

MAKE MARKETS BE MARKETS

OVERVIEW

Eighteen months after the most devastating financial crisis since the Great Depression, our financial system remains critically flawed. Reforms enacted to date would not have prevented the events of that time. In fact, some of the actions taken have actually increased the risk of a subsequent crisis.

Decision-makers face intense pressure from industry groups; there is virtually no public constituency organized for reform; and the issues involved are highly complex, even for finance experts. For that reason, it is important to offer decision-makers, media professionals, and engaged citizens a concrete - and balanced - vision of reforms that will create an effective, stable financial sector.

Make Markets Be Markets: Restoring the Integrity of the U.S. Financial System is the result of months of discussions among the country's leading financiers, market experts, academics and former regulators. These discussions, which ranged from 'theory failures' to 'regulatory incentives,' have advised the development of a concrete plan for a financial system that can manage the flow of capital, price risk appropriately, reduce fraud and collusion, protect taxpayers, and provide liquidity without compromising innovation or stability.

The purpose of this conference and the accompanying report is to present engaged citizens, policymakers, and members of the media a comprehensive plan for what must be done to fix our broken financial system.

You can find a copy of the report and view the conference live at makemarketsbemarkets.org.
For the latest daily updates and analysis on the financial crisis, visit newdeal20.org.
To learn more about the Roosevelt Institute, visit rooseveltinstitute.org.
You can also follow the conversation on Twitter: [#BMRKTS](https://twitter.com/BMRKTS).

THE REPORT

This report does not include every important reform. Instead, it offers the most necessary, those without which we cannot claim to have successfully restored integrity to our financial system.

We will leave it to the citizens and the media to ask why these reforms have not yet been enacted.

THE CONFERENCE

8am-11am | 3.3.2010 | Located at the Time Warner Center | 1060 on Park | By invitation only

THE CHECKLIST

Drawn directly from the report, the [Market Integrity Checklist](#) is a compilation of concrete, actionable reforms that must be enacted before the job of restoring the integrity of the U.S. markets is complete.

THE WEBSITE

In conjunction with the release of the report and the conference, the Roosevelt Institute has launched a micro-site dedicated to the papers and proposals. The purpose of the site is to offer an in-depth look at the people and ideas behind the report: makemarketsbemarkets.org

THE ROOSEVELT POLICY CENTER

In 2009, the Roosevelt Institute launched a policy center focused on the development and promotion of some of the most innovative, rigorous voices and ideas inspired by the courage and progressive values that Franklin and Eleanor Roosevelt brought to the twentieth century. The center's first projects focus on global finance and the architecture of a 21st century economy. This report on restoring the integrity of the U.S. financial markets is the result of research and discussion among some of the country's leading financiers, market experts, academics and former regulators.

PRESS CONTACT

Danielle Mazzeo
212.481.8304
dmazzeo@rooseveltinstitute.org

AGENDA

7:00 am Authors, special guests and press arrive for pre-conference interviews.

7:30 am Conference registration; continental breakfast is served.

8:00 am Introduction from Andy Rich, President, the Roosevelt Institute
Remarks by Joe Stiglitz, Chief Economist, the Roosevelt Institute

8:15 – 9:15 am **Make Markets Be Markets: A Presentation of the Report by Its Authors**

Doom Loop • Simon Johnson

Ronald A. Kurtz Professor of Entrepreneurship, MIT Sloan School of Management

Fannie and Freddie • Raj Date

Chairman and Executive Director, Cambridge Winter Center for Financial Institutions Policy

Regulatory Incentives • Richard Carnell

Associate Professor of Law, Fordham Law School

Rating Agencies • Lawrence White

Arthur E. Imperatore Professor of Economics, New York University's Stern School of Business; Deputy Chair of the Economics Department, New York University's Stern School of Business

Consumer Protection • Elizabeth Warren

Leo Gottlieb Professor of Law, Harvard University, Chair, Congressional Oversight Panel on TARP

21st Century Glass Steagall • Michael Konczal and Raj Date (presented by M. Konczal)

Fellow, Roosevelt Institute

Securitization and Conflict of Interest • Joshua Rosner

Graham Fisher & Co

Off Balance Sheet • Frank Partnoy and Lynn Turner (presented by F. Partnoy)

Partnoy is George E Barrett Professor of Law and Finance, University of San Diego and

Director of the Center on Corporate and Securities Law, University of San Diego

Turner is Senior Advisor, LECC

Derivatives • Michael Greenberger

Professor, University of Maryland School of Law

Resolution • Robert Johnson

Senior Fellow and Director, Project on Global Finance, Roosevelt Institute

9:30-11:00 am

Round Table Discussion with

Jim Chanos | *Founder and Managing Partner, Kynikos Associates*

Bowman Cutter | *Senior Fellow and Director of the Economic Policy Initiative, Roosevelt Institute*

Peter Solomon | *Founder, Peter J. Solomon Company, LP*

Joseph Stiglitz | *Senior Fellow and Chief Economist, Roosevelt Institute*

Judge Stanley Sporkin (Ret) | *Ombudsman, British Petroleum*

George Soros | *Chair, Soros Fund Management; Founder, Open Society Institute*

Lynn Turner | *Senior Advisor, LECC*

11:00-12:00 pm

Conference Closes

A light, informal lunch will be served. Members of the press are invited to conduct post-conference interviews with authors, speakers, and special guests.

PRESS CONTACT
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**RICHARD CARNELL**

Mr. Carnell, Associate Professor at Fordham Law School, specializes in the regulation of financial institutions and co-authors a leading textbook in the field. His interests include bank soundness regulation, affiliations between banks and other firms, and financial institution failure. As Assistant Secretary of the Treasury for Financial Institutions (1993-1999), he played a key role in securing legislation to authorize interstate banking and branching. As senior counsel to the U.S. Senate Committee on Banking, Housing, and Urban Affairs (1987-1993), he was architect and principal drafter of the FDIC Improvement Act of 1991, which tightened capital discipline on insured banks, required risk-based premiums, and ended for 17 years the practice of treating large banks as “too big to fail.” He also helped develop the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, which reformed thrift regulation. He holds a B.A. from Yale University and a J.D. from Harvard Law School.

**JIM CHANOS**

Jim Chanos is the founder and Managing Partner of Kynikos Associates, the largest exclusive short selling investment firm. Mr. Chanos opened Kynikos Associates in 1985 to implement investment strategies he had uncovered while beginning his Wall Street career as a financial analyst with Paine Webber, Gilford Securities and Deutsche Bank. Throughout his investment career, Mr. Chanos has identified and sold short the shares of numerous well-known corporate financial disasters; among them, Enron, Baldwin-United, Commodore International, Coleco, Integrated Resources, Boston Chicken, Sunbeam, Conesco and Tyco International. He received his BA in economics and political science from Yale University.

**BOWMAN CUTTER**

Bowman Cutter is Senior Fellow and Director of the Economic Policy Initiative at the Roosevelt Institute. He was a managing director of Warburg Pincus, a major global private equity firm headquartered in New York City, between 1996 and 2009 where he served both as the firm’s economist and as a leader in its international business, with particular reference to Asia. Mr. Cutter joined Warburg Pincus directly from a senior economic policy role in the Administration of President William Clinton. He has served with distinction during two Democratic presidencies: at the National Economic Council, from 1992-1996, during the Clinton Presidency – as director of the National Economic Council and Deputy Assistant to the President; and at the Office of Management and Budget from 1976-1981, during the Carter Presidency, as Executive Director for Budget. Mr. Cutter holds degrees from Harvard University, the Woodrow Wilson School at Princeton University, and Oxford University as a Rhodes Scholar.

**RAJ DATE**

Raj Date is Chairman and Executive Director of the Cambridge Winter Center for Financial Institutions Policy. He is a former Wall Street managing director, bank senior executive, and McKinsey consultant.

**MICHAEL GREENBERGER**

Michael Greenberger is a professor at the University of Maryland School of Law, where he teaches a course entitled “Futures, Options and Derivatives.” In 1997, Professor Greenberger left private practice after more than 20 years to become the Director of the Division of Trading and Markets at the Commodity Futures Trading Commission. He currently serves as the Technical Advisor to the United Nations Commission of Experts of the President of the UN General Assembly on Reforms of the International Monetary and Financial System. He has also been named to the International Energy Forum’s Independent Expert Group.



ROBERT JOHNSON

Rob Johnson is Senior Fellow and Director of the Project on Global Finance at The Roosevelt Institute; he also serves on the United Nations Commission of Experts on Finance and International Monetary Reform. Previously, Dr. Johnson was a managing director at Soros Fund Management and a managing director at the Bankers Trust Company. He has served as chief economist of the U.S. Senate Banking Committee and was senior economist of the U.S. Senate Budget Committee.



SIMON JOHNSON

Professor Johnson is the Ronald A. Kurtz Professor of Entrepreneurship at MIT Sloan School of Management. He is also a senior fellow at the Peterson Institute for International Economics in Washington, D.C., a co-founder of [BaselineScenario.com](#) (a widely cited website on the global economy), and a member of the Congressional Budget Office's Panel of Economic Advisers. He is also the co-author of *13 Bankers*, a major new assessment of the US financial sector, to be published in March 2010.



MICHAEL KONCZAL

Mike Konczal, a former financial engineer, is a fellow with the Roosevelt Institute. His work has appeared at *The Atlantic Monthly's* Business Channel, NPR's Planet Money, *Baseline Scenario*, *Seeking Alpha*, *Huffington Post* and *The Nation*.



FRANK PARTNOY

Professor Frank Partnoy is the George E. Barrett Professor of Law and Finance and is the director of the Center on Corporate and Securities Law at the University of San Diego. He worked as a derivatives structurer at Morgan Stanley and CS First Boston during the mid-1990s and wrote *F.I.A.S.C.O.: Blood in the Water on Wall Street*, a best-selling book about his experiences there. His other books include *Infectious Greed: How Deceit and Risk Corrupted the Financial Markets* and *The Match King: Ivar Kreuger, The Financial Genius Behind a Century of Wall Street Scandals*.



ERICA PAYNE

Erica Payne is Senior Advisor to the Roosevelt Institute where she is focused on the Institute's economic and financial sector policy initiatives. She is also the founder and principal of the Tesseract Group, a boutique consulting firm that provides strategic counsel and communications expertise to organizations, foundations and philanthropists engaged in the public policy arena. Payne is also the Founder and President of the Agenda Project, a 501c4 advocacy organization. She is the author of *The Practical Progressive: How to Build a 21st Century Political Movement* and the editor of *Practical Progress*, a monthly newsletter for progressive influencers. Erica has a MBA from the Wharton School at the University of Pennsylvania (2000) and a BA from the University of North Carolina at Chapel Hill (1991).



ANDREW RICH

Andrew Rich is President and CEO of the Roosevelt Institute, a progressive policy idea and leadership development organization and the nonprofit partner to the FDR Presidential Library and Museum with offices in New York City, Washington, DC, and Hyde Park, NY. Rich authored *Think Tanks, Public Policy, and the Politics of Expertise* (Cambridge University Press, 2004). Before joining Roosevelt, he was Chairman of the Political Science Department at City College of New York and Deputy Director and Director of Programs at the Colin Powell Center for Policy Studies at CCNY. He served as a consultant to the Open Society Institute from 2006 to 2008. He received his PhD in political science from Yale University.

**JOSHUA ROSNER**

Joshua Rosner is a Partner at independent research consultancy Graham Fisher & Co and advises regulators and institutional investors on housing and mortgage finance issues. Previously he was the Managing Director of financial services research for Medley Global Advisors and was an Executive Vice President at CIBC World Markets. Mr. Rosner was among the first analysts to identify operational and accounting problems at the Government Sponsored Enterprises and one of the earliest in identifying the peak in the housing market, the likelihood of contagion in credit markets and the weaknesses in the credit rating agencies CDO assumptions.

**PETER SOLOMON**

Mr. Solomon founded Peter J. Solomon Company, L.P. in 1989. Previously, he was Vice Chairman of Lehman Brothers where he was Chairman of its Merchant Banking Division and Co-Chairman of the Investment Banking Division. From 1978 to 1980, Mr. Solomon was Deputy Mayor of Economic Policy and Development in New York City under Mayor Edward I. Koch. He was also Chairman of the New York City Health and Hospital Corporation, which operated 17 municipal hospitals. He served as Counselor to the United States Treasury in the Carter Administration in 1980. He recently testified in Washington at a hearing of the Financial Crisis Inquiry Commission concerning the state of the financial crisis.

**GEORGE SOROS**

George Soros is Chair of Soros Fund Management LLC and the Founder of the Open Society Institute. He is the author of ten books, including most recently *The Crash of 2008* and *What It Means*. His articles and essays on politics, society, and economics regularly appear in major newspapers and magazines around the world.

**JUDGE STANLEY SPORKIN (RET.)**

Formerly a partner with the international law firm of Weil, Gotshal & Manges, Judge Stanley Sporkin (Ret.) recently became a sole practitioner as part of his new role as leader of British Petroleum's Ombudsman Program in the United States. Judge Sporkin's practice also consists of counseling parties in SEC, Corporate Governance and Litigation Matters. Because of his judicial background, he also acts as an arbitrator and provides mediation services. Judge Sporkin graduated from Pennsylvania State University and obtained his law degree from Yale University.

**JOSEPH E. STIGLITZ**

Joseph Stiglitz is Senior Fellow and Chief Economist at the Roosevelt Institute, University Professor at Columbia University and chair of Columbia University's Committee on Global Thought. He is also the co-founder and executive director of the Initiative for Policy Dialogue at Columbia. In 2001, he won the Nobel Prize in economics for his analyses of markets with asymmetric information and he was a lead author of the 1995 Report of the Intergovernmental Panel on Climate Change, which shared the 2007 Nobel Peace Prize. His book, *Globalization and Its Discontents*, has been translated into 35 languages, besides at least two pirated editions. He is also the author of *The Roaring Nineties*, *Towards a New Paradigm in Monetary Economics* with Bruce Greenwald, *Fair Trade for All* with Andrew Charlton, *Making Globalization Work*, and *The Three Trillion Dollar War: The True Cost of the Iraq Conflict*, with Linda Bilmes. His most recent book, *Freefall: America, Free Markets, and the Sinking of the World Economy*, was released in January 2010.



LYNN TURNER

Lynn Turner has the unique perspective of having been the Chief Accountant of the Securities and Exchange Commission, a member of boards of public companies, a trustee of a mutual fund and a public pension fund, a professor of accounting, a partner in one of the major international auditing firms, the managing director of a research firm and a chief financial officer and an executive in industry. In 2007, Treasury Secretary Paulson appointed him to the Treasury Committee on the Auditing Profession. He currently serves as a senior advisor to LECG, an international forensics and economic consulting firm.



ELIZABETH WARREN

Professor Elizabeth Warren is the Leo Gottlieb Professor of Law at Harvard University and Chair of the Congressional Oversight Panel on TARP. She has written eight books and more than a hundred scholarly articles dealing with credit and economic stress, and she first developed the idea for a Consumer Financial Protection Agency and has been one of its leading activists. Time named her one of the 100 Most Influential People in the World in May 2009, and the Boston Globe named her “Bostonian of the Year” in December 2009.



LAWRENCE J. WHITE

Lawrence J. White is Arthur E. Imperatore Professor of Economics at New York University’s Stern School of Business and Deputy Chair of the Economics Department at Stern. During 1986-1989 he served as a Board Member for the Federal Home Loan Bank Board, and during 1982-1983 he served as Director of the Economic Policy Office, Antitrust Division, U.S. Department of Justice.

For decades, the Roosevelt Institute has been devoted to carrying forward the legacy and values of Franklin and Eleanor Roosevelt. Whether celebrating leaders who have embodied the Roosevelts' ideals or empowering emerging leaders to build a more progressive future, the Roosevelt Institute protects and promotes the vision of Franklin and Eleanor Roosevelt.

The Institute is the nonprofit partner to the Franklin D. Roosevelt Presidential Library and Museum in Hyde Park, New York, and supports the Library's exhibits, educational programs, and special initiatives. The Institute is also home to the Roosevelt Institute Campus Network, connecting 80+ college campuses and more than 8,500 students and alumni to a vibrant series of programs that engage them in discussing progressive values, empower them to develop public policy, and promote their ideas to policymakers at all levels of government.

In addition, the Roosevelt Institute Policy Center supports some of the most creative and well established progressive voices as they engages the fundamental policy challenges of our era. The Center began its work in 2009 with projects focused on financial sector reform and the future of the global economy. Senior fellows include Nobel-prize winning economist Joseph Stiglitz; Robert Johnson, former chief economist to the Senate Banking Committee; and Bowman Cutter, a former senior Clinton and Carter administration official. With an eye on the future, the fellows of the Roosevelt Institute focus on important questions around how to frame and shift broad policy paradigms - not just narrow details that often dominate the day-to-day of policy making. The fellows - young and old - are inspired to carry forward the courage and values that Franklin and Eleanor Roosevelt brought to key points in the 20th century.

In all of its work, the Roosevelt Institute hopes to contribute to bold, progressive change over a generation - working with opinion leaders, policy makers and people of all backgrounds - rather than limiting ourselves only to what seems possible today. We support the development and promotion of ideas by some of the smartest progressive minds in the country; we encourage a debate of substance and policy direction, inspired by the bold vision that the Roosevelts brought to the last century. We frame goals for the future with a deep knowledge and appreciation of the past. The policy work of Roosevelt Institute fellows reflects a commitment to rigorous, open-minded inquiry and a belief in the power that can be derived from a lively and free debate of ideas in the United States and around the world.

The Institute has offices in New York City, Washington, D.C., and Hyde Park, NY, where we continue to work in partnership with the Franklin D. Roosevelt Presidential Library and Museum.