CFTC Proposes Block Size Rules for Swaps

Title VII of Dodd-Frank added Section 2(a)(13)(A) to the Commodity Exchange Act which requires CFTC to prescribe rules concerning the real-time reporting of swap transaction and pricing data to provide transparency and enhance price discovery for swap contracts.

CFTC has re-proposed rules concerning procedures to establish appropriate minimum block sizes for large notional off-facility swaps and block trades. The minimum block sizes in the proposed rules will be important not only for reporting purposes, but also may determine the size of trades that can be traded off-facility. Read more here.

MF Global Trustee May Sue Company Officials

The trustee liquidating MF Global's broker-dealer said he may bring civil lawsuits against some of the company's employees in connection with a massive shortfall in customer funds created in the days leading up to its collapse.

Trustee James Giddens said in a statement on Thursday he may assert claims for breach of fiduciary duty and for violating rules governing the segregation of client funds. Read more here.

Illumina Nixes Roche’s Revised Offer

The Swiss medical giant’s revised offer to acquire Illumina, a gene-sequencing technology company, for $51 per share, was rejected unanimously by Illumina’s board. Read more here.

MARK YOUR CALENDARS

Events this week:

- “FIP Student Panel,” Jackie Carter (3L), Xiao Linda Liu (2L), Jamil Jivani (2L), 4/16, 12pm, Room 113
- “What is Social Entrepreneurship?” A Discussion with Linda Rottenberg ’03, CEO of Endeavor, 4/17, 12pm, Room 129
- “From Lawyer to Entrepreneur: A Conversation with CourtCall” With Co-Founders Mark Wapnick and Robert Alvarado, 4/17, 6:30pm, Room 121
- "Does Cost-Benefit Analysis Still Matter in a Hyper-Partisan Era: Three Stages in the Life of Cost-Benefit Analysis as a Regulatory Tool." Richard L. Revesz, Dean and Lawrence King Professor of Law, NYU School of Law, 4/19, 12:15pm, Faculty Lounge
- NYC Trip to Paulson & Co. and Bloomberg L.P., 4/20

Events next week:

- “Lawyers in Global Business,” Raymond McGuire, Head of Global Banking at Citigroup, 4/25, 12pm, Room 129
- Pizza Study Break Sponsored by Debevoise & Plimpton, 4/24, 5pm, Room 120

Facebook, Google Stripping Shareholders of Power

As CNBC reports, Facebook’s plan to have Mark Zuckerberg retain majority voting control after its May IPO and Google’s issuance of a new class of shares with no voting rights at all is setting a dangerous precedent that could eventually end very badly for long-term holders, according to several investors and corporate governance experts.

Their moves are completely legal under the “controlled company” exemption to corporate governance rules for publicly-listed companies, which dates back to the 1950s when the NYSE was trying to lure the family-controlled Ford Motor Company to list on the exchange. Google and Facebook argue that these structures will keep the control with the founders, who know better than short-term oriented shareholders.

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With contributions from the YLBS Board and members