

ACADEMIC COURSE SYLLABUS

COURSE TITLE:	BUSINESS ORGANIZATIONS	
COURSE NUMBER:	LAW 800A	Business Organizations - 1st semester of two-semester course*
	LAW 800B	Business Organizations – 2 nd semester of two-semester course*
	LAW 800A/B*	Business Organizations
	* Denotes all non-severable, two semester courses. Both semesters must be successfully completed to receive final A/B course grade.	
UNITS:	3 Units/Semester (for one 6-Unit final grade)	
COURSE TYPE:	Required	
PROFESSOR(S) NAME:	Professor Viveka Rydell	
PROFESSOR CONTACT INFO:	Phone: 707-837-8882; Viveka@pdisurgerycenter.org	
SCHEDULE:	Two-semester class: Fall 2015, Tuesday 6-9:00pm, Room # 212 and Spring 2016, Tuesday 6-9:00pm, Room # 212	
PREREQUISITES:	Successful completion of first-, second-, and third-year course work (or if an Accelerated student; concurrent enrollment in third-year courses)	
COREQUISITES:	None	
TEXTS AND MATERIALS: (Identification of any texts, materials and references used throughout the course.)	<p><i>Corporations and other Business Organizations: Cases, Materials, Problems 8thth Edition</i>, ; Soderquist, Smiddy and Cunningham; Lexis Nexis; ISBN # 9781422476604 looseleaf</p> <p><i>Business Associations—Agency, Partnerships, LLCs and Corporations, 2014 Statutes and Rules</i>, Klein, Ramseyer and Bainbridge's ISBN# 9781628100570, Foundation Press</p>	
COURSE DESCRIPTION:	Formation; pre-incorporation activities; de facto corporations; role, authority and meetings of officers, directors and shareholders; standard of care; proxy solicitations; close corporations; fiduciary relations; shareholder litigation; capitalization; dividend distributions; fundamental changes; partnerships and agency.	
COURSE OBJECTIVES / ANTICIPATED LEARNING OUTCOMES: (Description of what students will be expected to know and be able to do at the end of the course. What skills or knowledge will be gained by the end of the course.)	<p>This course will survey the law governing the formation, operation and dissolution of business entities with emphasis on partnerships, corporations, and limited liability companies. Students will study the relationships of individuals to such entities, including the law of agency and fiduciary duty. The class will also look at corporate finance and securities laws.</p> <p>Students must demonstrate that they possess a minimum level of knowledge necessary to pass a CA State Bar Examination question involving the subject matter of Corporations.</p> <ul style="list-style-type: none"> Students will learn about different business entities, including corporations, partnerships and limited liability companies, and about the statutes and common law rules governing their organization and 	

	<p>operation.</p> <ul style="list-style-type: none"> • Students will gain an understanding of the various factors considered when advising clients about forming business entities. • Students will be introduced to corporate financing issues and the different ways in which ownership interests are structured. • Students will examine the unique problems created by closely held business entities and the rules fashioned by the courts to address those issues. • Students will consider the liability protection afforded by certain business entities and how that protection may be forfeited • Students will learn about the fiduciary duties of directors to corporate shareholders and about the Business Judgment rule and its application. • Students will review statutes limiting the liability of directors and providing for indemnification of corporate directors and officers. • Students will be introduced to federal and state laws and regulations prohibiting insider trading. • Students will learn about the law governing corporate takeover battles, mergers and proxy contests. <p>Students should expect to spend a <u>minimum</u> of two hours/per hour of instruction time on assigned readings and briefing cases. For example, a 3-hour class would require at least 6 hours of outside preparation time per week.</p>
<p>FORMAT OVERVIEW / METHOD OF INSTRUCTION (Description of how the course will be taught, including breakdown of lecture, practicum, etc.)</p>	<p>Course material will be presented in a lecture-discussion and Socratic method format.</p> <p>The purpose of class meetings is to introduce students to the law governing business organizations and their operation. This will be accomplished through the reading, review and discussion of statutes and cases. Students will be assigned cases to brief in class. Students will be expected to understand the facts of each case in detail and to explain the rules and reasoning supporting the court’s decision. All students must read the cases and be prepared to participate in discussions about them. All students should be prepared each week to discuss a review question based on material previously covered in the class.</p>
<p>EXAMS:</p>	<p>Exams begin promptly at 6 p.m. All students must take examinations as scheduled. It is recognized that in special circumstances and due to emergencies, it may be necessary to schedule delayed examinations. An emergency is defined as a</p>

	<p>serious illness or injury to the student or a member of his or her immediate family. Special Circumstances are defined as other situations that, in the opinion of the Dean, are sufficient to warrant delay in taking examinations. Any student taking delayed examinations <u>must have the prior written approval of the Dean.</u> No examination may be taken <u>prior</u> to the day of the regularly scheduled examination. If delayed examinations are approved by the Dean, a fee of \$75 will be charged for each such exam taken. Failure to complete an exam is not sufficient reason for a late or retake exam.</p> <p>The final exam will be cumulative, covering all course material.</p>
<p>GRADING / ASSESSMENT CRITERIA/CLASS POLICIES:</p>	<p>Empire College uses the following grading system: <u>Numerically graded classes:</u> 90 – 100 A Outstanding 80 - 89 B Superior 70 - 79 C Satisfactory 65 - 69 D Unsatisfactory 64 and Below Failing/No Credit</p> <p>Only numeric grades in Required courses are used to calculate grade point average.</p> <p>The course grade will be comprised of the results of:</p> <p>Midterm exam - 40% (Fall Semester) Final exam - 50% (Spring Semester) Quality of Class Participation and Assigned Projects 10%</p> <p>The final exam will be cumulative, covering all course material.</p>
<p>ATTENDANCE:</p>	<p>Regular and punctual attendance is essential for the successful completion of the course. Students should plan to attend every class. Students must attend a minimum of 80% (36 hours — 12 of 15 classes) of the class sessions during each semester.</p> <p>Roll will be taken at each class. Class attendance is of particular importance in learning the language and concepts of the law. Make-up classes will be scheduled on evenings when classes are not usually held or on weekends or made up on another night by staying longer. Class sessions which are delayed or canceled because of holidays or policy of Empire College School of Law, and which are re-scheduled for a different date are considered regularly scheduled class sessions, not make-up classes. A student who has exceeded the absence limits outlined will be automatically dropped from the course. A student who is dropped from a course will be required to repeat the course at its next offering in order to meet graduation requirements.</p>

ASSIGNMENTS: FALL 2015	Note: Unless otherwise shown, all references are to Soderquist, Smiddy & Cunningham, <i>Corporations and Other Business Organizations: Cases, Materials, Problems, Eighth Edition</i> . References to “Statutes and Rules” refer to <i>Business Associations: Agency, Partnerships, LLCs, and Corporations, 2014 Statutes and Rules</i> . Klein, Ramseyer, and Bainbridge		
Week 1: 9/1/15	PGS. 1-59	Introduction Section I Section II Section III	Approaching Corporate Law Putting Business Organizations in Context Other Perspectives of Business Distinguishing Features of Business Law Practice Statutes and Rules: Read <i>Restatement of the Law (Second) Agency</i> Chapter 1 Sole Proprietorships and Agency Principles Section I Introduction to Forms of Business Entities Section II Sole Proprietorships Section III Agency Law Statutes and Rules: Read <i>Restatement of the Law (Third) Agency</i>
Week 2: 9/8/15	PGS. 60-108	Chapter 1 Section III Chapter 2 Section I	Agency Law (continued) Agency Law and the Legal Relationships between Sole Proprietors and Their Employees (continued) Traditional Business Forms and Their Progeny General Partnerships Statutes and Rules: Read <i>Uniform Partnership Act (1997), Articles 1-5</i>
Week 3: 9/15/15	PGS. 108-160	Chapter 2 Section I Section II Section III	Traditional Business Forms (continued) General Partnerships (continued) Corporations Synthesis – Other Forms of Business Organizations Statutes and Rules: Read <i>Uniform Partnership Act (1997), Articles 6-8, 10</i>
Week 4: 9/22/15	PGS. 160-208	Chapter 2 Section III	Traditional Business Forms (continued) Synthesis (continued) Statutes and Rules: Read <i>Uniform Limited Liability Company Act</i>
Week 5: 9/29/15	PGS. 208-252	Chapter 2 Section III Chapter 3 Section I Section II	Traditional Business Forms (continued) Synthesis (continued) Incorporation Promoters’ Contracts Where and How to Incorporate
Week 6: 10/6/15	PGS. 253-299	Chapter 4 Section I Section II	Capitalization Some Capitalization Basis Duly Authorized, Validly Issued, Fully Paid, and Non-assessable Stock

		Section III Section IV Section V	Thin Incorporation and Subordination Preemptive Rights Share Transfer Restrictions and Buyout agreements
Week 7: 10/13/15	PGS. 299-324	Chapter 4 Section V Chapter 5 Section I Section II Section III Section IV	Capitalization (continued) Share Transfer Restrictions and Buyout agreements Organizing the Corporation Organization Procedures Other Organizational Matters Bylaws Defective Incorporation
		Statutes and Rules: Read <i>Model Business Corporation Act, Chapters 2-5</i>	
Week 8: 10/20/15	PGS. 325-390	Chapter 6 Section I Section II Section III	Corporate Authority Functions and Authority of Shareholders Functions and Authority of Directors Functions and Authority of Officers
		Statutes and Rules: Read <i>Model Business Corporation Act, Chapters 7 and 8</i>	
Week 9: 10/27/15	PGS. 391-438	Chapter 7 Section I Section II Section III Section IV	Distributing Corporate Control Cumulative voting, Classification of Directors, and Class Voting Charter Provisions Removal of Directors Deadlocks, Oppression, and Dissolution
		Statutes and Rules: Read <i>Model Business Corporation Act, Chapter 6</i>	
Week 10: 11/3/15	PGS. 439-476	Chapter 7 Section V Chapter 8 Section I Section II Section III Section IV	Distributing Corporate Control (continued) Contractual Arrangements Piercing the Corporate Veil Introduction Tort-Based Claims and Other Considerations Contract-Based Claims and Other Considerations Statutory Claims
Week 11: 11/10/15	PGS. 477-502	Chapter 9 Section I Section II	Dividends and Distributions Mechanics of Dividends and Distributions Limitations on Dividends
Week 12: 11/17/15	PGS. 503-531	Chapter 10 Section I Section II to Monitor	Duty of Care Introduction The General Standard of Care and the Obligation

	Section III Section IV	Duty to Inquire and to Monitor Business Judgment Rule
Week 13: 11/24/15	PGS. 532-564 Begin Review	Chapter 10 Duty of Care (continued) Section V Informed Decision-making Section VI Corporate Objective and Social Responsibility Section VII Corporate Governance Reforms Section VIII Legislative Responses to Liability
Week 14: 12/1/15	Review for Midterm	
Week 15: Midterm date TBA – finals period 12/7 to 12/17/15	3-hour Midterm Examination - finals period runs: 12/7 to 12/17/15 – date tbd – watch for exam schedule to be published during semester.	

ASSIGNMENTS: SPRING 2016	SPRING 2016	
Week 1: 1/5/16	PGS. 565-606	Chapter 11 Duty of Loyalty Section I Introduction Section II Common Law Test Section III Safe Harbor Statutes Section IV Compensation Agreements
Week 2: 1/12/16	PGS. 607-638	Chapter 11 Duty of Loyalty (continued) Section IV Compensation Agreements (cont'd) Section V Corporate Opportunity Doctrine
Week 3: 1/19/16	PGS. 639-678	Chapter 12 Duty of Controlling Shareholders Section I Operation of Corporations Section II Sale of Control Section III Mergers
Week 4: 1/26/16	PGS. 679-739	Chapter 13 Changes in Control: Corporate Combinations and Tender Offer Defenses (continued) Section I Introduction (cont'd) Section II Negotiated Changes in Control Section III Defending Against Tender Offers

Week 5: 2/2/16	PGS. 739-785	Chapter 13 Section III	Changes in Control: Corporate Combinations and Tender Offer Defenses (continued) Defending Against Tender Offers (cont'd)
Week 6: 2/9/16	PGS. 785-818	Chapter 13 Section III Chapter 14 Section I Section II Section III Section IV	Changes in Control: Corporate Combinations and Tender Offer Defenses (continued) Defending Against Tender Offers (cont'd) Shareholder Derivative Litigation and Other Resolution Processes Introduction Distinguishing Derivative Suits The Demand Requirement Directors' Authority to Terminate a Suit and Special Litigation Committees
Week 7: 2/16/16	PGS. 819-854	Chapter 15 Section I Section II Chapter 16	Indemnification and Insurance Introduction Indemnification Impact of Securities Laws on Corporations
Week 8: 2/23/16	PGS. 855-892	Chapter 17 Section I Section II Section III Chapter 18 Section I Section II	Proxy Regulation General Shareholders' Proposals Proxy Contests Tender Offers What is a Tender Offer? Williams Act Issues
Week 9: 3/1/16	PGS. 893-930	Chapter 18 Section II Section III Section IV Chapter 19 Section I Section II	Tender Offers (continued) Williams Act Issues (cont'd) State Regulation Perspectives Insider Trading and Other Securities Fraud State Insider Trading Law General Federal Securities Fraud Law
Week 10: 3/8/16	PGS. 931-970	Chapter 19 Section II Section III Section IV	Insider Trading and Other Securities Fraud General Federal Securities Fraud Law (cont'd) Insider Trading Under Federal Law Scope of Liability
Week 11: 3/15/16	PGS. 971-996	Chapter 20 Section I Section II Section III	Short-Swing Trading: Section 16 of the Securities Exchange Act of 1934 Profit Realized Who is Director? What is a Sale?

	Section IV Section V	Timing Issues Standing to Sue
Week 12: 3/22/16	PGS. 997-1015 Appendix	Reading Financial Statements
Week 13: 3/29/16	Begin Review Final Exam	
Week 14: 4/5/16	Review Final Exam	
Week 15: Final Exam date TBA - finals period 4/11 to 4/21/16	3-hour Final Examination – The final exam will be cumulative, covering all course material from both semesters. finals period 4/11 to 4/21/16 – date tbd	

Syllabus subject to change.