

BUSINESS ORGANIZATIONS – LAW 4701
Professor Ronald J. Colombo – Spring 2019

CLASS SYLLABUS

Course Description:

This course covers the fundamental forms of business organization: the sole proprietorship, the partnership, and the corporation (with an emphasis on the corporation). To a limited extent, LLPs and LLCs shall be addressed as well.

Agency law and fiduciary duty law (essential components of business organization law), shall be covered too.

Finally, certain aspects of securities law shall be covered (more specifically, shareholder voting and antifraud rules).

Learning Objectives:

By the end of this course, students should:

- Have acquired a knowledge of the fundamentals of partnership, agency, and corporate law
- Understand the different roles that state and federal law play in the regulation of business entities
- Have advanced their proficiency in extracting rules and policy from cases, statutes, and administrative regulations and in analyzing, interpreting and arguing differing interpretations of rules and statutes
- Develop an appreciation of the business considerations that drive corporate decision making – including decisions relating to litigation risk and positions taken in litigation
- Develop an appreciation of the role and work of the business lawyer
- Have acquired a general awareness of current events and developments affecting business corporations in the United States

Class times & location:*

Mondays and Wednesdays, 4:10 pm - 6:00 pm

Room 206

See the list of assignments pages at the end of the syllabus for an accurate and detailed listing of class dates.

Professor Colombo contact information:

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* Unless otherwise indicated on TWEN

Course Materials (available for purchase at the Hofstra University Bookstore unless otherwise noted):

- WILLIAM A. KLEIN, J. MARK RAMSEYER, & STEPHEN M. BAINBRIDGE, BUSINESS ASSOCIATIONS: CASES AND MATERIALS ON AGENCY, PARTNERSHIPS, AND CORPORATIONS (9th ed., 2015) (the “Casebook”)*
- KLEIN, RAMSEYER AND BAINBRIDGE'S BUSINESS ASSOCIATIONS-AGENCY, PARTNERSHIPS, LLCs AND CORPORATIONS, 2018 STATUTES AND RULES (the “Statutory Supplement”)†
- A subscription to the *Wall Street Journal* [sign-up for a \$15 semester subscription via www.wsjuniversity.com.]

Attendance & Lateness:

You are expected to arrive on time and prepared for each class.

Moreover, the rules of the New York State Court of Appeals and the American Bar Association require law students to be in good and regular attendance in the courses for which they are registered. To comply with these rules, you must attend at least 85% of the regularly-scheduled classes in this course. **Thus, you may miss no more than eight class hours (or four classes) in this four-credit class.**

I will provide dated sign-in sheets for each regularly-scheduled class. **Your signature (or lack thereof) on these sheets shall presumptively determine your attendance at (or absence from) any given class.** Each student is individually responsible for signing the attendance sheet in. Falsification of sign-in sheets (by, for example, signing another student’s name) is a violation of the Code of Academic Conduct.

If you exceed the permitted absences by not attending class, or by failing to sign in, you will be administratively withdrawn from the course. Any such withdrawal may have serious ramifications for your financial aid, academic standing, and date of graduation. If you are excessively absent from several classes, you may face additional sanctions, including but not limited to denial of certification of good and regular attendance to the New York State Board of Law Examiners, or other state bar examiners.

* A Tenth Edition of this casebook is available, but I have opted to go with the Ninth Edition for this course. The Ninth Edition is perfectly fine for our purposes, and more affordable / used copies of the text should be far easier to come by.

† As you can see from the list of assignments (set forth at the end of this syllabus), there will be many important provisions assigned from the Statutory Supplement and it is essential that you read all of them. These sections are freely available for viewing and printing on Westlaw and LEXIS. Given the demands of law school, I believe that most of you would prefer the convenience of a hard-copy book containing these sections, and for this reason I am assigning the Statutory Supplement text. That said, if you wish to skip the hard-copy book, and download the assigned provisions yourself, you are welcomed to do so.

The Office of Student Affairs has authority to excuse class absences for religious reasons and in cases of truly compelling hardship. If you wish to claim a particular absence as excused, and thus not counted against your maximum number of allowable absences, you must take that issue up with the Office of Student Affairs – NOT with me or my secretary. **I shall mark an absence as excused if and only if I receive a note or email from the Office of Student Affairs to that effect.**

Lastly, late arrivals are disruptive to the class. For this and other reasons, please make every effort to arrive on time to class.

TWEN:

This course shall use “TWEN” (The West Education Network), “an online extension of the law school classroom.” Important course information, materials, and announcements will be made available / communicated via TWEN. Please sign up for TWEN as soon as possible. This course can be accessed as “Business Organizations (Spring 2019) – COLOMBO.” If you have TWEN-related questions, please ask one of our librarians at the reference desk for assistance.

Laptops in the Classroom:

Several studies have suggested that laptops in the classroom, for a variety of reasons, undermine, rather than enhance, the educational experience. My own experience, both as a student and as an instructor, has suggested the same. For this reason, a growing number of professors, here and elsewhere, have banned the use of laptops in the classroom.

Although I do not ban laptops in my classrooms, I strongly discourage their use. It is certainly true that different students learn in different ways, but if you are like most students, you will follow class discussions better, and get more out of each class, if you leave your laptop at home or turned off.

To help encourage you to attend class without your laptop, I am going to have a podcast (MP3 audio file) of each class made available to you on a timely basis. These podcasts can be accessed via the Hofstra portal as follows:

1. Log in to the Hofstra portal (my.hofstra.edu)
2. Click on “My Apps” 
3. Select the Echo360 app 
4. You will be redirected to your Echo360 dashboard and should see your registered courses.
5. If you click on the course, you will see the available podcasts.

For help with this, please contact the Law School's helpdesk via lawhelp@hofstra.edu or phone (516-463-4192). Hopefully, this will reduce the need that many students have to transcribe every word of classroom discussion. That said, **do not rely on these podcasts as a substitute for smart, careful note taking.** Among other reasons for this, technical malfunctions are always a possibility, which could cause a particular class session to not properly be recorded.

Lastly, since laptops can distract even those students who are not using them (as computer screens displaying a video game, the latest breaking news, ballgame scores, or sales events can sometimes, admittedly, be a bit more interesting than the study of law), I shall require that those **students who insist on using their laptops in class seat themselves in the last row of the classroom.** I do this not to punish or penalize such students in any way, but rather to protect non-laptop-using students from the distractions posed by ubiquitous computer screens within their field of view.

Email and Office Hours:

My email and office hours are set forth above. For general administrative questions or concerns, please contact my secretary for assistance. For substantive questions or concerns, please *do not* email me, but rather meet with me during office hours, as such questions are much better addressed in person.

During my office hours, I will meet with students on a first-come, first-served basis. However, students who have made an appointment to meet with me (by signing up to do so via the "Office Hours Appointments" link on TWEN) will be seen during their respective 15-minute time-slots in preference to others.

If you do make an appointment to meet with me, please make every effort to be punctual. If you are late, and there are other students who wish to meet with me, you shall lose your appointment and need to wait your turn in the first-come, first-served queue. If you know ahead of time that you cannot make a scheduled office hours appointment, please delete your name from the TWEN sign-up sheet so that another student can make an appointment for the time in question. (And if you show up to your appointment on time, and my door happens to be closed, or if I happen to still be meeting with someone else, *please knock!*)

In the interest of maintaining student privacy, the TWEN sign-up sheet has been configured so as not to reveal to other classmates the names of those students who have signed up for an appointment.

A private text box has been added to the TWEN office-hours sign-up sheets. Please consider filling this box in with a short message (even if just a word or two) to help me prepare for our meeting.

I encourage you to take full advantage of my office hours. And please do not feel as though you need to limit the subject of our meetings to class matters *per se* -- I would be happy to discuss with you more general law school concerns, career questions, or anything else that would be appropriate.

In the event that it is not possible for you to meet with me during my regularly-scheduled office hours, please let me know (preferably via email) and we can arrange to meet at another time that works for both of us.

Workload

The American Bar Association requires that you spend at least eight hours per week, on average, outside of class studying for this 4-credit course. This is in addition to the four hours a week we spend in class. This workload for the course has been formulated to meet that requirement.

Grading:

Your final grade shall be based primarily upon a final examination. The final examination will be closed-book and consist of a combination of multiple choice and essay questions totaling 100 points. It will be graded anonymously.

Each multiple-choice question will be worth a set value (yet to be determined). The grade you receive for your final exam essay(s) will also be worth a set number of points (yet to be determined).

The amount of points earned on your final exam essay(s) will be predicated upon the following performance indicators:

Final Exam Essay Question Performance Indicators
Content of Each Answer (primary component of grade)
The content element will be judged on: <ul style="list-style-type: none">• How effectively the answer is organized• How clearly the answer is written• How accurate the answer's writing is• The preponderance of reasoned conclusions• How well the answer reflects your ability to interpret the given information• How directly the answer responds to the given question(s)• How well the answer identifies the issues presented by the questions(s)
Grammar (secondary component of grade)
The grammar element will be judged on a few key elements: <ul style="list-style-type: none">• Correct punctuation and spelling• Subject/verb agreement• Sentence construction• Use of complete sentences / articulation of complete thoughts

I reserve the right to increase or decrease your final exam score by up to five (5) points on account of your in-class performance throughout the course. Pursuant to this policy, exceptional class participation that reflects preparation, thought, and engagement will be rewarded, while class participation that reflects the opposite will be penalized.

You will earn a letter grade for the course (from "A" to "F") that corresponds to your score on the final exam (and taking into account any class participation adjustment) given the parameters set by the Law School's mandatory grading curve. In the event that the class's enrollment consists of 25 or fewer students, the Law School's grading curve will

not be mandatory, but will nevertheless serve as a guide for how grades should be distributed.

Some of my past exams for Business Organizations are available via the Library's Exam Archives. I would encourage you to review these past exams as part of your preparation for the final exam in this course. Please bear in mind, however, that course coverage changes somewhat from year to year, and as such there may be material tested on prior exams that would not be tested on this semester's exam (and vice versa). If you have questions related to the Exam Archives, please ask one of our librarians at the library's reference desk for assistance.

Assignments

Planned assignments, including the estimated class date for which each is due, are set forth below. Unless otherwise notified, you should come to class prepared to discuss a given assignment on the estimated date specified.

No.	Topic	Casebook	Statutory Supplement and/or other	Estimated Date
1	Introduction / Agency	CB 1-12	R(2d)A §1; R(3d)A §1.01;	1/9 (Wed)
2	Agency: Contract Liability	CB 12-14, 22-28	R(2d)A §§7, 8, 8A, 8B, 26, 27, 33, 34, 82; R(3d)A §§2.01; 2.02, 2.03, 2.04, 4.01, 4.02, 4.03, 4.06	1/14 (Mon)
3	Agency: Tort Liability	CB 31-38, 48-55, 59- 63	R(2d)A §§2, 219, 220, 228; R(3d)A §§7.01, 7.07	1/16 (Wed)
4	Agency: Fiduciary Duties	CB 63-66, 69-72	R(2d)A §387, 388, 396	1/23 (Wed)
5	Partnership: Formation	CB 73-82, 87-89	UPA §§202, 306, 308	1/28 (Mon)
6	Partnership: Fiduciary Duties	CB 89-96, 101-113	UPA §§103, 404	1/30 (Wed)
7	Partnership: Management	CB 117-121	UPA §§103, 301, 305(a), 306, 401(c), (f), 401(j); UPA(1914) §9(3).	2/4 (Mon)
8	Partnership: Dissolution	CB 129- 134, 144- 153	UPA §§401(b), 601, 602, 603, 701(a), Article 7 [skim], 801, 802(a), 802(b), Article 8 [skim]	2/6 (Wed)
9	LLPs & LLCs; Corporations: Introduction; Corporations: Limited Liability	CB 169- 172, 184- 196	MBCA §§2.01, 2.02, 2.03, 2.04, 2.05, 2.06, 4.01(a), 6.22; Bainbridge 1-3, 11-12 [TWEN]	2/11 (Mon)
10	Corporations: Shareholder Derivative Actions	CB 203-221	MBCA §§ 1.43(a), 7.41, 7.42, 7.44	2/13 (Wed)

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No.	Topic	Casebook	Statutory Supplement and/or other	Estimated Date
11	Corporations: Shareholder Derivative Actions / Special Litigation Committees	CB 221-242	DGCL §§ 141(a); 141(c)(2)	2/20 (Wed)
12	Corporations: Role & Purpose	CB 242-258	MBCA §§3.01, 3.02, 3.04; DGCL §§362, 365	2/25 (Mon)
13	Corporations: Fiduciary Duties (Duty of Care & Business Judgment Rule)	CB 299-322	DGCL §§ 141(e), 144, 220 [skim]	2/27 (Wed)
14	Corporations: Fiduciary Duties (Duty of Loyalty)	CB 322-327, 332-342		3/4 (Mon)
15	Corporations: Fiduciary Duties (Duty of Loyalty / Dominant Shareholders & Ratification)	CB 342-354	DGCL §144; MBCA §8.60(1).	3/6 (Wed)
16	Corporations: Fiduciary Duties (Good Faith / Executive Compensation)	CB 359-374	Bainbridge 3-9 [TWEN]	3/11 (Mon)
17	Corporations: Fiduciary Duties (Oversight)	CB 374-381		3/13 (Wed)
18	Corporations: Securities Law	CB 395-397	SEA Rule 10b-5; <i>Basic</i> [TWEN]	3/25 (Mon)
19	Corporations: Securities Law (Insider Trading)	CB 465-477	SEA §10(b); SEA Rule 10b-5; SEA Rule 14e-3; <i>Chiarella</i> [TWEN]	3/27 (Wed)

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No.	Topic	Casebook	Statutory Supplement and/or other	Estimated Date
20	Corporations: Proxy Rules	CB 503-507, 513-523	SEA §14 [skim]; SEA Rule 14a-1(l); SEA Rule 14a-2(b); SEA Rule 14a-4(a), (b), (e), (f); SEA Rule 14a-9; CBS Schedule 14A [TWEN] [skim]; Bainbridge 9-11 [TWEN]	4/1 (Mon)
21	Corporations: Shareholder Proposals	CB 527-537	CBS Schedule 14A pp. 89-90 [TWEN]; SEA Rule 14a-8	4/3 (Wed)
22	Corporations: Shareholder Inspection Rights	CB 546-558	DGCL § 220	4/8 (Mon)
23	Corporations: Shareholder Agreements & Close Corporations	CB 563-570, 579-591	DGLC § 218	4/10 (Wed)
24	Corporations: M&A	CB 667-677, 697-703	DGLC § 251(a), (b), 259(a)	4/15 (Mon)
25	Corporations: Takeovers	CB 722-743	DGLC §§ 259(a), 271(a)	4/17 (Wed)
26	Corporations: Takeovers (cont'd)	CB 744-771		4/22 (Mon)
27	Review Session			4/24 (Wed)* [4 hour class: 4:10pm-8pm]
	[class cancelled]			4/25 (Thu)*

*class on Wednesday, 4/24. will meet for four hours instead of two (running from 4:10 pm – 8 pm). This will make up for the class cancelled on 4/24. As per law school rules, attendance for the second two hours of class on 4/22 (from 6pm-8pm), although strongly suggested, is not mandatory. As with all classes in this course, these classes will be recorded and made available via podcast.

Key:

“Casebook” / “CB”:	WILLIAM A. KLEIN, J. MARK RAMSEYER, & STEPHEN M. BAINBRIDGE, BUSINESS ASSOCIATIONS: CASES AND MATERIALS ON AGENCY, PARTNERSHIPS, AND CORPORATIONS (9th ed., 2015)
“Statutory Supplement”:	KLEIN, RAMSEYER AND BAINBRIDGE'S BUSINESS ASSOCIATIONS- AGENCY, PARTNERSHIPS, LLCs AND CORPORATIONS, 2016 STATUTES AND RULES
“R(2d)A”:	Restatement (2d) of Agency [1958]
“R(3d)A”:	Restatement (3d) of Agency [2006]
“UPA”:	Uniform Partnership Act (1997) (referred to as the “Revised Uniform Partnership Act” by some sources)
“UPA(1914)”:	Uniform Partnership Act (1914)
“ULLCA”:	Uniform Limited Liability Company Act (1996)
“DGCL”:	Delaware General Corporation Law
“MBCA”:	Model Business Corporation Act
“FRCP”:	Federal Rules of Civil Procedure
“SEA”:	Securities Exchange Act of 1934
“SEA Rule”	Securities Exchange Act of 1934 Rule
“[TWEN]”:	item available on TWEN website, under “Handouts” link
“[skim]”:	skim the material for familiarity; a close reading is unnecessary