



DEPAUL UNIVERSITY

COLLEGE OF LAW

Business Organizations, Fall 2007, Section 101

Professor Gold

Class meets in Room 905, Tuesdays and Fridays, 3:00 p.m. to 4:15 p.m.

Office: Room 808

Office Hours: Friday 12:30 – 2:30 p.m., and by appointment

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Syllabus Part I

Required Texts:

The required materials for this course are the O’Kelley and Thompson casebook, *Corporations and Other Business Associations* (5th edition, 2006), and the statutory supplement to that text.

Course Description:

This course provides an introduction to the law of business organizations, including partnerships, closely held corporations, and publicly held corporations. In studying this area of the law, we will develop familiarity with the law of agency and of fiduciary duties, focusing especially on their application to partnership and corporate governance and liabilities. Goals include an understanding of the basic rules which regulate business organizations, how they impact joint owners of a business, and why particular business forms may be advantageous in certain circumstances. This course will also serve as a preparation for upper level business courses such as Securities Regulation or Corporate Finance.

Course Requirements:

A seating chart will be handed out on the first day of class which all students must sign. Failure to sit in the appropriate assigned seat will be recorded as an absence. Students are expected to regularly attend class and to be prepared to participate in class discussion. I will assign students the responsibility to discuss the reading assignments for

each class period. However, I may also call on other students to supplement class discussion. Additionally, students are encouraged to volunteer at any time.

Students should also regularly check Blackboard a couple of times a week. A current syllabus will be posted on Blackboard, and I may also post announcements regarding class or reading assignments.

Grading:

There will be one three hour open book examination, which will comprise the majority of the grade in this course. Students may use any written materials during the examination, including the casebook, the statutory supplement, class notes and outlines, and treatises.

The exam grade will be based on analytical responses to the exam questions, showing the ability to apply the knowledge learned in class and in the reading assignments. Class participation will be counted on a limited basis as an aid to grades, based on thoughtful, analytical participation. For example, if participation warrants an addition to a grade, the grade may be raised to the next highest level, e.g., from a B to a B+. Frequent absences may negatively impact a student's grade, in accord with the Student Handbook. If there is a reason for such absences, please contact me. In cases of extraordinary hardship, I may make exceptions to this absence policy.

Assignments for the First Month of Class:

Please read the applicable statutory or Restatement provisions from the statutory supplement where they are referenced in cases or problems in the casebook.

- 1. Introduction to Business Organizations; Agency and Fiduciary Duty; Employment at Will:** Casebook, pages 1-2 (Chapter 1, Part A), and pages 9-29. Also review §§ 1, 13, 376, 377, 379, 381-83, 385, 387, 388, 393-96 of the Restatement (Second) of Agency (contained in the statutory supplement).
- 2. Agency and Authority; Introduction to Partnerships and LLCs:** Casebook, pages 30-48. Also review §§ 7; 8; 8A; 26 and 27 of the Restatement (Second) of Agency and Uniform Partnership Act ("UPA") (1997) § 202 (contained in the statutory supplement).
- 3. Partnership Formation; Division of Profits and Losses:** Casebook, pages 48-67. Also review UPA (1997) §§ 101(11); 103(a); 203; 301; 401; 807(a), (b).
- 4. Fiduciary Duties; Management of Partnership Business and Affairs:** Casebook, pages 67-86. Also review UPA (1997) §§ 103; 401(f), (j); 403; 404; 405.

5. **Partnership Dissociation and Dissolution:** Casebook, pages 86-105. Also review UPA (1997) §§ 103(b)(6); 601-603; 701; 801-803; 807(a), (b).
6. **Partnership Dissociation and Dissolution; Partners as Agents:** Casebook, pages 105-129. Also review UPA (1997) §§ 102; 301; 303; 305; 306; 601; 602; 701(a), (b); 801(2), (3).
7. **Partners as Agents, Continued; Introduction to Corporations; The Annual Meeting; Shareholder Voting:** Casebook, pages 129-132; 141-162. Also review Delaware General Corporation Law (“DGCL”) §§ 101; 102(a); 109; 141(a), (d); 142; 211(b), (d); 212(a), (b); 214; 228(a); 242 (contained in the statutory supplement).
8. **Removing Directors; Changes to Default Rules:** Casebook, pages 162-187. Also review DGCL §§ 141(k); 223.