



**BUSINESS ASSOCIATIONS  
SECTIONS 234 A  
SPRING 2018  
PROFESSOR JAMES A. HAYES, JR.  
Email: jamhayes@wsulaw.edu**

**COURSE SYLLABUS & POLICIES**

**TEXTS**

- Required:**            *Business Associations*  
Ninth Edition,  
William A. Klein, J. Mark Ramseyer, and Stephen M. Bainbridge  
Foundation Press
- Business Associations: Agency, Partnerships and Corporations -  
Statutes and Rules*  
2017 Edition  
William A. Klein, J. Mark Ramseyer, and Stephen M. Bainbridge  
Foundation Press
- Recommended:**    *Corporate Law: Concepts and Insights Series*  
Third Edition  
Stephen M. Bainbridge  
Foundation Press
- Agency, Partnerships & LLCs: Concepts and Insights Series*  
Second Edition  
Stephen M. Bainbridge  
Foundation Press
- The Economic Structure of Corporate Law*  
Frank H. Easterbrook and Daniel R. Fischel  
Harvard University Press

**OBJECTIVES AND SCOPE OF THE COURSE**

This course is a survey of the law of the creation, governance and control of business associations, including partnerships, limited partnerships, limited liability companies and corporations. Its purpose is to acquaint students with the fundamental legal elements of these business relationships and entities. Finally, this course will examine some of the types of commercial

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practices and economic policies that have shaped this area of business law, to help you develop analytical skills that require you to think, write and problem-solve like a business lawyer.

**MIDTERM EXAMINATION, FINAL EXAMINATION AND GRADING**

Each student will receive a numeric grade based upon a two-hour midterm and a four-hour final given during final examination week. The midterm writing assignment will count as twenty-five (25) percent of the grade and the final will count as seventy-five (75) percent.

**Midterm Examination:**

The midterm examination will consist one essay question to be completed in-class in two (2) hours. The examination will require analysis of the law and policy issues covered in the reading materials and class discussions. **For the midterm examination you will be permitted to refer to your statute book and any outline or notes you have hand-written on the available pages in the statute book (additional pages may not be appended in any manner). You will be expected to precisely cite to and paraphrase applicable uniform and model laws, rules and statutes in your essay answers.**

**Final Examination:**

The final examination will consist of three essay questions to be completed in four (4) hours. The examination will require analysis of the law and policy issues covered in the reading materials and class discussions. **For the final examination you will be permitted to refer to your statute book and any outline or notes you have hand-written on the available pages in the statute book (additional pages may not be appended in any manner). You will be expected to precisely cite to and paraphrase applicable uniform and model laws, rules and statutes in your essay answers.**

**PREPARATION REQUIREMENTS FOR CLASS**

Please bring the required texts to all classes. The reading assignments refer to the Klein, Ramseyer and Bainbridge casebook ("KRB" in the assigned reading list). I have also assigned recommended readings from *Agency, Partnership & LLCs: Concepts and Insights Series* ("APL" in the assigned reading list, *Corporate Law: Concepts and Insights Series* ("CL" in the assigned reading list; and The *Economic Structure of Corporate Law* ("ESCL" in the assigned reading list). Most assigned uniform and model laws, rules and statutes may be found in your statute book. Those that are not in the statute book, as well as the official comments to the assigned provisions, may be found in the law library or on WestLaw or Lexis. **You must read the applicable official comments.**

**Pursuant to ABA Standard 310, you are required to devote at minimum two (2) hours of out-of-class time preparing for each hour of classroom instruction. The assigned readings each week have been calibrated for you to achieve this minimum requirement.**

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**ATTENDANCE AND PARTICIPATION**

In this course, the cases will be analyzed and illuminated through students' responses to questions during class. Emphasis will be on the factual context and the reasoning underlying the holdings in the cases, not simply the "black letter" rules derived from the holdings. This can lead to spirited and stimulating discussion, but only if the students are thoroughly prepared. You will, therefore, be expected to have carefully read and briefed each case and reviewed the applicable model statutes in the weekly assigned reading.

*Unless otherwise instructed, you are responsible for all materials assigned in the reading list and you are expected to prepare the readings assigned on the syllabus, regardless of where we are on the syllabus in the class discussions.*

**ATTENTION:**

**Your attendance and participation in all classes are required. It is solely the responsibility of the individual student to personally sign the attendance sheet for each class. Failure to prepare for a class will count as an absence. Students who are absent from more than THREE (3) classes will be academically withdrawn from the course. THESE ATTENDANCE AND PARTICIPATION POLICIES WILL BE STRICTLY ENFORCED.**

**OFFICE HOURS**

My office hours on campus are from 3:00 p.m. to 6:00 p.m. on Tuesdays and Thursdays or by appointment in my office in the first floor faculty suites. You may make an appointment by e-mail by contacting me at jamhayes@wsulaw.edu. The purpose of an appointment should be to discuss questions you may have about the substantive law of the course

**COURSE WEBSITE- MANDATORY ENROLLMENT**

I have prepared a course website on Lexis/Nexis Webcourses. *You are required to enroll on the website as soon as possible after the beginning of the semester.* I will be regularly updating the website with articles, study materials, practice exams, links to sites of interest, etc. throughout the semester. *You are responsible for checking the website regularly and you will be responsible for all materials posted on it.*

**CLASSROOM POWERPOINT SLIDES**

I will post any PowerPoint presentations I use during a class on the course website. **The PowerPoint presentations are solely for the purpose of guiding classroom discussion and are not intended to substitute for a student outlining, reading, briefing or otherwise preparing for class.**

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**DISABILITY SERVICES STATEMENT:**

Western State College of Law provides accommodations to qualified students with disabilities. The Disabilities Services Office assists qualified students with disabilities in acquiring reasonable and appropriate accommodations and in supporting equal access to services, programs, and activities at Western State College of Law.

To seek reasonable accommodations, a student must contact Senior Assistant Dean Donna Espinoza, Student Services Director and Disabilities Services Coordinator, whose office is in the Students Services Suite 119. Dean Espinoza's phone number and email address are: (714) 459-1117; [despinoza@wsulaw.edu](mailto:despinoza@wsulaw.edu). When seeking accommodations, a student should notify Dean Espinoza of her or his specific limitations and, if known, her or his specific requested accommodations. Students who seek accommodations will be asked to supply medical documentation of the need for accommodation. Classroom accommodations are not retroactive, but are effective only upon the student sharing approved accommodations with the instructor or professor. Therefore, students are encouraged to request accommodations as early as feasible with Dean Espinoza to allow for time to gather necessary documentation. If you have a concern or complaint in this regard, please notify Dean Espinoza; or please notify Associate Dean of Students Charles Sheppard at [csheppard@wsulaw.edu](mailto:csheppard@wsulaw.edu) or (714) 459-1152. Complaints will be handled in accordance with the College of Law's "Policy against Discrimination and Harassment."

**PROGRAMMATIC LEARNING OUTCOMES**

Western State College of Law's curriculum is designed so that every student achieves a level of competency prior to graduation in each of the eight Programmatic Learning Outcomes listed below:

**(1) Doctrinal Knowledge**

Students will demonstrate knowledge of substantive and procedural law in the core curriculum subjects, including Contracts, Criminal Law, Criminal Procedure, Torts, Real Property, Business Association, Evidence, Civil Procedures, Constitutional Law, Estates, Community Property, Remedies, and Professional Responsibility.

**(2) Practice Skills**

Students will demonstrate the development of other law practice skills. Each student's chosen outcomes within this category will be varied based on the student's particular interests, coursework and work experiences. They may include, but are not limited to, the following topics: oral presentation and advocacy; interviewing; counseling; client service and business development; negotiations, mediation, arbitration, or other alternate dispute resolution methods; advanced legal research and writing (excluding purely academic papers and the first four units earned in introductory first-year legal research and writing class); applied legal writing such as drafting contracts, pleadings, other legal instruments; law practice management or the use of technology in law practice; cultural competency; collaboration or project management; financial analysis, such as accounting, budgeting project management, and valuation; cost benefit analysis in administrative agencies; use of

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technology, data analyses, or predictive coding; business strategy and behavior; pre-trial preparation, fact investigation, such as discovery, e-discovery, motion practice, assessing evidence, or utilizing experts; trial practice; professional civility and applied ethics; a law clinic that includes a classroom component; or a legal externship that includes a classroom component.

**(3) Legal Analysis**

Students will demonstrate the ability to identify the factual and legal issues implicated by a fact pattern and to appropriately use cases (including identifying the salient features of an appropriate precedent case, identifying legally significant similarities or differences between the precedent case and a fact pattern and explaining why those are legally significant) and rules (including the ability to connect legally significant facts in a fact pattern to the rule) to predict how a court would decide the issue. Students will also demonstrate the ability to identify and evaluate the public policies of a precedent case or rule, and be able to evaluate how public policy can impact the application of a rule to the legal issue.

**(4) Legal Research**

Students will demonstrate the ability to locate relevant legal authority using a variety of book and electronic resources, and to properly cite to such legal authority.

**(5) Communication**

Students will demonstrate the ability to communicate both orally and in writing in a manner appropriate to a particular task to effectively convey the author or speaker's ideas. This includes audience sensitivity in written and oral communication (the ability to adopt a tone, style and level of detail appropriate to the needs, knowledge and expertise of the audience); and written communication basic proficiency (the ability to use the conventions of grammar, spelling, punctuation, diction and usage appropriate to the task and sufficient to convey effectively the author's ideas).

**(6) Advocacy of Legal Argument**

Students will demonstrate the ability, in both oral and written formats, to evaluate the legal, economic and social strengths and weaknesses of a case and use case and statutory authority as well as public policy to persuade others. Making policy-based arguments includes the ability to identify and evaluate the public policies of a precedent case or rule and their implications, and be able to assert such appropriate arguments to support a particular application or distinction of a precedent case to a legal controversy or a particular resolution of the application of a rule to the legal controversy.

**(7) Client Sensitivity and Cultural Competency**

Students will demonstrate an awareness of clients' needs and goals, including a sensitivity to clients' background and circumstances (including, but not limited to, socio-economic, gender, race, ethnicity, educational, disability and/or religious background(s)), the ability to make decisions that reflect an appropriate focus on those needs and goals, and awareness that cultural issues may affect the relevance of facts and application of the law.

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**(8) Legal Ethics**

Students will demonstrate the ability to identify ethical issues in law practice contexts and make appropriate decisions to resolve such issues.

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**INSTITUTIONAL LEARNING OUTCOMES:**

**1. Analytical Reasoning**

Analyze issues objectively, interpret and synthesize data and ideas, and develop feasible, flexible, and creative solutions to real world problems

**2. Effective Communication**

Identify audiences, assess information provided, interpret needs, and present relevant information using appropriate written, oral, and listening skills and media to meet the needs of the situation

**3. Information Competency**

Gather, evaluate, and ethically use information from a variety of relevant technological and library resources to make decisions and take action

**4. Interpersonal Effectiveness**

Develop individual and group interpersonal skills to improve and foster participation and interaction critical for achieving individual and group goals

**5. Personal and Professional Integrity and Ethical Behavior**

Demonstrate a multi-dimensional awareness of individual and social responsibility to act ethically and with integrity in a diverse, global society.

**6. Professional Competence**

Apply skills appropriate to program objectives and employ critical reasoning to contribute to one's field and profession

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**COURSE CONTENT AND ASSIGNED READING:**

<b>Tuesdays</b>	<b>Thursdays</b>	<b>Topic(s)</b>	<b>Casebook Readings</b>	<b>Recommended Readings</b>	<b>Uniform/ Model Laws/Statutes</b>
1/16		Introduction to Business Associations  Sources of Business Entity Law		ESCL Chapter 1	
	1/18	Concept of Limited Liability  Piercing the Limited Liability Veil	KRB 179-198	ESCL Chapter 2 CL Chapter 4	
1/23		Piercing the Limited Liability Veil (cont'd)	“ “ “	“ “ “	“ “ “
	1/25	The Limited Partnership and the LLC	KRB 157-167 KRB 259-297	APL, Chapter 3, 187-198, and Chapter 4	RULPA (1976) ULLCA (1996)
1/30		The LLC (cont'd)	“ “ “	“ “ “	“ “ “
	2/1	The Nature of the Corporation: Role & Purpose	KRB 242-258	CL Chapter 1 and Chapter 2	
2/6		The Nature of the Corporation: Formation	KRB 169-178	CL Chapters 2, 3, 5 and 13	MBCA Chapters 1-6; 8; and 10
	2/8	The Nature of the Corporation: Capital Structure and Distributions	“ “ “	“ “ “	“ “ “
2/13		The Nature of the Corporation: Governance Structure	“ “ “	“ “ “	“ “ “
	2/15	Duty of Care and Business Judgment Rule	KRB 299-322	ESCL Chapter 4 CL Chapter 6	MBCA §§8.30 – 8.33: 8.42
2/20		Duty of Care and Business Judgment Rule (cont'd)  Indemnification	KRB 489-501		MBCA §§ 8.50-8.59
	2/22	Duty of Loyalty	KRB 322-358	CL Chapter 7	MBCA §§ 8.60 – 8.70
2/27		Good Faith and Fair Dealing	KRB 358-382	“ “	“ “

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<b>Tuesdays</b>	<b>Thursdays</b>	<b>Topic(s)</b>	<b>Casebook Readings</b>	<b>Recommended Readings</b>	<b>Uniform/ Model Laws/Statutes</b>
	3/1	Derivative Litigation	KRB 199-242	CL Chapter 8	MBCA §§ 7.40-7.46
3/6		Derivative Litigation (cont'd)	KRB 382-395	“ “	“ “
	3/8	<b>MIDTERM EXAMINATION</b>			
3/20		Regulation of Corporation Securities	KRB 395-427	CL 47-52 CL 314-320	SEA § 12
	3/22	Regulation of Corporation Securities (cont'd)	“ “ “	“ “ “	“ “
3/27		Securities Fraud	KRB 427-450	CL 314-320	SEA § 10 SE Rule 10b-5
	3/29	Securities Fraud (cont'd)	“ “ “	“ “ “	“ “ “
4/3		Insider Trading	KRB 451-480	ESCL Chapter 10 CL 303-313; 320-364	
	4/5	Insider Trading (cont'd)	“ “ “	“ “ “	
4/10		Short-Swing Trading	KRB 480-488	CL 364-372	SEA § 16(b)
	4/12	Shareholder Voting	KRB 558-563	CL 259-274	MBCA §§ 7.01-7.29
4/17		Closely-Held Corporations: Control Devices	KRB 563-591	ESCL Chapter 9 CL 485-504	MBCA §§ 7.30-7.32
	4/19	Closely-Held Corporations: Oppression and Fiduciary Duties	KRB 591-621	CL 504-515	
4/24		Closely-Held Corporations: Judicial Dissolution	KRB 622-648	CL 515-522	MBCA Chapter 14
	4/26	Closely-Held Corporations Transactions in Controlling Shares	KRB 649-666	ESCL Chapter 5	
5/1		Catch-Up and Review			