

Western State University College of Law

**BUSINESS ASSOCIATIONS II**

Course # 232, section A; CRN 3028

Spring semester 2012; classroom # \_\_\_\_; three credits

Tuesdays and Thursdays, 9:00 a.m. to 10:30 a.m.

*Prof. Matthew Edward Cavanaugh*

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**Required text:** William A. Klein et al., *Business Associations: Cases and Materials on Agency, Partnerships, and Corporations* (Foundation Press, 7th ed., 2009), 2011 statutes and rules supplement, and 2010 casebook supplement.

**Course description:** In this course students study agency; alternative models for business structure, including sole proprietorships, partnerships, and limited liability companies; and the formation, financing, structure, control, and management of corporations. The course emphasizes the distinction between closely held and publicly held corporations, and selected provisions of the Securities Exchange Act of 1934.

**Prerequisites:** Civil Procedure I & II, Contracts I & II, Criminal Law, Professional Skills I & II, Torts I & II, and Business Associations I

**Required reading, with suggested approximate reading schedule:**

<u>Week</u>	<u>Dates</u>	<u>Topics</u> (All are subtopics of <i>corporations</i> )	<u>Read casebook pp.</u>
1	Jan. 17 & 19	Insiders' duties: care and loyalty	310 – 376
2	Jan. 24 & 26	Insiders' duties: good faith and disclosure	376 – 406
3	Jan. 31 & Feb. 2	Insiders' duties: securities and registration	406 – 438
4	Feb. 7 & 9	Insiders' duties: rule 10b-5	438 – 471
5	Feb. 14 & 16	Insiders' duties: inside information, short swing profits, indemnification, and insurance	471 – 523
6	Feb. 21 & 23	Control: proxies	523 – 570
7	Feb. 28 & Mar. 1	Control: shareholder voting and closely held companies	570 – 607
8	Mar. 6 & 8	Control: abuse	607 – 640
9	Mar. 20 & 22	Control: duration, dissolution, and transfers	640 – 691
10	Mar. 27 & 29	Mergers	691 – 733
11	Apr. 3 & 5	Takeovers: introduction and development	733 – 793
12	Apr. 10 & 12	Takeovers: doctrine and legislation	793 – 839
13	Apr. 17 & 19	Debt	839 – end
14	Apr. 24 & 26	Review and wrap-up	[None]
Review	TBA	Final and bar examination preparation	[None]

Read additionally any statute or rule in the supplement to which the casebook text refers. We will cover the material more slowly at first, so we will get behind the above reading schedule early in the semester. *We will, however, catch up by the end of the semester and cover all the material above. I recommend against getting behind in the reading and having to do most of it at the end of the semester.*

Final examination: [Date & time TBA] (three hours, closed book, closed supplement, closed notes.)

Your final course grade will be your statistically scaled score on the final examination, reduced by 0.1 for each class session you miss, for which you are unprepared, or at which you do not participate. You must personally sign the attendance sheet at each class session for your attendance to qualify.