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
HOW CAN YOU PROVIDE MORE VALUE THAN LEGAL ZOOM?
https://www.legalzoom.com/sem/biz/business-formation.html?kid=_k_EAlaiQobChMlu5ny48WY4QlVE1qGCh0UMQidEAYASAAEgJyrFD_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=EAlaiQobChMlu5ny48WY4QlVE1qGCh0UMQidEAYASAAEgJyrFD_BwE
WHERE DO YOU FIND BUSINESS STRUCTURE LAW?
MODEL BUSINESS CORPORATION ACT (MBCA) 3.01(a), 2.03(a), 2.02(b)(2)(i)
UNIFORM 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 LIABILITY 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 LIABILITY COMPANY ACT (RULLCA)
SECTION 105, 407(a), (b), (c)(1-4)
Reread Operating Agreement Provisions on Management pages 597-8
BS 605-610

ARE THE OWNERS LIABLE FOR THE UNPAID DEBTS OF A BUSINESS STRUCTURED AS A PARTNERSHIP?
BS 105-109

ARE THE OWNERS LIABLE FOR THE UNPAID DEBTS OF A BUSINESS STRUCTURED AS A CORPORATION?
BS 183-199

WHAT ARE THE LEGAL LIMITATIONS ON A BUSINESS STRUCTURED AS A PARTNERSHIP'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 STRUCTURED 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 STRUCTURED 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 STRUCTURED 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 LIMITATIONS 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 BUSINESS 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 INTEREST 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  
ULLCA 801, 802, 805  
BS 303-12
E. INDEMNITY AND D&O INSURANCE

WHO 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?