

## **Corporations & Business Organizations**

Professor Goodenough

Spring, 2021

Syllabus, Course Information and Topic Summary

January 5, 2021

The text is Cunningham, *Corporations and Other Business Organizations, 9<sup>th</sup> Ed.* The statutory supplement is Eisenberg & Cox, *Corporations and other Business Organizations, Agreements, Statutes, Rules, etc. 2020 Edition.* To the extent we also cover matters referred to in class (e.g. the news items discussed) or other supplemental readings and handouts, please give that your attention as well.

Evaluation will be based 20% on a series of four short quizzes (5% each) spaced through the term, with the last of the four in the exam period, and 80% on the final exam. The final exam will be given on an open-book, take-home basis. The quizzes will be ten questions with a six-minute time allotment. Anyone seeking time accommodation should contact the Registrar's office.

Individual assignments will be made through the "day sheet" which will be distributed via both TWEN and TEAMS in advance of each class. These will include the supplemental readings and videos.

The normal course times are Tuesday and Thursday afternoons, 2:10pm to 4:30pm. This term, because of our COVID-19 remote teaching policy, instruction will be entirely through the TEAMS platform, synchronously taught, in a hybrid lecture and Socratic format.

I ask students, as a general matter, to turn on their cameras as they attend class. This encourages us all to a higher level of engagement. There are, of course, reasons to go to the plain screen, but please do have your camera on as the default mode. Those who wish to keep a neutral background may of course use that TEAMS function.

There will be a short break near the middle of each class. If a makeup class becomes necessary, I anticipate that some form of asynchronous instruction will be used. Office Hours will initially be scheduled for Tuesday afternoons at 5:00-6:00; that may change in light of other schedules.

The course has four principal topic groups, the first two relatively short, the second two more extensive:

1. An introduction to what business organizations try to do and some of the economic principles that govern business finance. In the course of these discussions, we will develop and commit to memory the topic/organization form matrix that will help organize the course going forward. We will also examine corporate legal practice, including a look at the impact of technology on law.
2. An exploration of the law of Agency. This topic cuts across all of the other forms, and is the baseline for the law of employees and of independent contractors.
3. A review of the laws governing Partnerships, LLCs and Closely Held Corporations, using the matrix as an organizing principle. These forms have a great deal in common, as they all are designed to structure interactions among a relatively small group of “owners” on the basis of personal exchange principles and use contractual agreements as their legal format.
4. A review of the laws governing traditional Corporations, using the matrix as an organizing principle. This form is designed to structure interactions among a relatively large group of “owners” on the basis of impersonal exchange principles

In more detail, the topics and textbook assignments are set out below. The ancillary web readings and videos after the first two topic groups will be set out in the daily class outlines:

A. Introduction to the Social Context of Business Organizations, Economics, Choice of Forms and Contemporary Corporate Practice

Textbook: Introduction, pp xxv-xxiv Text: 5-9; 51-52; 81; 116-130; 178-180

Additional Readings: See first day assignment and class handout

Consult and explore: <https://www.legalzoom.com/business/business-formation/>;  
<https://www.nvsilverflume.gov/digitaloa/home>;  
<https://www.sec.state.vt.us/corporationsbusiness-services.aspx>;

## B. Agency

Texts: Textbook 5-50; Restatement of Agency 3rd: 1.01-1.04, 2.01-2.07, 3.01-3.03, 6.01-6.04, 7.01-7.08, 8.01-8.15 (not the commentary unless specifically assigned);

Ancillary Readings:

DBA Form <https://sos.vermont.gov/corporations/registration/assumed-business-name-registration/> and its links;

Power of Attorney Forms

<https://www.nysba.org/WorkArea/DownloadAsset.aspx?id=22346> &

[http://www.expertlaw.com/library/estate\\_planning/limited\\_power\\_of\\_attorney.html](http://www.expertlaw.com/library/estate_planning/limited_power_of_attorney.html);

Independent Contractor Agreement at

<https://www.sec.gov/Archives/edgar/data/788920/000119312512173378/d338181dex102.htm>

## C. Partnerships, LLCs, Closely Held Corporations/Agreement Based/Personal Exchange

1. Formation, Liability, Magic: Text 53-66; 75-89; 131-138, 191-200, 222-226; 279-300; 396-408; 411-424. Statutes: UPA: 6-7, 9-15; RUPA 103, 201-202, 305-306, 1001-1003; RULPA: 201, 303-304; ULPA 2001: 201, 303, 404; RULLCA 104, 105, 108, 110, 201-202, 206, 304; Del. 101-103, 341-344, 350-351, 354; RMBCA 2.01-2.03, 4.01, 6.22, 7.32. Form of Partnership Agreement (Eisenberg), LLC Operating Agreement (Eisenberg), Shareholder's Agreement (Handout)

2. Contributions/Money In, Accounting and Allocation, Distributions/Money Out and Tax: Text: 66-67; 90-98. Statutes: UPA 18, 19; RUPA 401, 402; RULPA 501-504, 601; RULLCA 401-406. Agreements: Partnership Secs 2, 3 and 4; LLC Articles 8 & 9; Tax videos and links (TBA).

4. Management and Control: Text: 67-68; 138-146; 368-371. Statutes: UPA 18-19, RUPA 401, RULPA 302 & Comment, 403, ULPA 2001 406, RULLCA 301, 407. Agreements: Sections on Management

5. Loyalty & Care: Text: 68-75; 147-161; 371-393. Statutes: UPA 21; RUPA 103(b), 404, RULLCA 110, 408, 409. Agreements: Partnership 5.2; LLC Article 5.

6. Liquidity and Dissolution: Text 98-115; 161-177; 268-278. UPA 27-28, 29-43; RUPA 103(b), 501-504, 601-603, 701-705, 801-807; RULLCA 110, 501-504, 601-603, 701-704;

RMBCA 6.27; Del. 342(b), 347. Agreements; Partnership Agreement, Articles 7-10; LLC Agreement, Articles 10-12; Shareholder Agreement H & I

D. Traditional Corporations/Status Based/Impersonal Exchange and SEC Matters

1. Money in/Money Out and Tax: Text 227-255; 445-468; 955-973. Del. ss 102(a)(4); 151-154; 161; 173. RMBCA 2.02; 6.01-6.03; 6.21; 6.25; 6.40. Tax videos and links (TBA).

2. Formation and Management: Pages 279-300; 302-352, 354-368. Forms of Certificate, By-Laws, Organization Meeting (Eisenberg). Del. 108-109, 141-142, 211-216, 228. RMBCA: 7.01-7.02; 7.04-7.08; 7.28; 8.01-8.10; 8.20-8.25; 8.41; 10.20; Vermont Digital Corporation provision Title 11A § 8.20.

<http://legislature.vermont.gov/statutes/section/11A/008/00008.20>

3 Care: Text 470-530; RMBCA 8.30-8.31 & Comments; Del 141(e), 144, 145

4. Loyalty: Text 533-573; 664-697

5. SEC Matters: Text 809-818, 819-850, 880-892

FINAL EXAM