Seminar in Business and Ethics

During the Winter Quarter, 1964, three seminar meetings were held in the furtherance of the program with respect to Law, Ethics and Business Practices which is conducted by the Law School with the assistance of the New World Foundation. Additional activities in connection with this program are planned for the Spring Quarter and will be announced in due course.

The seminar meetings during the Winter Quarter began with a half-hour statement by the leader of the seminar, followed by questioning by student participants, for periods which ranged from an hour and a half to two hours and a half. The Winter Quarter meetings were well attended and the questioning was lively and spirited. The speaker at the first session was Mr. Gustave L. Levy, a senior partner of the New York investment banking firm of Goldman, Sachs and Company. Mr. Levy is a director of numerous corporations, has had extensive experience in the securities industry, is a member of the board of governors of the New York Stock Exchange and was chairman of the Levy Committee which played a recent and important role in the reorganization of the American Stock Exchange and which issued the so-called “Levy report” concerning such reorganization. Mr. Levy discussed and answered questions regarding ethical problems in the investment banking business, particularly with respect to activities of specialists and to disciplinary proceedings by stock exchanges as reflected in the work of his committee. He also expressed his views on the subject of “self-regulation” against the background of the recommendations of the SEC’s Special Study of the Securities Markets and the legislation with respect thereto presently pending in the Congress of the United States.

The second meeting of the seminar was addressed by Mr. Milton A. Cohen of Chicago who was director of the SEC’s Special Study of the Securities Markets. Mr. Cohen was formerly head of the public utilities division of the Securities and Exchange Commission and has for more than a decade been a prominent practitioner in the private practice of law in Chicago. In 1961 he accepted the directorship of the Special Study and shepherded it through to its conclusion and to the promulgation of its widely discussed report. Mr. Cohen discussed the subject of self-regulation in the securities industry and responded to questions about many aspects of his report.

The third meeting was led by Mr. Milton V. Freeman of the firm of Arnold, Fortas & Porter of Washington, D.C. Mr. Freeman was formerly associate solicitor of the Securities and Exchange Commission until he joined his present firm in 1946. Mr. Freeman has had extensive practice and experience with various governmental agencies and has been involved in significant litigation in the fields of administrative law and of civil liberties. Mr. Freeman discussed the subject of “Governmental Publicity and Individual Rights,” and explored the possible conflicts between the use of publicity by administrative agencies with respect to pending or projected proceedings as it impinges upon the desirability of protecting the individual against injury by improper or improvident publicity, particularly in situations in which mere public announcement is in itself an actual punishment. He considered among other things the possibility of indemnification for injury thereby occasioned, qualifications upon the absolute privilege now granted to governmental officers from libel actions and the desirability of statutory restrictions or administrative restraints upon public pronouncements of accusation prior to the conclusion of hearings.

These discussion seminars have been extremely valuable and provocative and have given the student an opportunity for direct contact with and intensive questioning of prominent persons from outside the academic sphere and in many instances from nonlegal areas. These speakers have provided expert information and experiential data with respect to problems involving that difficult area where ethics and law touch, and where standards of ethics may be elevated by the law or where developing standards of ethics may be in the process of creating law.

The program is under the direction of Professor Stanley A. Kaplan, of the Law Faculty.