

CORPORATIONS

Spring 2009

(Professor Gabaldon)

Course Information and Syllabus

Course Meets: MTWTH 11:00-11:55

Overview: This course will introduce you to basic principles of agency law, the laws of unincorporated businesses, and corporate law, as well as to rudimentary financial and accounting concepts (as in, where on the page to find “the bottom line” on which managers so famously focus). It will be conducted on the assumption that class members have little or no business background.

Required Books: There are two books required for the course. The first is Robert H. Hamilton & Jonathan R. Macey, *Cases and Materials on Corporations Including Partnerships and Limited Liability Companies* (10th ed., 2007) (“Text”). The second is Robert H. Hamilton & Jonathan R. Macey, *Statutory Supplement to Cases and Materials on Corporations Including Partnerships and Limited Liability Companies* (10th ed., 2007) (“Statutory Supplement”), which contains, among other things, various uniform and model acts. As part of every assignment you are expected to read in the Statutory Supplement those provisions of any uniform or model act that are referred to in the assigned Text pages.

Other Resources: First and foremost, if you have a question, come ask me! If you prefer something with a cover, you should know that Robert Hamilton, the original editor of our case book, has been a veritable Energizer Bunny in producing student guides. These include a Nutshell, a Black Letter Law Outline, and a primer, *Business Basics for Law Students*. The Nutshell and Black Letter Law Outline both are organized along the same lines as the Text.

Attendance: You are required to attend at least 80% of our regularly scheduled classes and to sign a certificate to that effect before taking the final exam. Failing to do so will prevent you from taking the final exam and thus from receiving credit for the course.

Class Participation: My class participation policy will be discussed the first day of class. The quality of your class participation can affect your grade by up to one-half step.

Grading: Your grade will be determined (subject to any participation adjustment) by your performance on the final exam. It will be a three hour, open book exam in multiple choice format, with space provided for explanations.

Contact Information: My office is on the fifth floor of Lisner, my phone number is 994-6995,

and my email address is tgabaldon@law.gwu.edu. Please do not flatter me by assuming that I can open esoteric attachments (that is, using any program other than Word or WordPerfect). You should be warned that I am a dinosaur; I check my email only once a day, typically in the late afternoon or early evening. I sometimes do not check email at all on weekends. My office hours will be announced the first week of class. I have an open door policy (even when it's closed!), and warmly welcome drop-ins.

TENTATIVE (PARTIAL) SYLLABUS

CORPORATIONS

(Professor Gabaldon)

The assignments shown below are for the first eight weeks of class and are approximate. We generally should cover one assignment per class session; where an assignment will take more than one session, I have made a notation to that effect. Please note that I have asked you to read the entirety of the first two assignments for the first day, even though I expect that we will spend two days covering them.

Notwithstanding the illusory certainty of a syllabus, there will be (many) occasions on which we fall behind or the wheels otherwise come off the trolley. I will announce each Thursday how far I expect to get the following week. As a fallback, a good rule of thumb is to stay three cases ahead of the case we were discussing at the end of the prior class.

I. Overview of the Principal Forms of Doing Business

Text, pages 1-3; 8-24

(To be read in conjunction with assignment II and expected to take two days)

II. Overview of the Laws of Agency

Text, pages 3-8; Statutory Supplement, pages 1-13

(To be read in conjunction with assignment I and expected to take two days)

III. The Law of Partnership

A. Need for a Written Agreement; Sharing of Profits and Losses

Text, pages 25-34

B. Limited Liability Partnerships

Text, pages 49-52

C. Management

Text, pages 52-64

D. Duties of Partners to Each Other

Text, pages 64-72

E. Partnership Property; Partnership Accounting

Text, pages 72-81

F. Partnership Dissolution
Text, pages 81-95; 103-104 (notes 2-4); 116 (following asterisks)-117

G. Inadvertent Partnership
Text, pages 117-122

IV. The Limited Partnership and Federal Income Taxation

Text, pages 123-141; 145-146 (notes 5-6); 146-150
(This assignment will take two days.)

V. Limited Liability Companies

Text, pages 154-162; 166-172; 182-185; 189-192

VI. Development of Corporate Law

Text, pages 193-211
(This assignment will take two days but should be read as a single block.)

VII. Corporate Formation

A. Where to Incorporate; How to Incorporate
Text, pages 212-227

B. The Doctrine of *Ultra Vires*
Text, pages 227-231; 236 (notes 1-3)

C. Premature Commencement of Business
Text, pages 236-253
(This assignment will take two days.)

VIII. Disregard of the Corporate Entity

A. The Common Law Doctrine
Text, pages 258-276

B. Federal/State Relations and Other Disregard Cases
Text, pages 289-302

C. Reverse Piercing; Equitable Subordination
Text, pages 302-308

IX. Financial Matters and the Corporation

A. Debt and Equity Capital; Types of Equity Securities; Issuance of Shares;

Debt Financing

Text, pages 314-344

(This assignment should be read as a single block, but will carry us for two days.)

B. Planning the Capital Structure for the Closely Held Corporation

Text, pages 344-347

(Although this assignment is short, it is complicated and will take more preparation than usual.)

C. Public Offerings

(1) Text, pages 347-358

(2) Text, pages 358-365

(3) Text, pages 365-369

D. Preemption, Dilution and Recapitalization

Text, pages 369-378

E. Distributions

Text, pages 383-410

(This assignment will carry us for two days.)

F. Legal Restrictions on Distributions; Non-Model Act Statutes

Text, pages 410-418