DUKE LAUNCHES NEW CENTER TO STUDY GLOBAL CAPITAL MARKETS

DURHAM, N.C. – The Duke University School of Law and Duke’s Fuqua School of Business have jointly established a center to study recent changes in global capital markets.

International business law and finance specialist Stephen Wallenstein has been named executive director of the new center, which is supported initially by grants from the Wachovia Corp., First Union Capital Markets Group and Financial Security Assurance Inc.

“Our center is unique because of its interdisciplinary nature,” Wallenstein said. “We not only have the collaboration between the law and business schools but also the active participation of the disciplines of public policy and economics.”

In the last decade, capital markets have expanded beyond their traditional concentrations in the United States, London, Hong Kong and Tokyo, and the types and complexities of securities traded have dramatically increased.

“It’s clear that our financial system is interconnected globally, and there are questions about what this new global financial architecture should look like,” Wallenstein said. “These questions are critical for the major industrialized countries as well as for emerging economies. We are looking both at how to foster the growth of new capital markets and how to regulate them so that these emerging economies will not be destabilized.

“The recent economic crises in Japan and Southeast Asia dramatically underscore the problems that can arise in developing capital markets. Our center wants to formulate a ‘best practice’ model for the development of these markets. It’s a unique area where finance, law, economics and public policy come together.”

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The center is developing ties with colleges and universities in Europe, Asia and Latin America and looking to experts from government and industry for additional perspective. It will be sponsoring two upcoming invitation-only conferences that will bring together top thinkers in business, industry, academia and government. The first, co-sponsored by the Duke economics department, will be held in early December and will focus on globalization, financial crises and economic reform in emerging markets. The second, organized by Professor James Cox of the law school and titled “Rethinking the United States Securities Laws,” will be held in the spring of 1999.

The center also has published a symposium on “International Asset Securitization” in the spring issue of the Duke Journal of Comparative and International Law.

Law professors Steven Schwarcz and James Cox and business professors Campbell Harvey and Michael Bradley, who holds a joint appointment in the law school, were instrumental in developing the center. They describe it as “a unique effort to nurture cross-disciplinary work focused on financial transactions and global markets.”

Wallenstein was selected to head up the new center because of his background and experience, said Pamela B. Gann, dean of Duke Law School, adding that Wallenstein’s “keen mind and wealth of international business experience make him ideally suited to lead our new center.”

Rex Adams, dean of the Fuqua School of Business, agreed. “Professor Wallenstein is an outstanding fit with our corporate finance faculty and has broad experience with financial institutions that are important Fuqua partners.”

For 16 years, until 1995, Wallenstein worked for the International Finance Corp. of the World Bank Group in Washington, structuring international financial transactions in Asia, Latin America and Europe. Since then, he has been a visiting professor at American University, the University of Denver College of Law and Duke University Law School, teaching courses on international business transactions, emerging capital markets, corporations/business associations and comparative equity capital markets.

Earlier in his career, Wallenstein practiced law with a New York firm, Cleary, Gottlieb, Steen & Hamilton. He earned his J.D. from Yale Law School in 1974, after earning a master’s in government from Harvard and a B.A. in government from Cornell. He has extensive experience in Asia and Latin America and speaks fluent Portuguese.

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