Preface

This book is an augmented account of *Rethinking Regulatory Structure*, an equity market structure conference hosted by the Zicklin School of Business, at Baruch College on October 20, 2009. The text includes the edited transcript of the complete conference, from my Opening Remarks to a Closing Dialog with Donald Weeden, Chairman, Weeden & Co. In between, there are four lively panel debates along with memorable presentations by these two distinguished industry leaders: Andreas Preuss, CEO of Eurex AG, and Alfred Berkeley, who at the time of the conference was Chairman of Pipeline Trading Systems LLC.

Benn Steil of the Council on Foreign Relations moderated the first panel on the impact of regulation on competition. The second panel, under London Business School's Bruce Weber, examined regulation from the European perspective. In the third panel, moderator Robert Colby of Davis, Polk & Wardell LLP, called attention to "The View from the Regulators." The final panel, headed by Harold Bradley of the Ewing Marion Kauffman Foundation, looked at the future of regulation.

My coeditors, John Byrne and Gretchen Schnee, and I have sought to emulate the preceding books in this series, thus making this latest book more than an historical record.[1] We have edited the manuscript for clarity and a unity of ideas. New material is integrated from post-conference interviews with many of the speakers. To that end, panel discussions were rounded out with illuminating details as speakers, often talking extemporaneously, traversed a vast landscape of ideas. However, we have scrupulously endeavored to preserve the essential nature of the original dialog. Not surprisingly, we worked closely with the panelists during the editing process to ensure that words were not put in their mouths. The final draft was approved by all of the panelists. Most appreciatively, we thank them for their kind assistance. We are also deeply grateful to our sponsors who have made this conference possible through their funding and the endorsement of our program (see page xi).

[1] Toni Colaninno participated in the planning of the conference itself and in the earlier preparation of the book. We thank her and are most appreciative for her dedicated assistance.

I concluded the preface of our previous conference book, *Volatility: Risk and Uncertainty in Financial Markets*, with a paragraph that underscores the need for proper regulation but in a manner which honors the complexities at stake in achieving a suitable regulatory framework. That text, written in light of the financial turmoil that started in 2007 and continued through 2009 and beyond, is relevant for this conference book. Hence, I end this preface with the same closing paragraph:

> In the final analysis, it is not a matter of free markets versus regulated markets. Regulation is indeed needed. But it must be appropriate. A better understanding is required of the issues, concerns, and market failure realities upon which regulations should be based. The sources of government failure must also be taken fully into account. Excessive and ill-structured regulation can be extremely costly to financial markets in particular, and to society at large. I hope that, after the dust has settled, we have achieved a stronger market structure, and a more appropriate regulatory structure. But this much is certain: the financial turbulence of 2008 has provided us with an abundant amount of material to think about.

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http://www.springer.com/978-1-4614-4373-5

Rethinking Regulatory Structure
Schwartz, R.A.; Byrne, J.A.; Schnee, G. (Eds.)
2013, XIV, 103 p. 113 illus., 108 illus. in color.,
ISBN: 978-1-4614-4373-5