

# Opening Wall Street's Black Box

## Pathways to Improved Financial Transparency

Sponsored By Americans for Financial Reform and Georgetown University Law Center

**Keynote Speaker: Gary Gensler**  
Chair, Commodity Futures Trading Commission

October 11, 2013 10 AM – 3 PM  
Georgetown Law Center, Gewirz Student Center, 12<sup>th</sup> Floor  
120 F Street NW, Washington, DC (Judiciary Square Metro)

(Space is limited. Please RSVP to [AFRtransparencysvp@gmail.com](mailto:AFRtransparencysvp@gmail.com))

The 2008 financial crisis revealed that regulators and many sophisticated market participants were in the dark about major risks and exposures in our financial system. The lack of financial transparency enabled large-scale fraud and deception of investors, weakened the stability of the financial system, and contributed to the market failure after the collapse of Lehman Brothers. Five years later, despite regulatory efforts, it's not clear how much the situation has improved.

Join regulators, market participants, and academic experts for an exploration of the progress made – and the work that remains to be done – toward meaningful transparency on Wall Street. How can better information and disclosure make the financial system both fairer and safer?

Panelists include:

**Jesse Eisinger**, Pulitzer Prize-winning reporter for the New York Times and Pro Publica  
**Zach Gast**, Head of financial sector research, Center on Financial Research and Analysis  
**Henry Hu**, Alan Shivers Chair in the Law of Banking and Finance, University of Texas Law School  
**Albert “Pete” Kyle**, Charles E. Smith Professor of Finance, University of Maryland  
**Adam Levitin**, Professor of Law, Georgetown University Law Center  
**Antoine Martin**, Vice President, New York Federal Reserve Bank  
**Brad Miller**, Former Representative from North Carolina; Of Counsel, Grais & Ellsworth  
**Cathy O’Neill**, Senior Data Scientist, Johnson Research Labs; Occupy Alternative Banking  
**Gene Phillips**, Director, PF2 Securities Evaluation  
**Greg Smith**, Author of “Why I Left Goldman Sachs”; former Goldman Sachs Executive Director

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## *Pathways to Improved Financial Transparency*

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### **AGENDA:**

**10:00-10:10: Introductory Remarks By Event Sponsors**

**10:10-11:30: First panel – Rethinking the disclosure paradigm**

Participants: Henry Hu, Pete Kyle, Adam Levitin

Moderator: Marcus Stanley

**11:30 – 11:40: Break**

**11:40-12:10: KEYNOTE ADDRESS – Gary Gensler**

**12:15 – 1:45 – Second panel – Progress Since 2008: Financial Transparency Post-Crisis**

Participants: Jesse Eisinger, Zach Gast, David Frenk, Antoine Martin

Moderator: Lisa Donner

**1:45-3:15 – Third panel – Transparency and Accountability**

Participants: Brad Miller, Greg Smith, Cathy O'Neil, Gene Phillips

Moderator: Chris Brummer

## Panelists Biographies

### First Panel - Rethinking the disclosure paradigm

**Henry T. C. Hu** holds the Allan Shivers Chair in the Law of Banking and Finance at the University of Texas Law School. Appointed by SEC Chairman Mary L. Schapiro, he was the inaugural Director of the Division of Risk, Strategy, and Financial Innovation (2009-2011) (now called the Division of Economic and Risk Analysis). His research has focused on capital markets, financial innovation, and corporate governance. A 2012 article offers a rethinking of the SEC's disclosure paradigm in place since the 1930s. A series of articles (2006-2009) offered the first systematic analysis of debt and equity "decoupling," and coined terms that have come into worldwide use (e.g. "empty creditor" and "empty voter") His 1993 *Yale Law Journal* article showed how financial institutions can make mistakes as to derivatives. In 2010, the National Association of Corporate Directors named him as one of the 100 most influential people in corporate governance.

**Professor Albert S. (Pete) Kyle** has been the Charles E. Smith Chair Professor of Finance at the University of Maryland's Robert H. Smith School of Business since 2006. He earned his B.S. degree in mathematics from Davidson College (*summa cum laude*, 1974), studied philosophy and economics at Oxford University as a Rhodes Scholar from Texas (1974-1977), and completed his Ph.D. in economics at the University of Chicago in 1981. He has been a professor at Princeton University (1981-1987), the University of California Berkeley (1987-1992), and Duke University (1992-2006). Professor Kyle's research focuses on market microstructure, including topics such as high frequency trading, informed speculative trading, market manipulation, price volatility, the informational content of market prices, market liquidity, and contagion. His teaching interests include market microstructure, institutional asset management, venture capital and private equity, corporate finance, option pricing, and asset pricing.

**Adam J. Levitin** is a Professor of Law at Georgetown University Law Center, where he teaches courses in bankruptcy, commercial law, and financial regulation. Professor Levitin has previously served as the Bruce W. Nichols Visiting Professor of Law at Harvard Law School, as the Robert Zinman Scholar in Residence at the American Bankruptcy Institute, and as Special Counsel to the Congressional Oversight Panel for the Troubled Asset Relief Program. He currently serves on the Consumer Financial Protection Bureau's Consumer Advisory Board. Before joining the Georgetown faculty, Professor Levitin practiced in the Business Finance & Restructuring Department of Weil, Gotshal & Manges, LLP and served as law clerk to the Honorable Jane R. Roth on the United States Court of Appeals for the Third Circuit. Professor

Levitin holds a J.D. from Harvard Law School, an M.Phil and an A.M. from Columbia University, and an A.B. from Harvard College. His scholarship has won several awards, including the American Law Institute's Young Scholar's Medal.

## **Second Panel - Progress Since 2008: Financial Transparency Post-Crisis**

**Jesse Eisinger** is a senior reporter at ProPublica, covering Wall Street and finance. He writes a regular column for The New York Times's Dealbook section. In April 2011, he and Jake Bernstein were awarded the Pulitzer Prize for National Reporting for a series of stories on questionable Wall Street practices that helped make the financial crisis the worst since the Great Depression. Prior to joining ProPublica, Eisinger was the Wall Street editor of Conde Nast Portfolio, where he wrote a November 2007 cover story titled "Wall Street Requiem," in which he predicted the demise of Bear Stearns and Lehman Brothers. Before joining Portfolio, he worked at The Wall Street Journal, where he was the founding writer of two market commentary columns, and he played a leading role in exposing accounting fraud at Belgium-based Lernout & Hauspie. During his tenure at The Wall Street Journal's European edition in London, Eisinger won a "Best in Business" award from the UK-based World Leadership Forum for his coverage of accounting irregularities at the Irish drug maker Elan Corp.

**Zach Gast** leads CFRA's Financial Sector Analysis team. Prior to returning to CFRA, where he worked from 2005-2009, Mr. Gast was with Paulson & Co. and Paulson Europe where he covered financial institutions globally. Zach has worked in microfinance and microenterprise development both domestically and internationally and has testified before the U.S. House and Senate on small business lending and development. He holds an MBA from the McDonough School of Business at Georgetown University and BAs in Political Science and Italian Studies from Brown University. He is a CFA charter holder.

**David Frenk** is the Research Director of Better Markets. Mr. Frenk has significant experience in the financial markets and has had extensive training in statistical analysis and other formal mathematical techniques. He has lectured in the United States and his native UK on market structure and function, and on regulatory frameworks. Mr. Frenk has co-authored, with Michael W. Masters, two papers, *Anthropic Finance: How Markets Function*, and *Balanced Markets: The Social Role of Markets*. He also wrote *The Price of Speculation*, an article that was featured in the June 2010 issue of *Oil & Energy Magazine*, and was the lead author of the widely cited *Review of Irwin and Sanders OECD Reports 2010*. Prior to joining Better Markets, was a full-time researcher at Masters Capital Research, coordinating theoretical and empirical analyses of markets and trading strategies, and also worked as a consultant to the Rwandan government on economic strategy and at OECD's Center for Education Research and Innovation. Mr. Frenk studied Philosophy, Politics and Economics at Oxford University before completing his graduate

studies in Philosophy at New York University.

**Antoine Martin** is Vice President and Head of the Money and Payment Studies function at the Federal Reserve Bank of New York. He received a Ph.D. in Economics from the University of Minnesota in 2001 and joined the NY Fed in 2005. Antoine has recently been doing research and providing policy advice on money markets, notably the US repo market and money market mutual funds.

### **Third Panel - Transparency and Accountability**

**Brad Miller** Brad Miller is a Senior Fellow for Economic Policy at American Progress and of counsel to the law firm of Grais & Ellsworth LLP. He served for a decade in the U.S. House of Representatives and eight years in the North Carolina legislature. As a member of the House Financial Services Committee, Brad led efforts to enact financial reform legislation, including legislation to prohibit predatory mortgage lending and create the Consumer Financial Protection Bureau, or CFPB. Brad received his bachelor's degree from the University of North Carolina at Chapel Hill, a master's degree from the London School of Economics, and a law degree from Columbia University. He served as law clerk to Judge J. Dickson Phillips Jr. of the U.S. Fourth Circuit Court of Appeals.

**Cathy O'Neil** earned a Ph.D. in math from Harvard, was postdoc at the MIT math department, and a professor at Barnard College where she published a number of research papers in arithmetic algebraic geometry. She then left her professorship and switched to the private sector. She worked as a quant for the hedge fund D.E. Shaw in the middle of the credit crisis, and then for RiskMetrics, a risk software company that assesses risk for the holdings of hedge funds and banks. She is currently a data scientist at Johnson Research Labs, writes a blog at [mathbabe.org](http://mathbabe.org), and is involved with Occupy Wall Street's [Alternative Banking group](#).

**Gene Phillips** is a director at PF2 Securities, which provides independent valuation and litigation consulting services on structured finance securities. Gene manages PF2's processes for providing analytical services to investors, and manages PF2's relationships with law firms in the preparation of materials, analyses, and experts for their litigation concerns. Before PF2, Gene was buy-side within Citigroup Alternative Investments' Fixed Income Alternatives division. Gene began his structured finance career in the Derivatives group at Moody's Investors Service. He has written extensive research on items ranging from corporate and trust preferred CDOs to leveraged loan covenants and the topic of ratings performance measurement. His research and commentary has received numerous press citations in publications such as The Financial Times, New York Times, Wall Street Journal and BusinessWeek. Gene holds a BSc degree in mathematics and applied mathematics, with distinction, and a BSc (Hons.) degree in the

Advanced Mathematics of Financial Derivatives, from the University of the Witwatersrand in South Africa.

**Greg Smith** is a former Goldman Sachs investment banker and a New York Times bestselling author. He wrote what became the most widely read opinion piece in *The New York Times* in 2012 -- reaching millions of people around the world and sparking a global debate about financial reform. His subsequent book about his 12 year career on Wall Street has been translated into five languages and published in countries around the world. Today, Greg advocates for more transparency and simplicity in the corporate world, and a return to a customer fiduciary standard. He educates college students on financial reform; and advises business leaders and investors on how to manage money with less risk and reduce conflicts of interest in day-to-day business operations. Greg's writing has appeared in Time Magazine, and he has been profiled on 60 Minutes, The Today Show, and in Fortune Magazine. Greg was born and raised in Johannesburg, South Africa and received a degree in Economics from Stanford University.