

FINANCIAL MARKETS RESEARCH CENTER

Owen Graduate School of Management
Vanderbilt University, Nashville, TN 37203
615-322-3671

CONFERENCE ON FINANCIAL MARKETS' REFORM

April 6-7, 1995

In the past year, controversy has surrounded two of the most dynamic and innovative financial markets in the world: the OTC derivatives market and the Nasdaq Stock Market. What are the implications for the regulation of banks and securities firms of recent losses in OTC derivatives? Is the Nasdaq Stock Market a competitive and efficient market or do Nasdaq market makers collude? How should these markets be reformed? Conference speakers will address these and other questions.

PROGRAM

Thursday, April 6, 1995 – University Club

- | | |
|---------------------|---|
| 8:15 AM – 9:00 AM | Coffee and donuts |
| 9:00 AM – 9:15 AM | Introduction to the conference: Hans R. Stoll. |
| 9:15 AM – 10:00 AM | Bank Supervision in the New World of Risk. Dewey Daane, Vanderbilt University, Session Chair.

Ricki Tigert Helfer, Chairman, Federal Deposit Insurance Corporation. |
| 10:00 AM – 10:30 AM | Coffee break |
| 10:30 AM – 11:45 AM | Derivatives. Robert Davis, Director of Economics and Research, America's Community Bankers, Session Chair. |
| 10:30 AM – 11:15 AM | Sales Practices.

Bankers Trust Settlements and Regulatory Policy. Dennis Klejna, Director of Enforcement, Commodity Futures Trading Commission.

Commentary: Henry Hu, Professor of Law, University of Texas. |
| 11:15 AM – 11:45 AM | Update on the Collapse of Barings.

Systemic Risk and the Barings Collapse. Pat Parkinson, Associate Director, Division of Research and Statistics, Federal Reserve Board. |

Baring and the Integrity of Futures Exchanges. Todd Petzel, Executive Vice President, Chicago Mercantile Exchange.

12:00 PM – 1:15 PM

Luncheon

1:30 PM – 2:30 PM

How Competitive is the Nasdaq Market? Gregg Jarrell, University of Rochester, Session Chair.

The Christie-Schultz Study. Why do Nasdaq market makers avoid odd-eighth quotes? Bill Christie, Vanderbilt University, and Paul Schultz, Ohio State University.

Commentaries on Christie-Schultz:

An Outside Market Maker's View of Nasdaq. Blair Hull, Managing Partner, Hull Trading Company.

The View from London. Stephen Wells, Chief Economist, London Stock Exchange.

2:30 PM – 3:00 PM

Coffee break

3:00 PM – 4:45 PM

The Response to Christie-Schultz. Duke Chapman, Chairman, Chicago Board Options Exchange, Session Chair.

Merton Miller, Robert McCormick Distinguished Service Professor of Finance, Graduate School of Business, University of Chicago.

Dean Furbush, Economists Incorporated.

Allan W. Kleidon, Cornerstone Research and Stanford University.

Robert D. Willig, Princeton University.

Thursday, April 6, 1995 – General Jackson Riverboat

6:00 PM – 10:15 PM

Dinner and cruise. Bus will leave the hotel at 6:00 PM. Boat leaves Opryland Theme Park at 7:00 PM.

Friday, April 7, 1995 – Loews Vanderbilt Plaza Hotel

7:15 AM – 8:45 AM

Financial Markets Research Center Advisory Board Meeting and breakfast

Friday, April 7, 1995 – Owen Graduate School of Management Room 222

8:15 AM – 9:00 AM

Coffee and donuts

- 9:00 AM – 10:15 AM **Structure of Dealer Markets.** Hans R. Stoll, Vanderbilt University, Session Chair.
- When it's not the only game in town: the effect of bilateral search on the quality of a dealer market. Chris Lamoureux, University of Arizona.
- General discussion: Market Structure, automation and regulatory issues.
- 10:15 AM – 10:45 AM Coffee break
- 10:45 AM – 12:00 PM **Risk and Capital.** Jim Shapiro, Managing Director, Research and Planning, New York Stock Exchange, Session Chair.
- Risk management of portfolios. Jacob Boudoukh, New York University.
- A pre-commitment approach to capital requirements for market risk. Paul Kupiec, Federal Reserve Board.
- 12:00 PM – 1:00 PM Luncheon

Friday, April 7, 1995 – Post Conference Activities

- 2:00 PM – 5:00 PM Dewey Daane Invitational Tennis Tournament – Belle Meade Club
- 2:00 PM – 4:00 PM Ron Masulis Invitational Hike – Radnor Lake
- 5:30 PM – 9:00 PM Cocktails and informal supper at the home of George and Janine Van, 1608 Chickering Road, 615-373-8340.