

Western State University College of Law

BUSINESS ASSOCIATIONS I

Course # 231 (section A), CRN 1008

Autumn semester 2010; classroom # 110; three credits

Mondays and Wednesdays, 4:30 p.m. – 6:00 p.m.

Prof. Matthew E. Cavanaugh

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Office hours: Mondays and Wednesdays 6:00 – 7:00 p.m., and by appointment

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

Course description: In this course students study agency; alternative models for business formation, including sole proprietorships, limited partnerships and limited liability companies; and the formation, financing, structure, control, and management of the corporation. 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

Required reading, with suggested approximate reading schedule:

<u>Week</u>	<u>Dates</u>	<u>Topics</u>	<u>Read casebook pp.</u>
1	Aug. 23, 25	Introduction; sole proprietorships, firms, and “companies”	1 – 31
2	Aug. 30, Sep. 1	Agency: creation, liabilities	31 – 59
3	Sep. 8, 13	Agency: liabilities continued, duties	59 – 87
4	Sep. 15, 20	Partnerships: general, duties	87 – 132
5	Sep. 22, 27	Partnerships: property, capital, management	132 – 150
6	Sep. 29, Oct. 4	Partnerships: dissolution, limited partnerships	150 – 182
7	Oct. 6, 11	Corporations: promoters, entities, limited liability	182 – 214
8	Oct. 13, 18	Corporations: derivative actions	214 – 238
9	Oct. 20, 25	Corporations: roles and purposes	238 – 281
10	Oct. 27, Nov. 1	Limited liability companies and limited liability partnerships	281 – 310
11	Nov. 3, 8	Corporations: insiders’ duty of care	310 – 336
12	Nov. 10, 15	Corporations: insiders’ duty of loyalty	336 – 375
13	Nov. 17, 22	Corporations: insiders’ duty of good faith	375 – 404
14	Nov. 29, Dec. 1	Corporations: insiders’ duties of disclosure	404 – 438
Review	TBA	Final and bar examinations preparation	[None]

Read additionally any provision in the supplements to which the casebook text refers. We will cover the material more slowly at first; we will therefore get behind the above reading schedule early in the academic year. *We will, however, catch up by the end 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 semesters.*

Final examination: Monday 13 December 2010, 1:00 p.m.; three hours; closed book, closed supplement, closed notes.

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