

## ACADEMIC COURSE SYLLABUS

<b>COURSE TITLE:</b>	<b>BUSINESS ORGANIZATIONS</b>	
<b>COURSE NUMBER:</b>	LAW 800A	Business Organizations - 1st semester of two-semester course*
	LAW 800B	Business Organizations – 2 <sup>nd</sup> 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.	
<b>UNITS:</b>	3 Units/Semester (for one 6-Unit final grade)	
<b>COURSE TYPE:</b>	Required	
<b>PROFESSOR(S) NAME:</b>	Professor Viveka Rydell	
<b>PROFESSOR CONTACT INFO:</b>	Phone: 707-837-8882	
<b>SCHEDULE:</b>	Two-semester class: Fall 2014, Monday 6-9:00pm, Room # 103 and Spring 2015, Monday 6-9:00pm, Room # 103	
<b>PREREQUISITES:</b>	Successful completion of first-, second-, and third-year course work (or if an Accelerated student; concurrent enrollment in third-year courses)	
<b>COREQUISITES:</b>	None	
<b>TEXTS AND MATERIALS:</b> (Identification of any texts, materials and references used throughout the course.)	<p><b><i>Corporations and other Business Organizations: Cases, Materials, Problems 7<sup>th</sup> Edition</i></b>, ; Soderquist, Smiddy and Cunningham; Lexis Nexis; ISBN # 9781422476604 looseleaf</p> <p><b><i>Business Associations—Agency, Partnerships, LLCs and Corporations, 2014 Statutes and Rules</i></b>, Klein, Ramseyer and Bainbridge's ISBN# 9781628100570, Foundation Press</p>	
<b>COURSE DESCRIPTION:</b>	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.	
<b>COURSE OBJECTIVES / ANTICIPATED LEARNING OUTCOMES:</b> (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"> <li>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</li> </ul>	

	<p>operation.</p> <ul style="list-style-type: none"> <li>• Students will gain an understanding of the various factors considered when advising clients about forming business entities.</li> <li>• Students will be introduced to corporate financing issues and the different ways in which ownership interests are structured.</li> <li>• Students will examine the unique problems created by closely held business entities and the rules fashioned by the courts to address those issues.</li> <li>• Students will consider the liability protection afforded by certain business entities and how that protection may be forfeited</li> <li>• Students will learn about the fiduciary duties of directors to corporate shareholders and about the Business Judgment rule and its application.</li> <li>• Students will review statutes limiting the liability of directors and providing for indemnification of corporate directors and officers.</li> <li>• Students will be introduced to federal and state laws and regulations prohibiting insider trading.</li> <li>• Students will learn about the law governing corporate takeover battles, mergers and proxy contests.</li> </ul> <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><b>FORMAT OVERVIEW / METHOD OF INSTRUCTION</b> (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><b>EXAMS:</b></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. <b>Any student taking delayed examinations <u>must have the prior written approval of the Dean.</u></b> 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><b>GRADING / ASSESSMENT CRITERIA/CLASS POLICIES:</b></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 - 45% (Fall Semester)  Final exam - 50% (Spring Semester)  Quality of Class Participation and Assigned Projects 5%</p> <p>The final exam will be cumulative, covering all course material.</p>
<p><b>ATTENDANCE:</b></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>

<b>ASSIGNMENTS:</b>  <b>FALL 2014</b>	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)		
<b>Week 1:</b> <b>Holiday 9/1/14</b>	Campus closed – make-up date will be scheduled in class.		
<b>Week 2: 9/8/14</b>	PGS. 1-58	<b>Introduction</b> Section I Section II Section III	<b>Approaching Corporate Law</b> 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> <b>Chapter 1 Sole Proprietorships and Agency Principles</b> 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  Statutes and Rules: Read <i>Restatement of the Law (Third) Agency</i>
<b>Week 3: 9/15/14</b>	PGS. 58-108	<b>Chapter 1</b> Section III  <b>Chapter 2</b> Section I	<b>Sole Proprietorships and Agency Principles (continued)</b> Agency Law and the Legal Relationships between Sole Proprietors and Their Employees (continued)  <b>Traditional Business Forms and Their Progeny</b> General Partnerships  Statutes and Rules: Read <i>Uniform Partnership Act (1997), Articles 1-5</i>
<b>Week 4: 9/22/14</b>	PGS. 108-160	<b>Chapter 2</b> Section I Section II Section III	<b>Traditional Business Forms (continued)</b> General Partnerships (continued) Corporations Synthesis – Other Forms of Business Organizations  Statutes and Rules: Read <i>Uniform Partnership Act (1997), Articles 6-8, 10</i>
<b>Week 5: 9/29/14</b>	PGS. 160-208	<b>Chapter 2</b> Section III	<b>Traditional Business Forms (continued)</b> Synthesis (continued)  Statutes and Rules: Read <i>Uniform Limited Liability Company Act</i>
<b>Week 6: 10/6/14</b>	PGS. 208-253	<b>Chapter 2</b> Section III  <b>Chapter 3</b>	<b>Traditional Business Forms (continued)</b> Synthesis (continued)  <b>Incorporation</b>

		Section I Section II	Promoters' Contracts Where and How to Incorporate
<b>Week 7: 10/13/14</b>	PGS. 255-299	<b>Chapter 4</b> Section I Section II  Section III Section IV Section V	<b>Capitalization</b> Some Capitalization Basis Duly Authorized, Validly Issued, Fully Paid, and Non-assessable Stock Thin Incorporation and Subordination Preemptive Rights Share Transfer Restrictions and Buyout agreements
<b>Week 8: 10/20/14</b>	PGS. 299-340	<b>Chapter 4</b> Section V  <b>Chapter 5</b> Section I Section II Section III Section IV	<b>Capitalization (continued)</b> Share Transfer Restrictions and Buyout agreements  <b>Organizing the Corporation</b> Organization Procedures Other Organizational Matters Bylaws Defective Incorporation  Statutes and Rules: Read <i>Model Business Corporation Act, Chapters 2-5</i>
<b>Week 9: 10/27/14</b>	PGS. 341-390	<b>Chapter 6</b> Section I Section II Section III	<b>Corporate Authority</b> 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>
<b>Week 10: 11/3/14</b>	PGS. 391-438	<b>Chapter 7</b> Section I  Section II Section III Section IV	<b>Distributing Corporate Control</b> 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>
<b>Week 11: 11/10/14</b>	PGS. 439-492	<b>Chapter 7</b> Section V  <b>Chapter 8</b> Section I Section II Section III Section IV	<b>Distributing Corporate Control (continued)</b> Contractual Arrangements  <b>Piercing the Corporate Veil</b> Introduction Tort-Based Claims and Other Considerations Contract-Based Claims and Other Considerations Statutory Claims
<b>Week 12: 11/17/14</b>	PGS. 493-548	<b>Chapter 9</b> Section I	<b>Dividends</b> Mechanics of Dividends and Distributions

		Section II	Limitations on Dividends
		<b>Chapter 10</b>	<b>Duty of Care</b>
		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
<b>Week 13: 11/24/14</b>	PGS. 548-582	<b>Chapter 10</b>	<b>Duty of Care (continued)</b>
		Section V	Informed Decision-making
		Section VI	Corporate Objective and Social Responsibility
		Section VII	Corporate Governance Reforms
		Section VIII	Legislative Responses to Liability
	Begin Review		
<b>Week 14: 12/1/14</b>	Continue Review for Midterm		
<b>Week 15: Midterm date TBA –</b>	3-hour Midterm Examination - finals period 12-8 to 12-18-14		

<b>ASSIGNMENTS:</b>	<b>SPRING 2015</b>		
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<b>Week 1: 1/5/15</b>	PGS. 582-606	<b>Chapter 11</b>	<b>Duty of Loyalty</b>
		Section I	Introduction
		Section II	Common Law Test
		Section III	Safe Harbor Statutes
		Section IV	Compensation Agreements
<b>Week 2: 1/12/15</b>	PGS. 607-659	<b>Chapter 11</b>	<b>Duty of Loyalty (continued)</b>
		Section IV	Compensation Agreements (cont'd)
		Section V	Corporate Opportunity Doctrine
<b>Week 3: 1/19/15</b>	PGS. 659-699	<b>Chapter 12</b>	<b>Duty of Controlling Shareholders</b>
		Section I	Operation of Corporations
		Section II	Sale of Control
		Section III	Mergers
<b>Week 4: 1/26/15</b>	PGS. 699-739	<b>Chapter 13</b>	<b>Changes in Control: Corporate Combinations</b>

		Section I Section II Section III	<b>and Tender Offer Defenses (continued)</b> Introduction (cont'd) Negotiated Changes in Control Defending Against Tender Offers
<b>Week 5: 2/2/15</b>	PGS. 739-785	<b>Chapter 13</b>  Section III	<b>Changes in Control: Corporate Combinations and Tender Offer Defenses (continued)</b> Defending Against Tender Offers (cont'd)
<b>Week 6: 2/9/15</b>	PGS. 785-835	<b>Chapter 13</b>  Section III  <b>Chapter 14</b>  Section I Section II Section III Section IV	<b>Changes in Control: Corporate Combinations and Tender Offer Defenses (continued)</b> Defending Against Tender Offers (cont'd)  <b>Shareholder Derivative Litigation and Other Resolution Processes</b> Introduction Distinguishing Derivative Suits The Demand Requirement Directors' Authority to Terminate a Suit and Special Litigation Committees
<b>2/16/15 School Holiday – Empire College closed</b>	<b><u>No Class – President’s Day – Class Will be Rescheduled-date will be determined with students in class.</u></b>		
<b>Week 7: 2/23/15</b>	PGS. 835-880	<b>Chapter 15</b> Section I Section II  <b>Chapter 16</b>  <b>Chapter 17</b> Section I	<b>Indemnification and Insurance</b> Introduction Indemnification  <b>Impact of Securities Laws on Corporations</b>  <b>Proxy Regulation</b> General
<b>Week 8: 3/2/15</b>	PGS. 880-917	<b>Chapter 17</b> Section I Section II Section III  <b>Chapter 18</b> Section I Section II	<b>Proxy Regulation</b> General Shareholders' Proposals Proxy Contests  <b>Tender Offers</b> What is a Tender Offer? Williams Act Issues
<b>Week 9: 3/9/15</b>	PGS. 917-954	<b>Chapter 18</b> Section II Section III Section IV	<b>Tender Offers (continued)</b> Williams Act Issues (cont'd) State Regulation Perspectives

		<b>Chapter 19</b>	<b>Insider Trading and Other Securities Fraud</b>
		Section I	State Insider Trading Law
		Section II	Insider Trading and Other Securities Fraud Under Federal Law
<b>Week 10: 3/16/15</b>	PGS. 954-977	<b>Chapter 19</b>	<b>Insider Trading and Other Securities Fraud</b>
		Section II	Insider Trading and Other Securities Fraud Under Federal Law (continued)
<b>Week 11: 3/23/15</b>	PGS. 977-1013	<b>Chapter 19</b>	<b>Insider Trading and Other Securities Fraud (continued)</b>
		Section II	Insider Trading and Other Securities Fraud Under Federal Law (cont'd)
		<b>Chapter 20</b>	<b>Short-Swing Trading: Section 16 of the Securities Exchange Act of 1934</b>
		Section I	Profit Realized
		Section II	Who is Director?
		Section III	What is a Sale?
		Section IV	Timing Issues
		Section V	Standing to Sue
<b>Week 12: 3/30/15</b>	<b>Additional Cases to be Assigned for Discussion</b>		
	California Corporate Decisions		
	Review of California Corporate Statutes		
<b>Week 13: 4/6/15</b>	<b>Review of California Cases and Corporate Statutes (continued)</b>		
	<b>Begin Review</b>		
<b>Week 14: date – make-up for President’s Day – 4-7pm (this is the actual last class date for Spring 2015)</b>	<b>Review for Final Exam</b>		
	–scheduled to make-up for President’s Day-date (this is the last class date for Spring 2015)		
<b>Week 15: Final Exam date TBA - finals period 4/13 to 4/23/15</b>	3-hour Final Examination – The final exam will be cumulative, covering all course material from both semesters.		
	<b>finals period 4/13 to 4/23/15</b>		

Syllabus subject to change.