

BUSINESS ORGANIZATIONS

Professor Joanna B. Apolinsky

japolinsky@johnmarshall.edu

404-872-3593 x. 156

Office Hours are posted outside my office.

Required Texts: Epstein, Freer, Roberts & Shepherd, Business Structures (Thomson/West, 3d Ed.)

Klein, Ramseyer & Bainbridge, Business Associations: Agency, Partnerships, LLCs, and Corporations, 2014 Statutes and Rules (Foundation Press)

Please note: Students should always bring both texts to class.

Suggested

Supplemental Texts: Freer & Moll, Principles of Business Organizations (West)
J. Mark Ramseyer, Business Organizations (Wolters Kluwer)
Michael A. Chasalow, Acing Business Organizations (West)

Course Grade: The grade in this course is based solely on the final examination. Class participation, while expected, does not count toward your final grade.

Class Attendance: Class attendance is mandatory and will be taken at the beginning of each class. It is your responsibility to sign the attendance sheet every day. If you do not sign it, you will be counted absent. A student who misses more than 20% of the course during the semester shall receive a grade of "W/F" for the course.

You are expected to be prepared every day in class. "Prepared" means you have read and understand each case, including the notes that follow; you are able to discuss intelligently the facts, issue and reasoning in each case; and you are able to answer questions pertaining the case, as well as answer other questions pertinent to the discussion at hand. If you are not sufficiently prepared, do not come to class. I do not allow you to "pass" absent extraordinary circumstances, which is a very high threshold. In my sole discretion, I reserve the right to count any student absent who is tardy, unprepared or leaves class early. Any such absence will be counted toward the student's total class absences for purposes of the attendance policy above.

Please note: the Disciplinary Panel has adopted a policy that any student who requests another student to sign an attendance sheet for another will be conclusively presumed to have violated the JMLS

attendance policy and will be given an “F” in the course. This presumption shall also apply to any student who signs in another student. Such disciplinary action will be made part of a student's permanent record.

Class Material: The material to be covered in class is listed below. These assignments are subject to change if circumstances require. Advance notice of any changes will be given to the extent possible.

Laptop Usage: Computing devices (laptops, tablets, etc.) may be used in class solely for the purpose of taking notes. However, the use of such devices in class is a privilege, not a right. If I become aware of them being used during class for things other than note-taking, I reserve the right to ban their use during class altogether.

Course Objectives: By the end of the semester, students should be able to:

1. Identify and articulate, both orally and in writing, the differences among the various business entities; specifically, how each entity is created; the rights and obligations of the participants in the entity, utilizing both state law and federal securities law; and the process by which each entity is dissolved.
2. Identify and articulate, both orally and in writing, the applicability of state statutory law, case law and/or federal securities law to a particular set of facts.
3. Recognize the importance of, and be able to identify and articulate, both orally and in writing, the rules of agency; specifically, under what factual circumstances does one become an agent of another; the rights and obligations that agency relationship creates; actual and apparent authority in an agency context; and the relevance of an agent's having bound the principal, whether in tort or contract.
4. Identify and articulate, both orally and in writing, fiduciary duty concepts; specifically, who owes fiduciary duties in each business entity; to whom are those fiduciary duties owed; under what circumstances are fiduciary duties breached. The students should also be able to analyze, both orally and in writing and using applicable rules, whether or not a breach of fiduciary duty has occurred.
5. Accurately and objectively analyze in an essay format any of the legal issues identified above, either on an exam or in any other context during the course, by identifying the correct legal issue, accurately stating the applicable rule, identifying legally relevant facts, applying those facts to the rule, and objectively reasoning to a conclusion.

6. Accurately and objectively analyze any of the legal issues identified above, either on an exam or in any other context during the course, to correctly answer multiple choice questions.

<p>Week 1</p> <ul style="list-style-type: none"> • Businesses Generally • Sole Proprietorships • Overview of Other Business Forms 	<p>Chapters 1 & 2 <u>and</u>:</p> <ul style="list-style-type: none"> • After Questions following <u>A.P. Smith</u> case, read: <u>Sullivan v. Hammer</u>, 1990 WL 114223
<p>Weeks 2 and 3</p> <ul style="list-style-type: none"> • Partnerships 	<p>Chapter 3 <u>and</u>:</p> <ul style="list-style-type: none"> • Before Problems on pg. 65, read: <u>Richert v. Handly</u>, 311 P.2d 417 <u>Richert v. Handly</u>, 330 P.2d 1079 • Before Problems on pg. 68, read: <u>National Biscuit Co. v. Stroud</u>, 106 S.E.2d 692 <u>Smith v. Dixon</u>, 386 S.W.2d 244 • Before Problems on pg. 77, read: <u>Rouse v. Pollard</u>, 21 A.2d 801 <u>Roach v. Mead</u>, 722 P.2d 1229 (Part I only)
<p>Week 4</p> <ul style="list-style-type: none"> • Corporations Generally; Formation 	<p>Chapter 4; pages 131-147; <u>and</u>:</p> <ul style="list-style-type: none"> • Before Problems at bottom of pg. 117, read: <u>Stanley J. How & Assoc., Inc. v. Boss</u>, 222 F.Supp. 936 <u>Robertson v. Levy</u>, 197 A.2d 443 • After Questions following <u>Dewitt</u> case, read: <u>Baatz v. Arrow Bar</u>, 452 N.W.2d 138 <u>Hanewald v. Bryan's Inc.</u>, 429 N.W.2d 414 • After <u>In re Silicone Breast Implants</u> case, read: <u>Fletcher v. Atex, Inc.</u>, 68 F.3d 1451 (Parts I, II(B)(1))
<p>Week 5</p> <ul style="list-style-type: none"> • Who Gets to Make Decisions for the Corporation? 	<p>Pages 147-200 <u>and</u>:</p> <ul style="list-style-type: none"> • After Questions following <u>McQuade</u> case, read: <u>Clark v. Dodge</u>, 269 N.Y. 410
<p>Week 6</p> <ul style="list-style-type: none"> • Decision-makers' Legal Responsibilities: the Duty of Care and the Duty of Loyalty 	<p>Pages 201-248</p> <ul style="list-style-type: none"> • After Questions following <u>Van Gorkom</u> case, read: Del. Gen. Corp. Law §102(b)(7) O.C.G.A. §14-3-202
<p>Week 7</p> <ul style="list-style-type: none"> • Decision-makers' Legal Responsibilities: The Duty of Loyalty (Interested Director Transactions) 	<p>Pages 249-308</p> <ul style="list-style-type: none"> • After Questions following <u>Zapata</u> case, read: <u>Beam v. Stewart</u>, 845 A.2d 1040

<p>Week 8</p> <ul style="list-style-type: none"> • How Does a Corporation Grow: Issuing Stock • How Do the Owners of a Corporation Make Money: Salaries, Dividends. 	Chapter 6; pages 338-374
<p>Week 9</p> <ul style="list-style-type: none"> • Responsibilities When Buying and Selling Stock 	Pages 375-413
<p>Week 10</p> <ul style="list-style-type: none"> • Responsibilities When Buying and Selling Stock: Insider Trading (Federal Law); Common Law Obligations 	Pages 413-453; http://coveringbusiness.com/2012/05/15/what-martha-stewart-did-wrong/
<p>Week 11</p> <ul style="list-style-type: none"> • Shareholders' Obligations When Selling Stock of the Corporation • Fundamental Corporate Changes (Dissolution, Merger) 	Pages 453-508
<p>Week 12</p> <ul style="list-style-type: none"> • Fundamental Corporate Changes (Sale of Assets, Hostile Takeovers) • Defending a Corporation from a Hostile Takeover 	Pages 508-563
<p>Week 13</p> <ul style="list-style-type: none"> • Defending a Corporation from a Hostile Takeover – State Laws • Limited Partnerships 	Pages 563-607
<p>Week 14</p> <ul style="list-style-type: none"> • Limited Liability Companies 	Chapter 10/Review