TEXTBOOKS

**Required textbooks:**


**Strongly Recommend:**


INTRODUCTION

Please note that this syllabus is intended to serve as a guide to the material to be discussed each day in class. Modifications to the syllabus may be made during the semester to best meet the needs of the class. Not all readings will be discussed in class. Additional readings may also be recommended or assigned. Modifications to the syllabus will be announced as far in advance as possible.

The goals of this course are:

(i) To understand the legal rules and business issues of corporate law;
(ii) To introduce the policy issues surrounding the corporation in society; and
(iii) To develop problem solving skills using issues related to corporate law and practical business problems.

The course will emphasize problem solving and class discussion as the methods to achieve these objectives. We may also do the problems in the textbook. I will announce in advance in class the date and problem assigned.
Examination and Grading Policy

**Graded Mid-term**
There will be a mid-term multiple-choice exam on Sunday, February 24 (75 minutes) during the regular class period. The mid-term exam will count for 25% of the grade. The multiple-choice questions will cover the Model Business Corporation Act (Sections 1-7), the Model Statutory Close Corporation Supplement and the reading assignments beginning January 20th up to and including February 17th.

**Graded Final Exam**
The final examination will count for 75% of the grade. The final examination will be essay and may cover the entire semester’s reading assignments. The final examination will be essay and may cover the entire semester’s reading assignments, all sections of the Model Business Corporation Act, and the Model Statutory Close Corporation.

**Attendance and Tardiness**
Students are expected to attend class and be prepared to discuss the required assignment for that day. Attendance will be taken at each class. Students may miss four classes without penalty. Additional absences will result in the following:

- Five absences – the student must submit a 5-8 page paper on the topics covered in the missed classes. The paper is due within 7 days of the last missed class. The paper must be doubled-spaced. Failure to turn in the paper on time will result in the student name submitted to the Dean’s office for excessive absences. The paper will not count as part of the final grade.
- Six or more absences - the name of the student will be submitted to the Dean’s office for excessive absences.
- Students are expected to arrive in class on time. Students arriving more than ten minutes late for more than four classes during the semester will be marked for one class absence.

**Class Participation**
Student participation in class is strongly encouraged; however, class participation will not count in the final grade. Thoughtful, engaging discussions in the classroom facilitate learning by encouraging questions, and clarification of subject matter. If for any legitimate reason you are not well-prepared for class, please let me know before class begins, and you will not be called upon in class. Please note a legitimate excuse entails such matters as illness, childbirth, or family emergencies. It does not include such matters as working on a paper or some other project for another course.

Use of laptops for note taking in class is permitted; however, only word processing programs may be open during class unless the class discussion requires access to a specific web browser. Anyone otherwise using web browsers, electronic games, or communicating via email or instant messaging during class may be asked to
discontinue use of their laptop and may not be permitted to bring their laptop to class for the duration of the course.

TWEN - Course Website
Students must enroll on the TWEN website for class and provide an e-mail address. The address is:  http://lawschool.westlaw.com/twen/default.asp. Class discussion questions are available under Course Materials. Additionally, I will post any changes to the syllabus on the TWEN Course Website.

Below are the discussion question posted on TWEN for Monday, January 20\textsuperscript{th} & 27\textsuperscript{th}.

TWEN QUESTIONS FOR CHAPTERS 1,2,3,4,5,6 & 11

1. WHAT IS A CORPORATION?
2. HOW ARE CORPORATIONS ORGANIZED?
3. WHO IS THE OWNER OF THE CORPORATION?
4. WHAT IS A SHAREHOLDER?
5. WHO MANAGES THE CORPORATION?
6. WHAT IS A DIRECTOR?
7. WHAT IS A CORPORATE OFFICER?
8. WHAT IS THE BUSINESS JUDGMENT RULE?
9. WHAT IS THE PURPOSE OF THE BUSINESS JUDGMENT RULE?
10. WHAT IS A FIDUCIARY?
11. WHAT ARE THE SOURCES OF CORPORATE LAW?
12. WHAT ARE THE FOUR ATTRIBUTES OF A CORPORATION?
13. ARE SHAREHOLDERS PERSONALLY LIABLE FOR THE DEBTS OF THE CORPORATION?
14. ARE DIRECTORS PERSONALLY LIABLE FOR THE DEBTS OF THE CORPORATION?
15. WHAT IS THE MEANING OF CENTRALIZED MANAGEMENT?
16. WHAT DOES IT MEAN TO BE A SEPARATE LEGAL ENTITY?
17. WHAT IS A PUBLICLY-OWNED CORPORATION?
18. WHAT IS A CLOSELY HELD CORPORATION?
19. WHY DO DIRECTORS AND OFFICERS OWE FIDUCIARY DUTIES?
20. WHAT IS THE BERLE-DODD DEBATE?
21. WHAT IS THE PURPOSE OF A CORPORATION?
22. WHAT ARE STATE CONSTITUENCY STATUTES?
23. WHAT IS THE ROLE OF CORPORATE COUNSEL? WHO IS THE CLIENT?
24. HOW IS A CORPORATION CREATED?
25. WHAT IS THE ULTRA VIRES DOCTRINE AND WHY IS IT NO LONGER LEGALLY SIGNIFICANT?
26. WHAT IS THE POLICY RATIONALE FOR "DE FACTO" INCORPORATION? WHAT PROVISION OF MBCA COVERS DE FACTO INCORPORATION AND WHAT DOES IT REQUIRE?
27. WHAT IS A CORPORATE PROMOTER? WHY IS LIABILITY FOR A CORPORATE PROMOTER LESS RELEVANT UNDER MBCA SECTION 2.03(A)?
Required Assignments

Please complete the required reading assignments (the Corporations text book and Supplement) before the class for which they are assigned unless you are directed otherwise. Come prepared to answer the questions in the Corporations textbook for the assigned readings and problem if assigned. Not all of the assigned readings will be discussed in class; however, you are responsible for the content.

PLEASE NOTE ALL ASSIGNED CHAPTERS INCLUDE ANY UPDATED READINGS IN THE SUPPLEMENT TO THE CORPORATIONS TEXTBOOK.

PLEASE CHECK THE SUPPLEMENT FOR UPDATED CHAPTER READINGS. READ THE TEXT AND CORRESPONDING SUPPLEMENT PAGES FOR CLASS. NOTE THAT NOT ALL CHAPTERS ASSIGNED INCLUDE UPDATED READINGS IN THE SUPPLEMENT.

YOU ARE RESPONSIBLE FOR READING ALL OF THE MODEL BUSINESS CORPORATION ACT AND OTHER ASSIGNED STATUTES. IN ADDITION TO THE MATERIALS IN THE TEXTBOOK, YOU WILL BE TESTED ON THE MODEL BUSINESS CORPORATION ACT AND THE MODEL STATUTORY CLOSE SUPPLEMENT ON EXAM QUESTIONS.

Required Reading Assignments

Sunday, January 20

Basic Concepts and Corporate Authority - Chapters 1, 2, 3, 4 & 11
Corporations, Chapters 1, 2 and 11 pp. 301-312 (1:15-1:45pm)

Corporations, Chapter 3 and 4 (omit pp.103-129 on Corporate Political Expenditures and Charitable Contributions). Please come prepared to discuss the Exogen, Inc. problem on pp. 81-83 in class. (1:45-2:35pm)

Corporations Chapter 11 pp.318-323 and read Model Business Corporation Act (“MBCA”) §§8.01-8.25, pp.94-109 of Statutes textbook. Please come prepared to discuss the Widget Corporation Problem on pp. 318-319 in class. (2:50-4:15pm)
Sunday, January 27

Corporate Structure - Chapters 5, 6
Corporations, Chapter 5, pp. 132-143
Please come prepared to discuss the Precision Tools Problem-Part 1, pp. 132-133 in class. (1:15-2:35pm)

Wednesday, January 30  Corporations, Chapter 6, pp. 148-174 and MBCA §§1-5
Please come prepared to discuss the Precision Tools Problem-Part 2, pp.148-149 (2:50-4:15pm)

Sunday, February 3

Corporate Financial Structure – Chapter 8
Corporations, pages 210-222 (1:15-1:45pm)

Corporations, pages 230-249 (1:45-2:35pm)

Corporations Chapter 10 (Protecting Creditors), pp 268-284 (2:50-4:15pm)

Sunday, February 10

Protecting Creditors (cont’d) – Chapters 10
Corporations Chapter 10, pp 284-298. (1:15-1:45pm)

Please come prepared to discuss the Precision Tools Problem Part-9, pp. 268-269 in class. (1:45-2:35pm)

Closely Held Corporations – Chapters 12
Corporations Chapter 12, pp. 336-363, and read Model Statutory Close Corporation Supplement (pp.330-345 Statutes textbook, and MBCA Chapters 6 and 7. (2:50-4:15pm)
Sunday, February 17

Closely Held Corporations – Chapters 12, 13
Corporations Chapter 12, pp. 363-381, and read Model Statutory Close Corporation Supplement (pp.330-345 Statutes textbook, and MBCA Chapters 6 and 7. (1:15-2:15pm)

Corporations Chapter 13, pp. 382-406, and read Model Statutory Close Corporation Supplement (pp.330-345 Statutes textbook, and MBCA Chapters 6, 7 and §§ 14.30-14.34. (2:30-4:15pm)

Sunday, February 24

MIDTERM IN CLASS 1:15-2:30pm (75 minutes)
Shareholder Rights and Duties – Chapters 14 (pp.426-446)
Corporations Chapter 14, pp. 426-446, and applicable MBCA sections as noted in the textbook. (2:55-4:15pm)

Sunday, March 2

Shareholder Rights and Duties – Chapters 14, 15 (pp.491-506), &17 (cont’d)
Corporations Chapter 14, pp. 446-468, and applicable MBCA sections as noted in the textbook. Please come prepared to discuss the LaFrance Cosmetics Problem Part 1 (pp.429-430) and Part 2 (pp. 441-442). [Note: Chapter 15 (pp. 491-506 will not be discussed in class] (1:15-1:45pm)

Corporations Chapter 17, pp. 608-622, and applicable MBCA and federal statutes as noted in the textbook. (1:45-2:35pm)

Monday, March 10 Corporations Chapter 17, pp. 622-635, and applicable MBCA and federal statutes as noted in the textbook. (2:50-4:15pm)
**Sunday, March 9**

Fiduciary Duties of Directors – Chapter 18, & 19  
*Corporations* Chapter 18, pp. 638-663, and applicable MBCA and federal statutes as noted in the textbook. **(1:15-2:15pm)**

*Corporations* Chapter 18, pp. 663-707, [Note omit pp.694-698, Frank Partnoy note on Derivatives] and applicable MBCA and federal statutes as noted in the textbook. **(2:30-4:15pm)**

**Sunday, March 16**

*Corporations* Chapter 18, pp. 707-735 **(1:15-2:15pm)**

*Corporations* Chapter 19, pp. 736-776 **(2:30-4:15pm)**

**Sunday, March 30**

Fiduciary Duties of Directors – Chapter 19 (cont’d)  
Wednesday, April 9 7  *Corporations* Chapter 19, pp. 777-802 **(1:15-2:15pm)**

Duties of Shareholders and Litigation Issues- Chapters 21, 22(pp.946-961)  
Monday, April 14  *Corporations* Chapter 21, pp. 849-882 [Note: Chapter 22 pp.946-961 required reading will not be discussed in class] **(2:30-4:15pm)**

**Sunday, April 6**

Duties of Shareholders and Litigation Issues- Chapters 24 (cont’d)  
Wednesday, April 16  *Corporations* Chapter 24, pp. 1081-1113 **(1:15-2:15pm)**

Monday April 21  *Corporations* Chapter 24, pp. 1114-1150 **(2:30-4:15pm)**
Sunday, April 13

Review of chapter 24 (1:15-1:45pm)

Public Corporation, Federalism, and the Regulation of Securities- Chapters 9 (pp.250-257)

Wednesday, April 23 Corporations Chapter 23, pp.1006 (note omitted pages)-1057,
[Note: Chapter 9 (pp.250-257 required reading will not be discussed in class] (2:05-4:15pm)

Sunday, April 20 (last class)

Public Corporation, Federalism, and the Regulation of Securities- 23 (omit 1018-29
Goodwin & Diamond ) (cont’d)
Corporations Chapter 23, pp.1057-1076 (1:15-2:45pm)

Class Review Session (3:00-4:15pm)