



WESTERN STATE COLLEGE OF LAW
— AT WESTCLIFF UNIVERSITY —

**BUSINESS ASSOCIATIONS
SECTIONS 234B
SPRING 2023
PROFESSOR JAMES A. HAYES, JR.
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COURSE SYLLABUS & POLICIES

TEXTS

Required:

Business Associations
Eleventh Edition
Stephen M. Bainbridge
Foundation Press

*Business Associations: Agency, Partnerships and Corporations -
Statutes and Rules*
2022 Edition
Stephen M. Bainbridge
Foundation Press

Recommended:

Corporate Law: Concepts and Insights Series
Fourth Edition
Stephen M. Bainbridge
Foundation Press

Agency, Partnerships & LLCs: Concepts and Insights Series
Third 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

Business Associations is a semester-long, four-unit course survey of the law of agency relationships and the creation, governance and control of modern business associations,

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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 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.

EXAMINATION AND GRADING

Each student will receive a numeric grade based upon (1) eight (8) weekly graded written assignments, worth a total of 100 points and (2) a final examination consisting of a two essay questions worth a total of 300 points.

The assignments will be administered and completed through the course LexisNexis Webcourse site.

The final examination will consist of two 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.

. The assignments and final examination will be “open book.”

PREPARATION REQUIREMENTS FOR CLASS

Please bring the required texts to all classes. The reading assignments refer to the Stephen M. Bainbridge casebook ("CB" in the assigned reading list). I have also assigned recommended readings from *Agency, Partnership & LLCs: Concepts and Insights Series* (“APL” in the reading list, *Corporate Law: Concepts and Insights Series* (“CL” in the reading list; and The *Economic Structure of Corporate Law* (“ESCL” in the 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.

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

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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 10:00 a.m. to Noon. on Wednesdays in the first floor faculty suites. You may make an appointment by e-mail by contacting me at jhayes@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.**

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.

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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. 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 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 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

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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.

(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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COURSE CONTENT AND ASSIGNED READING:

Week	Mondays	Wednesdays	Topic(s)	Casebook Readings	Recommended Readings	Uniform/ Model Laws/Statutes
1		1/18	Introduction to Business Associations Sources of Business Entity Law Agency Introduction to the Agency Relationship	CB: 1-13	APL, Chapter 2, pp. 19-38	Restatement (Second) Agency §§ 1, 3
	1/23		Consequences of Creating an Agency Relationship: -Principal's Liability in Contract	CB 13-45	APL, Chapter 2, pp. 38-75	Restatement (Second) Agency §§ 7, 8-8B, 26-27, 82
2		1/25	Consequences of Creating an Agency Relationship: -Principal's Liability in Tort Fiduciary Obligations of Agents	CB 45-82 CB: 82-92	APL, Chapter 2, pp. 75-106 APL, Chapter 2, pp. 106-120	Restatement (Second) Agency §§ 219-220, 228- 229 Restatement (Second) Agency § 13, 379-388

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Week	Mondays	Wednesdays	Topic(s)	Casebook Readings	Recommended Readings	Uniform/ Model Laws/Statutes
	1/30		Partnerships Partnership Defined	CB 93-111	APL, Chapter 3, pp. 121-140	Uniform Partnership Act (1914) §§ 2-3, 6-7, 18 Revised Uniform Partnership Act (1997) §§ 102-103, 201-202
	1/30 (cont'd)		Fiduciary Duties in Partnership Law	CB 111-138	APL, Chapter 3, pp. 161-177	Uniform Partnership Act (1914) §§ 21 Revised Uniform Partnership Act (1997) §§ 409
3		2/1	Partnership Property and Capital	CB 138-140	APL, Chapter 3, pp. 150-159	Uniform Partnership Act (1914) §§ 8, 18-28 Revised Uniform Partnership Act (1997) §§ 201-204, 401-408
			Partnership Governance	CB 140-149	APL, Chapter 3, pp. 140-150	Uniform Partnership Act (1914) §§ 8, 18-28 Revised Uniform Partnership Act (1997) §§ 104-107, 301-308
			Partnership Dissolution: -Right to Dissolve -Consequences of Dissolution -Sharing of Losses - Buyout Agreements	CB 150-166	APL, Chapter 3, pp. 177-200	Uniform Partnership Act (1914) §§ 29-41 Revised Uniform Partnership Act (1997) §§ 601-806

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Week	Mondays	Wednesdays	Topic(s)	Casebook Readings	Recommended Readings	Uniform/ Model Laws/Statutes
	2/6		Sources of Business Entity Law Concept of Limited Liability Piercing the Limited Liability Veil	CB 190-206	ESCL Chapters 1-2 CL Chapter 4	
4		2/8	The Limited Partnership and the LLC	CB 166-178 CB 871-931	APL, Chapter 3, 191-198, and Chapter 4	RULPA (1976) ULLCA (1996)
	2/13		The Nature of the Corporation: -Role & Purpose -Formation - Capital Structure and Distributions - Governance Structure	CB 206-224 CB 179-190	CL Chapters 1, rs 2, 3, 5 and 13	MBCA Chapters 1-6; 8; and 10
	2/20		PRESIDENTS' DAY – NO CLASS			
5	2/21 TUESDAY		Duty of Care and Business Judgment Rule Indemnification	CB 225-251 CB 468-482	ESCL Chapter 4 CL Chapter 6	MBCA §§8.30 – 8.33; 8.42 MBCA §§ 8.50-8.59
6	2/27		Duty of Loyalty and Good Faith	CB 251-313	CL Chapter 7	MBCA §§ 8.60 – 8.70
7	3/6		Derivative Litigation	CB 314-365	CL Chapter 8	MBCA §§ 7.40-7.46
	3/13		SEMESTER BREAK – NO CLASS			
8	3/20		Regulation of Corporation Securities and Securities Fraud	CB 365-423	CL 49-67 CL Chapter 11	SEA § 12 SEA § 10 SE Rule 10b-5
9	3/27		Insider Trading Short-Swing Trading	CB 423-458 CB 458-468	ESCL Chapter 10 CL Chapter 11	SEA § 10 SE Rule 10b-5

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Week	Mondays	Wednesdays	Topic(s)	Casebook Readings	Recommended Readings	Uniform/ Model Laws/Statutes
10	4/3		Shareholder Voting Closely-Held Corporations: Control Devices	CB 554-566 CB 566-598	CL Chapter 10 CL Chapter 14	MBCA §§ 7.01-7.29
11	4/10		Closely-Held Corporations: Oppression and Fiduciary Duties	CB 598-639	CL Chapter 14	
12	4/17		Closely-Held Corporations: Judicial Dissolution Transactions in Controlling Shares	CB 639-653 CB 654-674	CL Chapter 14	MBCA Chapter 14
13	4/24		Mergers and Acquisitions	CB 675-720	Chapter 12	MBCA Chapters 11-13
14	5/1		Takeovers	CB 720-775	Chapter 12	