

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:	Email: VRydell@empirecollege.com Fax 707-284-2814	
SCHEDULE:	Two-semester class: Fall 2013, Monday 6-9:00pm, Room # 103 and Spring 2014, Monday 6-9:00pm, Room # 103	
PREREQUISITES:	Successful completion of first-, second-, and third-year course work (or if an Accelerated student; concurrent enrollment in Constitutional Law and Wills & Trusts)	
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 7th Edition,</i> ; Soderquist, Smiddy and Cunningham; Lexis Nexis; ISBN # 9781422476604 looseleaf</p> <p><i>Business Associations—Agency, Partnerships, LLCs and Corporations, Statutes and Rules,</i> Klein, Ramseyer and Bainbridge's ISBN# 9781609303686, 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. • Student 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>The final exam will be cumulative, covering all course material.</p>
<p>GRADING / ASSESSMENT</p>	<p>Empire College uses the following grading system:</p>

<p>CRITERIA/CLASS POLICIES:</p>	<p><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>
<p>ASSIGNMENTS: FALL 2013</p>	<p>Note: Unless otherwise shown, all references are to Soderquist, Smiddy & Cunningham, <i>Corporations and Other Business Organizations: Cases, Materials, Problems, Seventh Edition</i>. References to “Statutes and Rules” refer to <i>Business Associations: Agency, Partnerships, LLCs, and Corporations, 2010 Statutes and Rules</i>. Klein, Ramseyer, and Bainbridge (2010)</p>
<p>Week 1: 9/9/13</p>	<p>PGS. 1-15 Introduction Approaching Corporate Law</p> <p>Section I Putting Business Organizations in Context Section II Other Perspectives of Business Section III Distinguishing Features of Business Law Practice</p> <p>Statutes and Rules: Read <i>Restatement of the Law (Second) Agency</i></p>
<p>Week 2: 9/16/13</p>	<p>PGS. 17-58 Chapter 1 Sole Proprietorships and Agency Principles</p>

	<p>Section I Introduction to Forms of Business Entities Section II Sole Proprietorships Section III Agency Law and the Legal Relationships between Sole Proprietors and Their Employees</p> <p>Statutes and Rules: Read <i>Restatement of the Law (Third) Agency</i></p>
Week 3: 9/23/13	<p>PGS. 58-108 Chapter 1 Sole Proprietorships and Agency Principles (continued) Section III Agency Law and the Legal Relationships between Sole Proprietors and Their Employees (continued)</p> <p>Chapter 2 Traditional Business Forms and Their Progeny Section I General Partnerships</p> <p>Statutes and Rules: Read <i>Uniform Partnership Act (1997), Articles 1-5</i></p>
Week 4: 9/30/13	<p>PGS. 108-160 Chapter 2 Traditional Business Forms (continued) Section I General Partnerships (continued) Section II Corporations Section III Synthesis – Other Forms of Business Organizations</p> <p>Statutes and Rules: Read <i>Uniform Partnership Act (1997), Articles 6-8, 10</i></p>
Week 5: 10/7/13	<p>PGS. 160-208 Chapter 2 Traditional Business Forms (continued) Section III Synthesis (continued)</p> <p>Statutes and Rules: Read <i>Uniform Limited Liability Company Act</i></p>
Week 6: 10/14/13	<p>PGS. 208-253 Chapter 2 Traditional Business Forms (continued) Section III Synthesis (continued)</p> <p>Chapter 3 Incorporation Section I Promoters' Contracts Section II Where and How to Incorporate</p>
Week 7: 10/21/13	<p>PGS. 255-299 Chapter 4 Capitalization Section I Some Capitalization Basis Section II Duly Authorized, Validly Issued, Fully Paid, and Non-assessable Stock Section III Thin Incorporation and Subordination Section IV Preemptive Rights Section V Share Transfer Restrictions and Buyout agreements</p>
Week 8: 10/28/13	<p>PGS. 299-340 Chapter 4 Capitalization (continued) Section V Share Transfer Restrictions and Buyout agreements</p> <p>Chapter 5 Organizing the Corporation Section I Organization Procedures Section II Other Organizational Matters</p>

	<p>Section III Bylaws Section IV Defective Incorporation</p> <p>Statutes and Rules: Read <i>Model Business Corporation Act, Chapters 2-5</i></p>
Week 9: 11/4/13	<p>PGS. 341-390 Chapter 6 Corporate Authority Section I Functions and Authority of Shareholders Section II Functions and Authority of Directors Section III Functions and Authority of Officers</p> <p>Statutes and Rules: Read <i>Model Business Corporation Act, Chapters 7 and 8</i></p>
Week 10: 11/11/13	<p>PGS. 391-438 Chapter 7 Distributing Corporate Control Section I Cumulative voting, Classification of Directors, and Class Voting Section II Charter Provisions Section III Removal of Directors Section IV Deadlocks, Oppression, and Dissolution</p> <p>Statutes and Rules: Read <i>Model Business Corporation Act, Chapter 6</i></p>
Make-up	Friday 11/15/13 5-8pm – ***all future classes shift by one week and the review will be on 12/2/13
***Week 11: 11/18/13	<p>PGS. 439-492 Chapter 7 Distributing Corporate Control (continued) Section V Contractual Arrangements</p> <p> Chapter 8 Piercing the Corporate Veil Section I Introduction Section II Tort-Based Claims and Other Considerations Section III Contract-Based Claims and Other Considerations Section IV Statutory Claims</p>
Week 12: 11/25/13	<p>PGS. 493-548 Chapter 9 Dividends Section I Mechanics of Dividends and Distributions Section II Limitations on Dividends</p> <p> Chapter 10 Duty of Care Section I Introduction Section II The General Standard of Care and the Obligation to Monitor Section III Duty to Inquire and to Monitor Section IV Business Judgment Rule</p>
Week 13:	<p>PGS. 548-582 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</p>

***Week 14: 12/2/13	Review for Midterm
Week 15: Midterm date TBA – finals period 12-9 to 12-19-13 Law office schedules during the semester.	3-hour Midterm Examination

ASSIGNMENTS: SPRING 2014	
Week 1: 1/6/14	PGS. 582-606 Chapter 11 Duty of Loyalty Section I Introduction Section II Common Law Test Section III Safe Harbor Statutes Section IV Compensation Agreements
Week 2: 1/13/14	PGS. 607-659 Chapter 11 Duty of Loyalty (continued) Section IV Compensation Agreements (cont'd) Section V Corporate Opportunity Doctrine
Week 3: 1/20/14	PGS. 659-699 Chapter 12 Duty of Controlling Shareholders Section I Operation of Corporations Section II Sale of Control Section III Mergers
Week 4: 1/27/14	PGS. 699-739 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: 2/3/14	PGS. 739-785 Chapter 13 Changes in Control: Corporate Combinations and Tender Offer Defenses (continued) Section III Defending Against Tender Offers (cont'd)
Week 6: 2/10/14	PGS. 785-835 Chapter 13 Changes in Control: Corporate Combinations and Tender Offer Defenses (continued) Section III Defending Against Tender Offers (cont'd)

		<p>Chapter 14 Shareholder Derivative Litigation and Other Resolution Processes</p> <p>Section I Introduction Section II Distinguishing Derivative Suits Section III The Demand Requirement Section IV Directors' Authority to Terminate a Suit and Special Litigation Committees</p>
2/17/14 School Holiday – Empire College closed	<u>No Class – President’s Day – Class Will be Rescheduled</u>	
Week 7: 2/24/13	PGS. 835-880	<p>Chapter 15 Indemnification and Insurance</p> <p>Section I Introduction Section II Indemnification</p> <p>Chapter 16 Impact of Securities Laws on Corporations</p> <p>Chapter 17 Proxy Regulation</p> <p>Section I General</p>
Week 8: 3/3/14	PGS. 880-917	<p>Chapter 17 Proxy Regulation</p> <p>Section I General Section II Shareholders' Proposals Section III Proxy Contests</p> <p>Chapter 18 Tender Offers</p> <p>Section I What is a Tender Offer? Section II Williams Act Issues</p>
Week 9: 3/10/14	PGS. 917-954	<p>Chapter 18 Tender Offers (continued)</p> <p>Section II Williams Act Issues (cont'd) Section III State Regulation Section IV Perspectives</p> <p>Chapter 19 Insider Trading and Other Securities Fraud</p> <p>Section I State Insider Trading Law Section II Insider Trading and Other Securities Fraud Under Federal Law</p>
Week 10: 3/17/14	PGS. 954-977	<p>Chapter 19 Insider Trading and Other Securities Fraud</p> <p>Section II Insider Trading and Other Securities Fraud Under Federal Law (continued)</p>
Week 11: 3/24/14	PGS. 977-1013	<p>Chapter 19 Insider Trading and Other Securities Fraud (continued)</p> <p>Section II Insider Trading and Other Securities Fraud</p>

	<p style="text-align: right;">Under Federal Law (cont'd)</p> <p style="text-align: center;">Chapter 20 Short-Swing Trading: Section 16 of the Securities Exchange Act of 1934</p> <p>Section I Profit Realized Section II Who is Director? Section III What is a Sale? Section IV Timing Issues Section V Standing to Sue</p>
Week 12: 3/31/14	<p>Additional Cases to be Assigned for Discussion California Corporate Decisions Review of California Corporate Statutes</p>
Week 13: 4/7/14	<p>Review of California Cases and Corporate Statutes (continued)</p> <p>Begin Review</p>
Week 14: 4/11/14 FRIDAY – make-up for President;s Day – 4-7pm (this is the actual last class date for Spring 2014)	<p>Review for Final Exam –scheduled to make-up for Presient’s Day-FRIDAY 4/11/14 – 4-7pm (this is the last class date for Spring 2014)</p>
Week 15: Final Exam date TBA - finals period 4/14 to 4/24/14 Law office schedules during the semester.	<p>3-hour Final Examination – The final exam will be cumulative, covering all course material from both semesters.</p>