

LAW 7145-02: CORPORATIONS

SYLLABUS

Prof. Bell
Spring 2010

COURSE DESCRIPTION AND OBJECTIVES

This course provides a basic understanding of both closely held and publicly traded for-profit corporations, with coverage of other types of business entities added for contrast. The course focuses on how corporations take form and operate, and includes coverage of such issues as the powers, responsibilities, and liabilities of shareholders, directors, and officers, corporate litigation and regulation under key portions of the Securities Exchange Act of 1934, and the rules and regulations of the S.E.C.

This course should prepare you to analyze a variety of corporate law issues at a fairly specific level. Dealing with related topics, such as the disclosures required for a public offering or the application of bankruptcy rules to corporate assets, may require additional, specialized study. This class should also help to polish your legal reasoning skills and introduce you to some of the practical and ethical concerns of a working attorney.

GRADING

Exams count for a total of 90% of your course grade. A final exam of essay questions will count for 75% of your grade for the course; a similarly formatted midterm exam will count for 15% of your course grade. Both will be partially open book, meaning you can bring in required texts, class handouts, and your notes, but not other materials.

Participation counts for 10% of your course grade. You can earn one participation point per class by signing a sheet indicating that you have prepared to discuss the assignment. You may lose some or all of the points allowed for classroom discussion if you sign up to speak but demonstrate lack of preparation. You may also earn participation points for various ungraded quizzes or projects. I will aim, for instance, to include in each class a statement that contradicts something in the readings. The first student to catch me in such a falsehood, and who raises both hands to indicate as much, will receive one class participation point.

Review teams give you the opportunity to earn 4 participation points. At the beginning of the semester, I will randomly assign you to a focus team and will assign each review team a class session. Each team will write a review of its assigned class, which it will present at the start of the following class session. Each qualifying team member will

receive 4 points for that exercise. For details about both the review teams, please see the separate handout.

HOW TO CONTACT ME

I encourage you to contact me if you have questions or comments about what we discuss in class or about law school in general. Look for me at my office, room 438, each Monday and Wednesday, from 9 a.m. until 10:10 a.m., and again from 11:40 a.m. until 1 p.m. I also hold office hours each Wednesday from 2:30 p.m. until 4:00 p.m. I welcome you to drop by and chat at those times or at other times by appointment or chance. You can also call me at 714/628-2503 or email me at <tbell@chapman.edu>. You can find course materials at <www.tomwbell.com/teaching.html>.

READING ASSIGNMENTS

This syllabus sets forth the readings assigned from the course's required text, EPSTEIN, ET AL., BUSINESS STRUCTURES (Thomson West 2nd ed. 2007) (hereinafter "Text"). You should also keep at hand a copy of either the 2009 or 2008 edition (there is no substantive difference between them) of COMMENTARIES AND CASES ON THE LAW OF BUSINESS ORGANIZATION, STATUTORY SUPPLEMENT (William T. Allen, Reinier Kraakman, & Guhan Subramanian, eds., Aspen Publishers), and use it to look up the various statutes, restatement sections, and regulations referred to by the main text.

The reading assignments listed below speak inclusively; "pp. 1-5," for instance, means "pages 1, 2, 3, 4, and 5." Please note that while I will make a good faith effort to follow this syllabus, I reserve the right to change it.

	<u>class #</u>	<u>reading</u>	
I.		Overview and Introduction	
	Class 1:	Text pp. 1-5, 41-42, 81-82, 148-152, 169, 413 (1st ¶), 443, 645-647, 773-74, 811-812	(22)
	Class 2:	Text pp. 5-39	(33)
II.		The Sole Proprietorship	
	Class 3:	Text pp. 42-71	(29)
III.		The Partnership	
	Class 4:	Text pp. 81-106	(26)
	Class 5:	Text pp. 107-112, 120-132, 137-144	(28)

IV. The Corporation: Overview and Formation	
Class 6: Text pp. 145-168	(24)
V. The Corporation: Operation	
Class 7: Text pp. 169-191	(22)
Class 8: Text pp. 191-233	(33)
Class 9: Text pp. 234-263	(30)
Class 10: Text pp. 264-281, <i>Smith v. Gorkom</i> , 488 A2.d 858 (Del. 1985), 287- 309	(39?)
Class 11: Text pp. 309-341	(32)
Class 12: Text pp. 350-368, 382-383, 389-411	(32)
VI. The Corporation: Growth	
Class 13: Text pp. 413-442	(29)
Midterm Exam	
Class 14: (administered in-class on Wednesday, March 10)	
VII. The Corporation: How the Owners (Shareholders) Make Money	
Class 15: Text pp. 443-469	(27)
Class 16: Text pp. 470-497	(28)
Class 17: Text pp. 497-523	(26)
Class 18: Text pp. 523-535, 540-550	(24)
Class 19: 559-560, 579-585, 595-607	(20)
Class 20: Text pp. 607-628	(21)
Class 21: Text pp. 628-643	(15)
VIII. The Corporation: The End of the Line	
Class 22: Text pp. 645-675	(29)
Class 23: Text pp. 675-696	(21)
Class 24: Text pp. 697-717, 752-53, 772	(23)
IX. The Limited Partnership (LP)	
Class 25: Text pp. 773-793	(20)
Class 26: Text pp. 793-810	(18)
X. The Limited Liability Company (LLC)	
Class 27: Text pp. 811-36	(26)
XI. Review	
Class 28	(0)