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BUSINESS ASSOCIATIONS
SUMMER 2019
SYLLABUS AND MORE
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Welcome!! I am pleased that you are taking this class and look forward to working with you. This course addresses the basics of business organizations – the legal forms a business may take, how a business is started, how a business is run, the duties and possible liability of the various players, how people make money from putting money into a business, and what are the possible "end games" for the owners and for the business.

If you want to do business deals, this course sets you up to take advanced classes. The value of the course, however, is not limited to doing business deals. It is hard to do employment law, environmental law, family law, general civil litigation, I/P law, white collar crime . . . without knowing the basics of business organizations.

No business or finance background is required. I was a history major who dropped introductory accounting.

A casebook and a statutory supplement are required for this course:

- The casebook for this course is Epstein, Freer, Roberts & Shepherd, Business Structures (West **5TH ED 2019**)(hereafter "BS").

- The statutory supplement is Business Associations 2018 Statutes and Rules by Klein et al (Foundation Press)

I have done a couple of student guides that are NOT REQUIRED but might be helpful: A Short and Happy Guide to Business Organizations (West 2016) and Business Organizations Audio CD (part of Gilbert's Law School Legends series). You might also benefit from reading Freer & Moll, Principles of Business Organizations

Attendance, Grading, Exam, etc.

Although all classes are recorded and posted in the Content area of this course, your law school expects that you will attend the live classes at the regularly scheduled times. Your attendance in live class sessions will be reported directly

to your law school. If you have questions about attendance or other administrative matters, please contact _____

Most of your grade will be based on your work on the final exam, The final exam will be an open book, open notes, four-hour exam that consists of multiple choice and true/false questions. More information about when and how the final exam will be given will be provided later in the course by _____

We will be doing true/false and multiple choice "practice/review questions" at the beginning of each class, Your work on these daily questions will also be an exam factor.

And, there will be a relatively short (6-10 pages) paper due the last day of class. The expectation is that you will spend at least 10 hours on this project as the paper replaces three classes. Satisfactory completion of this paper will be a grade factor.

I. BUSINESS ATTORNEYS AS ADVISERS, COUNSELORS, FACILITATORS

A. GENERAL

WHY DO PEOPLE START BUSINESSES ?, BS 1-3
https://hbswk.hbs.edu/archive/want-to-start-a-business-just-do-it
WHY ARE KALIL AND HUGH AND RUTH AND MARIA STARTING TODOS? BS 14-17
WHAT ARE THE POSSIBLE BUSINESS STRUCTURES? BS 61-62, 69-73, 151-54
https://www.sba.gov/business-guide/launch-your-business/choose-business-structure
HOW CAN YOU PROVIDE MORE VALUE THAN LEGAL ZOOM?
https://www.legalzoom.com/sem/biz/business-formation.html?kid=_k_EAIaIQobChMIu5ny48WY4QIVE1qGCh0UMQidEAAYASAAEgJyrfD_BwE_k_&utm_source=google&utm_medium=cpc&utm_term=%2Blegalzoom%20%2Bbusiness&utm_content=221439838531&utm_campaign=Brand_|_BIZ&kpid=go_736432454_46937003020_221439838531_aud-331148937323:kwd-405380127554_c&gclid=EAIaIQobChMIu5ny48WY4QIVE1qGCh0UMQidEAAYASAAEgJyrfD_BwE

WHERE DO YOU FIND BUSINESS STRUCTURE LAW?
MODEL BUSINESS CORPORARTIONS ACT (MBCA) 3.01(a), 2.03(a), 2.02(b)(2)(i)
UNFORM PARTNERSHIP ACT(1997)(RUPA) 105(a), (b)
BS 6-14, 19-21
https://www.youtube.com/watch?v=62kxPyNZF3Q
BS 593-94

WHAT IS AN AGENT AND WHERE DO YOU FIND AGENCY LAW?
BS 19-21
RESTATEMENT THIRD OF AGENCY (R3) 1.04(5)
UNIFORM PARTNERSHIP ACT (1997)(RUPA) 301
WHEN IS A BUSINESS STRUCTURE LIABLE ON A CONTRACT?
BS 23-31

AGAIN, WHEN IS A BUSINESS LIABLE ON A CONTRACT?
https://www.youtube.com/watch?v=JD0jMCgAjv4
WHAT IS THE RELEVANCE OF AGENCY LAW TO THE ATTORNEY-CLIENT RELATIONSHIP?
BS 40-43
WHAT IS THE RELEVANCE OF AGENCY LAW TO THE TORT LIABILITY OF A BUSINESS?
BS 32-38
WHAT IS THE RELEVANCE OF AGENCY LAW TO THE FRANCHISOR/FRANCHISEE RELATIONSHIP?
BS 43-52

B. STARTING A BUSINESS

HOW DO YOU START A PARTNERSHIP?
BS 75-89
HOW DO YOU START A CORPORATION?
BS 155-65

HOW DO YOU START A CORPORATION? (more complete view)
BS 165-182
HOW DO YOU START A LIMITED LIABILIITY COMPANY?
BS 593-99

C. RUNNING A BUSINESS

WHO MAKES DECISIONS FOR A BUSINESS STRUCTURED AS A PARTNERSHIP?
RUPA 105(a)
BS 91-92
WHO MAKES DECISION FOR A BUSINESS STRUCTURED AS A CORPORATION?
BS 199-213

WHO MAKES DECISIONS FOR A BUSINESS STRUCTURED AS A CORPORATION? (cont)
BS 213-223
WHO MAKES DECISIONS FOR A BUSINESS STRUCTURED AS A "CLOSELY HELD" CORPORATION?
BS 341-361

WHO MAKES DECISIONS FOR A BUSINESS STRUCTURED AS A "CLOSELY HELD" CORPORATION? cont
BS 341-61
WHO MAKES DECISIONS FOR A BUSINESS STRUCTURED AS A LIMITED LIABILITY COMPANY?
REVISED UNIFORM LIMITED LIABILTIY COMPANY ACT (RULLCA)
SECTION 105, 407(a), (b), (c)(1-4)
Reread Operating Agreement Provisions on Management pages 597-8
BS 605-610

A*RE THE OWNERS LIABLE FOR THE UNPAID DEBTS OF A BUSINESS STRUCTURED AS A PARTNERSHIP?*
BS 105-109
ARE THE ONWERS LIABLE FOR THE UNPAID DEBTS OF A BUSINESS STRUCTURED AS A CORPORATION?
BS 183-199

ARE THE OWNERS LIABLE FOR THE UNPAID DEBTS OF A BUSINESS STRUCTURED AS A LIMITED LIABILITY COMPANY?
BS 610-26
WHAT ARE THE LEGAL LIMITATIONS ON A BUSINESS STRUCTURED AS A PARTNERNERSHIP'S OBTAINING NEW INVESTOR/OWNERS?
BS 109-111

WHAT ARE THE LEGAL LIMITATIONS ON A BUSINESS STRUCTURED AS A CORPORATION''S OBTAINING NEW INVESTOR/OWNERS?
BS 361-63; Securities Exchange Act of 1934, section 12(g)

D. BUSINESS'S OWNERS MAKING MONEY

WHAT ARE THE LEGAL LIMITATIONS ON A BUSINESS' DISTRIBUTING EARNINGS TO ITS OWNERS?
BS 113-115, 503-515

WHAT ARE THE LEGAL LIMITATIONS ON AN OWNER OF A BUSINESS STRUCTUED AS A PARTNERSHIP SELLING THEIR OWNERSHIP INTEREST TO A THIRD PARTY?
BS 115-117
WHAT ARE THE LEGAL LIMITATIONS ON AN OWNER OF A BUSINESS STRUCTUED AS A CORPORATION SELLING THEIR OWNERSHIP INTEREST TO A THIRD PARTY?
BS 365-67
WHAT ARE THE LEGAL LIMITATIONS ON AN OWNER OF A BUSINESS STRUCTUED AS A LIMITED LIABILITY COMPANY SELLING THEIR OWNERSHIP INTEREST TO A THIRD PARTY?
BS 636-42
WHAT ARE THE LEGAL LIMITATIONS ON AN OWNER OF A BUSINESS STRUCTURED AS A PARTNERSHIP SELLING THEIR OWNERSHIP INTEREST TO THE BUSINESS?
BS 118-121

WHAT ARE THE LEGAL LIMITIATIONS ON AN OWNER OF A BUSINESS STRUCTURED AS A CORPORATION SELLING THEIR OWNERSHIP INTEREST TO THE BUSINESS?
BS 367-82
WHAT ARE THE LEGAL LIMITATIONS ON AN OWNER OF A BUINESS STRUCTURED AS A LIMITED LIABILITY COMPANY SELLING THEIR OWNERSHIP INTEREST TO THE BUSINESS?
BS 642

E. END OF THE BUSINESS STRUCTURE

HOW AND WHY WOULD A BUSINESS DISSOLVE?
BS 130-132,144-47 , 390-93, 519-21

HOW AND WHY WOULD A BUSINESS SELL ITS ASSETS?
https://www.youtube.com/watch?v=gtvTY3hYYQ4
MBCA 12.01(a), 12.02(a), 13.02(a)(3), BS 525 (Much more in the merger and acquisitions course.)

II. BUSINESS ATTORNEYS AS LITIGATORS

A. DUTY OF CARE

WHEN ARE THE MANAGERS OF A BUSINESS LIABLE FOR BREACH OF THEIR DUTY OF CARE?
R3A 8.08
https://www.youtube.com/watch?v=jtSY04_camQ
BS 228-32, 237-54
MBCA 2.02(b)(4), RULLCA 105(d)(3)(C)

B. DUTY OF LOYALTY

WHEN ARE THE MANAGERS OF A BUSINESS LIABLE FOR USURPING A BUSINESS OPPORTUNITY?
R3A 8.05(1)
BS 93-99, 264-80
MBCA 2.02(b)(4), RULLCA 105(d)(3)(A)

WHEN ARE THE MANAGERS OF A BUSINESS LIABLE FOR CONFLICTING INTERST TRANSACTIONS?
BS 280-88, 630-36, 580-85

C. DUTY OF GOOD FAITH AND FAIR DEALING

WHEN ARE THE MANAGERS OF A BUSINESS LIABLE FOR EXCESSIVE EXECUTIVE COMPENSATION?
BS 288-303

D. DIRECT AND DERIVATIVE ACTIONS

WHO SUES?
FRCP 23.1
RULLCA 801, 802, 805
BS 303-12

E. INDEMNITY AND D&O INSURANCE

W*HO PAYS?*
BS 330-38

III. PREVIEW AND REVIEW

A. PREVIEW OF CORPORATE FINANCE AND SECURITIES REGULATIONS AND CORPORATE GOVERNANCE

WHAT IS VENTURE CAPITAL ABOUT?
BS 417-18, 429-35

B. REVIEW OF BUSINESS ASSOCIATIONS

WHAT WAS THIS COURSE ABOUT?