zoom. Our speakers are all nationally recognized lawyers and judges who have worked on many of the top cases, so show up to class engaged. We will try to save enough time at the end of each class for a Q&A session where you may ask our speakers questions, but please mute yourself at the start of class so as not to disturb them. Classes will include live speakers, so you are expected to attend the Zoom sessions. Class attendance is mandatory (without an excused absence).

SPEAKER SCHEDULE
CORPORATE FRAUD - SPRING 2021
WEDNESDAYS, 2:00 – 4:50 PM (13 JAN – 27 APR 2021)

Revised: 12/23/20

Class #	Class Date	Speaker	Speaker Topic
1	January 13	Class Introduction (2-2:30) JOE SHEW (2:30-4:50)	Professor Fairbank introduction Homestore criminal defendant (Homestore criminal prosecution, SEC investigation, and securities class action)
2	January 20	Hon. MIKE WILNER & DOUG FUCHS (2-4:50)	Homestore criminal trial (presented by the two prosecutors); Recent DOJ and SEC investigations and prosecutions; Judge Wilner's experiences as a Magistrate Judge. Doug Fuchs' experience as a Gibson Dunn criminal and civil defense lawyer
3	January 27	JULIA DEIXLER, CHARLES SNYDER, JANET LEVINE, & BOB CORBIN (2-4:50)	Experiences as public defenders. Also, experiences as Defense Counsel in Major white-collar criminal investigations and civil lawsuits
4	February 3	JOHN HUESTON & VICKI CHOU (2-4:50)	Enron criminal trial and comparison of Enron to the Financial Crisis of 2007-09; Recent experiences in bet-the-company cases.
5	February 10	SCOTT EDELMAN & ZAINAB AHMED (2-4:50)	Represented Chevron and Dole Foods in court dismissals of toxic tort cases because of evidence of fraud by plaintiffs and their counsel (Edelman). Served as prosecutor with the DOJ and as a member of Mueller's Special Counsel team. Will discuss recent experiences as white-collar criminal defense lawyer (Ahmed).
6	February 17	TAMERLIN GODLEY & MICHAEL DOYEN (2-4:50)	Trial team for Transocean civil and criminal litigation in the BP oil spill litigation in New Orleans. (Part or all of trial team)

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7	February 24	<p>NATHAN HOCHMAN (2-3:40 PM)</p> <p>Hon. NORA MANELLA (3:50-4:50)</p>	<p>Insider trading cases and his role defending Bryan Shaw in the KPMG insider trading case; comments on the two Sheriff Baca trials.</p> <p>Experience in three diverse legal careers: U.S. Attorney, U.S. District Court Judge and California Appellate Justice (Professor Fairbank moderating).</p>
8	March 3	<p>Hon. ANDRE BIROTTE & MELINDA HAAG (2-4:50)</p>	<p>Role of the US Attorney and District Judge in civil and criminal cases in the Central and Northern Districts of California (Professor Fairbank moderating).</p>
9	March 10	<p>Hon. THOMAS LONG, DAVID GRAELER, & PATRICK RICHARD (2-3:40)</p> <p>TERRY BIRD (3:50-4:50)</p>	<p>IndyMac \$169 million verdict; Plaintiff’s perspective in financial crisis trial</p> <p>Homestore, New Century cases; Broadcom and stock option backdating; <i>U.S. v. Stein</i>; McNulty memo; Filip memo; Recent criminal defense developments.</p>
10	March 17	<p>DARREN ROBBINS & KOJI FUKUMURA (2-3:40)</p> <p>ABE MELTZER (3:50-4:50)</p>	<p>Major securities fraud litigation and trial work, including the <i>Household International</i> case (\$2.46 billion judgement; \$1.575 billion settlement) and the <i>UnitedHealth</i> case (\$925 million settlement) (Robbins); Defense counsel perspective (Fukumura)</p> <p>Short description of the U.S. Attorney’s Civil Division and the types of cases that it handles; the False Claims Act and <i>Qui Tam</i> cases</p>
11	March 24	<p>RICHARD MARMARO, KEVIN LLOYD, BILL RUEHLE, & EMILY AVIAD (2-4:50)</p>	<p>Prosecutorial misconduct; Broadcom stock option backdating criminal trial; 9th Circuit appeals in Broadcom and Brocade. Doug DeCinces/James Mazzo insider trading trials.</p>

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12	March 31	BILL LERACH	Enron civil class action and lessons learned from the Enron era and the Financial Crisis of 2007-09; public pension fund underfunding crisis and the Kentucky Public Pension Litigation.
	April 7	ALL CLASSES CAMPUS-WIDE CANCELLED	NO CLASS
13	April 14	STUDENT PRESENTATIONS	
14	April 21	STUDENT PRESENTATIONS	

Law school classes end Tuesday, April 27, 2021.

Law school exams begin Thursday, April 29, 2021.

Statement on Academic Conduct and Support Systems

Academic Conduct:

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, “Behavior Violating University Standards,” <https://policy.usc.edu/files/2020/07/SCampus-Part-B-2.pdf>. Other forms of academic dishonesty are equally unacceptable.

Support Systems:

COVID-19 Emergency Assistance Funds for Students

<https://we-are.usc.edu/faqs/faq-support-funds/>

USC has several resources available for students. Eligible students can apply for assistance from the COVID-19 Emergency Assistance Fund and the USC Student Basic Needs Department (<https://studentbasicneeds.usc.edu/>).

This webpage answers FAQs for each resource and describes important university resources for low-income students:

- 1) food insecurity (<https://studentbasicneeds.usc.edu/resources/food-insecurity/>)
- 2) housing insecurity (<https://studentbasicneeds.usc.edu/resources/housing-insecurity/>)
- 3) tech assistance (<https://studentbasicneeds.usc.edu/resources/technology-assistance/>)

Student Counseling Services (SCS) – (213) 740-7711 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention. <https://studenthealth.usc.edu/counseling/>. See also this guide for Gould students to facilitate access to mental health resources on campus: <https://gould.usc.edu/assets/docs/directory/Mental-Health-Services-at-USC.pdf>

National Suicide Prevention Lifeline – 1 (800) 273-8255

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. www.suicidepreventionlifeline.org

Relationship and Sexual Violence Prevention Services (RSVP) – (213) 740-4900 – 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://studenthealth.usc.edu/sexual-assault/>

Sexual Assault Resource Center

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <https://eotix.usc.edu/>

Office of Equity and Diversity (OED)/Title IX Compliance – (213) 740-5086

Works with faculty, staff, visitors, applicants, and students around issues of protected class. <https://eotix.usc.edu/>

Bias Assessment Response and Support

Incidents of bias, hate crimes, and microaggressions need to be reported allowing for appropriate investigation and response. <https://eotix.usc.edu/>

The Office of Disability Services and Programs

Provides certification for students with disabilities and helps arrange relevant accommodations.
<https://dsp.usc.edu/>

Student Support and Advocacy

Campus Support and Information is where members of the Trojan Family go to seek support for themselves, for others, and for the community. It is a one-stop-shop for care and support, troubleshooting and advocacy. <https://cwci.usc.edu/campus-support-and-intervention/>

If you are concerned about a fellow Trojan challenged with personal difficulties, you can file a report through Trojans Care for Trojans. The form can be found at:
<https://campussupport.usc.edu/trojans-care-4-trojans/>.

Diversity at USC

Information on events, programs and training, the Diversity Task Force (including representatives for each school), chronology, participation, and various resources for students. <https://diversity.usc.edu/>

Gould-specific information can be found at <https://gould.usc.edu/about/race-equity/> (Law, Race and Equity page) and <https://gould.usc.edu/students/diversity/> Students can submit anonymous EDI-related comments/complaints through the law portal:
<https://mylaw2.usc.edu/about/contact/anonymous-comments>

USC Emergency Information

Provides safety and other updates, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible. <https://emergency.usc.edu/>

USC Department of Public Safety – UPC: (213) 740-4321 – HSC: (323) 442-1000 – 24-hour emergency or to report a crime.

Provides overall safety to USC community. <https://dps.usc.edu/>