

Course Syllabus *DRAFT AS OF 6/10/10******
Business Associations I
Western State University College of Law
Fall 2010
Professor Groshoff, J.D., M.B.A., Ed.M.

Office Hours: TBD

Email: To Be Provided in Class

Office Telephone: To Be Provided in Class

Cell Phone: To Be Provided in Class (PLEASE CALL ONLY BETWEEN 11:00 A.M. AND 9:00 P.M. PACIFIC TIME, M-F; AND BETWEEN 1:00 P.M. AND 9:00 P.M. ON WEEKENDS)

Catalog Description: TBD

Using Electronic Resources:

You will find extensive supplemental course material on WSU's website.

Sending E-mail to Me:

Please type "WSU BA I" in the subject line of any e-mail you send to me.

Please also identify yourself as a day or evening student. I normally read my emails regularly, but I generally delete any mail that has an attachment that I did not request, a subject line or sender name that I do not recognize, or that contains no subject line at all. If you put "WSU BA I" in the subject line, I will be certain to read your email correspondence and will attempt to respond to you within 24 hours.

Attendance and Lateness Policies:

Your attendance is mandated per the general WSU attendance policy, and I do not differ from that policy. I also remind you that material covered in class outside of the textbook (including the *Wall Street Journal* or other links I may post online), as well as material from any guest speakers are considered "fair game" for examinations. PLEASE ARRIVE ON TIME. FAILURE TO DO SO IS A DISTRACTION TO THE LEARNING OF OTHER STUDENTS AND WILL REFLECT NEGATIVELY ON YOUR PARTICIPATION GRADE.

Course Overview and Objectives:

This course is an introduction to concepts of various business organizations. The course is designed to meet the objective that all students will be able to develop and will demonstrate mastery of the following general topics:

1. The Law of Agency
2. Partnerships
3. Limited Liability Companies
4. Organization and Structure of a Corporation
5. Debt, Equity, and Economic Value

6. Financial Rights of Shareholders
7. Control of the Publicly Held Firm
8. Oppression of Minority Shareholders

Course Materials:

In addition to the course text, supplemental materials, and the materials online, you will need a calculator for this class. However, you may use any calculator that can raise a number to a power.

You will need to check online on a regular basis for supplemental readings, links, or discussions.

Required Texts:

D. Gordon Smith & Cynthia A. Williams, *BUSINESS ORGANIZATIONS: CASES, PROBLEMS, AND CASE STUDIES* (2d Ed. 2008), Aspen Publishers (ISBN 978-0-7355-7140-2).

William T. Allen, Reinier Kraakman, & Guhan Subramanian, *COMMENTARIES AND CASES ON THE LAW OF BUSINESS ORGANIZATION* (3d Ed) 2009 (CHAPTER 4 ONLY), RECEIVED DIRECTLY FROM THE PUBLISHER, TO BE DISTRIBUTED IN CLASS OR VIA COPY CENTER.

Optional Texts:

William T. Allen, Reinier Kraakman, & Guhan Subramanian, 2009-2010 *STATUTORY SUPPLEMENT, COMMENTARIES AND CASES ON THE LAW OF BUSINESS ORGANIZATION*, ISBN 978-0-7355-8410-5.

Course Format:

This course will utilize the textbook, supplement, web links, and other readings as the primary reference materials. The course will require (1) a considerable amount of reading and (2) significant involvement and participation of all class members in class discussions.

Class readings must be completed PRIOR TO the class in which those readings will be discussed.

If you are unprepared for a class, please speak with me prior to class so that I do not call on you and embarrass both of us.

Law school courses naturally touch on opinion; sometimes class discussion may be tense and may make class members feel uncomfortable. Use this discomfort to challenge your existing beliefs, regardless of whether you continue to maintain those beliefs after completion of the class. By challenging your beliefs, you may modify or strengthen them.

Because of my reliance on students to help me move class discussion and learning forward, the success of the course depends on the preparation and active participation of all class members.

A goal of this course is to blend theory and praxis, and I will bring examples from my professional experience into class to make the material in the book more practical. In addition, your active participation and discussion of your experiences outside the classroom relative to business enterprises and business law will assist all of us in obtaining as much as possible from this course.

Expectations:

Students are responsible for materials covered in class (*including any guest speakers*), readings, material posted online, and class discussions. Course material will, naturally, extend beyond the assigned readings, particularly as it relates to current events that are discussed in class or posted online.

Students who are absent from class are solely responsible for all material covered or distributed during that missed class.

Furthermore, it is **your** obligation to stop me during class at any time should you have a question or questions as we move through the materials. **I am neither a mind reader nor a perfect instructor, and I have yet to meet either one. As a result, it is expected that, as PC students, you will ask questions of me when the material is unclear to you. I am happy to return to a prior subject or review the existing material until the class generally understands the concepts covered.**

If you still fail to understand the material after such an in-class review, please see me after class or during office hours for a further explanation of the material. Furthermore, at the beginning of each class, I will attempt to ask if anyone has questions from the prior class meeting. If I fail to ask for student questions at the beginning of a new class session, please affirmatively ask on your own any questions that you may have from the prior class session.

Student Rights and Responsibilities:

You agree that your continued registration in this course after the final drop date shall indicate your acceptance of the terms and conditions of this Syllabus.

The maintenance of academic standards and integrity includes the obligation not to cheat or plagiarize. A student who uses dishonest or deceitful means to obtain a grade is guilty of cheating; a student who submits another's work or idea as one's own without adequate attribution is guilty of plagiarism. An offense will be referred to the proper college personnel for appropriate review and potential disciplinary action. Students are fully responsible for learning the course content

and material disseminated in the class and via electronic means. Absences do not release you from this responsibility.

Disability Services:

I am committed to all students having the ability to obtain academic success, and I will work with the appropriate personnel within the College of Law and any students who have documented disabilities to ensure that those students have appropriate educational opportunities that reasonably address students' specific needs.

Use of Audio/Visual Equipment:

Cell phones and other personal communications devices **must be disabled or placed in a silent (non-vibrating) mode in this course. No text messaging** is permitted while the a class session is in progress. The first time these prohibitions are violated, you will be verbally warned, whether individually or as a class. **Each additional violation may result in a 5 percentage point reduction of your final course grade.**

IF YOU ARE CONCERNED ABOUT YOUR GRADE AT ANY TIME DURING THE SEMESTER IT IS **YOUR** RESPONSIBILITY TO SPEAK WITH ME ABOUT IT, AND I WILL BE HAPPY TO HELP AS MUCH AS IS REASONABLY POSSIBLE. IT WILL, HOWEVER, BE INEFFECTIVE TO WAIT UNTIL THE FINAL DAYS, WEEK, OR WEEKS OF THE SEMESTER TO TAKE STEPS TO REMEDIATE AN OTHERWISE POOR SEMESTER.

Grades:

Your course grade will be based on:

(1) Final Exam: 65% of final grade.

(2) Attendance and participation (including any site reports, teamwork, contributions to course website/wiki, and the drafting and interpretation of exemplar business enterprise documents): 25% of final grade.

(3) Mid-term mini-exam: 10% of final grade.

1. Examinations:

PLEASE BE PREPARED FOR EXAMS WITH ALL RELEVANT AND NECESSARY MATERIALS.

BE CONSIDERED CHEATING AND WILL RESULT IN A FAILING GRADE FOR THAT EXAMINATION. Should you have any questions during an exam, please silently raise your hand, and I will attempt to answer your question for you.

2. Participation:

Do not simply talk to have yourself be heard or to have me become so familiar with your raised hand that I can recognize it from across campus.

The quality of comments is graded as follows:

Satisfactory/Acceptable Response: Answering the question posed to you by me, or asking a question related to the subject we are studying.

Good Response: Answering the question posed by your classmates' questions, and asking a question relevant to that moment.

Outstanding Response: Answering my or your classmates' questions and then using that answer to transition the class discussion into a related but new direction with a comment or a question that we as a class can build upon based on our readings and conversation.

It takes time to work your way up to the level of an outstanding response. Do not expect to get there overnight. I expect you to work your way up to the level of an outstanding response by the end of the semester. **The key is to recognize that the QUALITY of what you say is far more important than the QUANTITY of times you say something.**

Other factors considered in participation include, but are not limited to: interrupting the class by arriving after the class instruction time has begun, having your hand raised when someone else is speaking (this action indicates that you are more concerned with your own statement or question than the ongoing dialogue in class), texting, failing to appear engaged.

Changes to Syllabus:

Dates and assignments documented in this syllabus are subject to change at the sole and absolute discretion of the instructor. Every effort will be made to communicate any changes to the class in advance. Verbal notification at a class meeting, however, will constitute sufficient notice. The course schedule is tentative, and this syllabus is subject to change as verbally announced in class or through electronic media.

PLEASE REFER TO THE COLLEGE OF LAW CATALOG FOR ADDITIONAL CLASSROOM POLICIES.

**ANTICIPATED TOPICS, CHAPTERS, AND DATES COVERED
 BASED ON OUR PACING, ***THE BELOW DATES AND PAGES ARE
 SUBJECT TO MULTIPLE CHANGES (including the date of the mini-exam)***
 THAT WILL BE POSTED ONLINE AND/OR DISCUSSED IN CLASS.**

Week	Topic	Readings, Preparation Materials, or Assignments Due
1	Intro. to Course; Agency: Creation, Fiduciary Duties, Principles of Attribution (a) Actual Authority	SW: 1-21 (including Problems 1-1, 1-2). Supplement: TBD
2	Agency: Principles of Attribution (b) Apparent Authority and Estoppel	SW: 21-51. Supplement: TBD PREPARE: Krispy Kreme Doughnuts Case Study (SW 45-51)
3	Partnerships: Formation; Management; Fiduciary Duties	SW: 53-86 (including Problems 2-1, 2-2, & 2-3). Supplement: TBD
4	Partnership: Fiduciary Duties (cont'd.); Financial Attributes (Partnership Accounting, Sharing Profits/Losses Among Partners, Liability of Partners to Third Parties)	SW: 86-117 (including Problem 2-4). Supplement: TBD
5	Partnership: Financial Attributes (cont'd.): Limited Liability Partnerships; Dissolution	SW: 117-141. PREPARE: Frode Jensen & Pillsbury Winthrop, LLP Case Study (SW 124-131). Supplement: TBD

6	<p>Catch up from Weeks 1-5 <i>(jigsawed readings if necessary);</i></p> <p>Practical Application: Drafting Partnership Agreements.</p> <p>Limited Liability Companies: Birth and Development of LLCs; Formation; Management;</p>	<p>SW: 143-167.</p> <p>Supplement: TBD</p>
7	<p>Limited Liability Companies: Limited Liability; Fiduciary Duties; Dissolution</p>	<p>SW: 167-199.</p> <p>Supplement: TBD</p>
8	<p>Limited Liability Companies: Dissolution (cont'd.)</p>	<p>SW: 199-219.</p> <p>Supplement TBD</p> <p>Neoclone Biotechnology International LLC Case Study</p>
9	<p>Catch Up from Weeks 6-8;</p> <p>Practical Application: Creating LLCs and Drafting LLC Governing Documents.</p> <p>Organization and Structure of a Corporation: Incorporation;</p> <p>Debt, Equity, and Economic Value; Capital Structure</p> <p><i>Jigsawed readings (if necessary)</i></p>	<p>SW: 221-236;</p> <p>AKS, Chapter 5 (115-130);</p> <p>SW: 237-247 (including Problem 4-1).</p> <p>Supplement: TBD</p>

Week	Topic	Readings, Preparation Materials, or Assignments Due
10	<p>Organization and Structure of a Corporation: Directors & Shareholders</p> <p>Debt, Equity, and Economic Value</p> <p>Financial Rights of Shareholders: Dividends & Distributions; Limited Liability, Piercing the Corporate Veil, and Related Doctrines</p> <p><i>Jigsawed readings (if necessary)</i></p>	<p>SW: 247- 267 (including Problem 4-2).</p> <p>Supplement: TBD</p> <p>SW: 269-300 (including Problem 5-1).</p> <p>Supplement: TBD</p>
11	<p>Control of the Closely Held Firm: Shareholder Agreements; Transfer Restrictions; Voting Trusts</p> <p><i>Jigsawed readings (if necessary)</i></p>	<p>SW: 301-330 (including Problem 6-1).</p> <p>Supplement. TBD</p>
12	<p>Control of the Closely Held Firm: Classified Shares; Cumulative Voting; Supermajority Requirements.</p> <p><i>Jigsawed readings (if necessary)</i></p>	<p>SW: 331-359 (including Problems 6-2, 6-3).</p>
13	<p>Control of the Closely Held Firm: Preemptive Rights; Deadlock;</p> <p><i>Jigsawed readings (if necessary)</i></p>	<p>SW: 359-383.</p> <p>PREPARE: Red Hat, Inc. Case Study.</p>

Week	Topic	Readings, Preparation Materials, or Assignments Due
14	<p>Oppression of Minority Shareholders: The Plight of the Minority Shareholder; The Meaning of "Oppression;" Remedies for Minority Oppression</p> <p><i>Jigsawed readings (if necessary)</i></p>	<p>SW: 385-422 (including Problems 7-1, 7-2).</p>