BUSINESS ORGANIZATIONS
Law 7050-001, Class #5190
Professor Ralph R. Mabey

M-Tu-W, 10:35 a.m. to 12 noon
Room 105

S. J. Quinney College of Law
Fall 2011

CONTENT

Introduction to the law of business organizations, including general and limited partnerships, limited liability companies, closely held and public corporations. Limited liability companies will receive emphasis appropriate to their growing importance.

TEXTS


CLASS FORMAT

The class will focus on a discussion of the (1) statutes, cases, notes, and problems contained in the texts and other assigned materials; (2) relevant events reported in the media, including in assigned newspaper articles; and (3) relevant questions posed by class members. Generally, a brief lecture will introduce each day’s subject.

I encourage students to work together as they study.

GRADING

Grades will be based upon (1) the final exam and (2) a (potential) 1/3 grade increase or decrease for class participation (E.g., B+ to B or A-). For purposes of class participation, one-third of the class will be on call each day.

A comprehensive examination will be administered at the end of the semester. The examination will be based upon the assigned reading and class discussions. The exam will be a closed-book exam (except that you may refer during the exam to your copy of the "Selected Statutes, Rules, and Forms," which you may personally annotate with convenient cross-references and the like, written in the margins) comprised of some or all of multiple choice, true/false, and short answer questions.
ATTENDANCE

The law school requires students to attend a minimum of 80% of regularly scheduled classes.

EQUAL ACCESS

The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in this class, reasonable prior notice needs to be given to Barbara Dickey, Associate Dean for Student Affairs, and to the Center for Disability Services (CDS) to make arrangements for accommodations. CDS is located at 200 S Central Campus Drive, Room 162, or you can call (801) 581-5020. All written information in this course can be made available in alternative format with prior notification.

HELP LINE

I may be reached at the following address and numbers. I am happy to help wherever I can.

Office: (801) 585-1004, Fax: 866-763-0412
Email: mabeyr@law.utah.edu, Mobile: (801) 599-3300

OFFICE HOURS
Room 211

On the days that class is held—Noon to 1 p.m.

CLASS SCHEDULE AND READING ASSIGNMENTS

[As relevant current events develop, the syllabus may be updated.]

Tues. Aug 23
Slides: The Law of Business Organizations; Casebook: pp. 8-18; Articles: (1) Don Reisinger, "How Much Are Social-Media Companies Really Worth?" The Digital Home (7/12/11 on-line); and (2) Shayndi Raice,"Is Facebook Worth $100 Billion?" Wall Street Journal (7/14/11)

(Slides and Articles available on Class TWEN website: http://lawschool.westlaw.com/manage/homepage.aspx?courseid=115252
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Wed. Aug 24 Restatement (Third) of Agency Sections 1.01-1.03; Casebook: pp. 20-39

Mon. Aug 29 Restatement (Third) of Agency Sections 2.01-2.06, 3.01, 3.03, 3.10 (1), 3.11; Casebook: pp. 39-49

8/4/11

Wed. Aug 31 Uniform Partnership Act (1997) Sections 101(11), 103, 306, 401, 403, 404; 405; 807(a) & (b); Uniform Partnership Act (1914) Section 40; Casebook: pp. 68-82 (including Problems 2-2, 2-3 and 2-5)

Mon. Sept 5 No Class – Labor Day Holiday

Tues. Sept 6 Uniform Partnership Act (1997) Sections 103(b)(3), 401(f) and (j), 404; 1001; Uniform Partnership Act (1914) Section 40; Casebook: pp. 83-98 (including problem 2-6)

Wed. Sept 7 Uniform Partnership Act (1997) Sections 103(b)(6), 601-603, 701, 801-803; Casebook: pp. 98-114 (including Problem 2-9 [for Problem 2-9 consider only the Uniform Partnership Act (1997), do not consider the Uniform Partnership Act (1914)])


Wed. Sept 14 Model Business Corporation Act ("MBCA")Sections 2.01-2.06, 6.01, 8.01, 8.40, 10.01-10.04, 10.20; Delaware General Corporation Law ("DGCL")Sections 101, 102, 109, 141(a), 142, 151, 242; Casebook: pp. 153-166 (including Problems 3-2 and questions 2&3 in Problem 3-4)

Mon. Sept 19 MBCA Sections 7.01-7.07, 7.21, 7.28, 8.04, 8.06, 8.08-8.10; DGCL Sections 141(d), 141(k), 211-213, 212(a), 214, 216, 222-223, 228; Casebook: pp. 166-171 & 176-189 (including Problem 3-8); Article: Andrew Edgecliffe-Johnson, Dan McCrum, Kate Burgess and Leslie Hook, "Calpers Attacks News Corp Share Structure." Financial Times (7/20/11)

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Tues. Sept 20 Securities Act of 1933 Sections 3-5, 11, 12, 17; SEC Rules 147, 501-508; Casebook: pp. 189-208
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<tr>
<th>Date</th>
<th>Topic</th>
<th>Readings/Articles</th>
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<tr>
<td>Wed. Sept 21</td>
<td>NYU-ALI/ABA MBCA Sections 6.21, 6.40; DGCL Sections 152-154, 160, 170, 244; Casebook: pp. 593-608 (including Problems 7-1 &amp; 7-2)</td>
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<td>Wed. Sept 28</td>
<td>1934 Exchange Act Rules 14a-3, 14a-4, 14a-5, 14a-9; Casebook: pp. 213-222 (including Problem 3-10, which requires you to pick a publicly held company and look at its corporate governance structure); Articles: (1) Joann S. Lublin, &quot;Firms Feel 'Say on Pay' Effect,&quot; <em>Wall Street Journal</em> (5/2/11); and (2) Russell Adams and Joann Lublin, &quot;News Corp. Board Challenged,&quot; <em>Wall Street Journal</em> (7/26/11)</td>
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<td>Mon. Oct 3</td>
<td>Review of introductory corporate materials</td>
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<td>Tues. Oct 4</td>
<td>MBCA Sections 8.01, 8.31, 8.41-8.42; Casebook: pp. 265-276 (including Problem 4-1)</td>
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Wed. Oct 5  ALI Principals of Corporate Governance Section 5.05; MBCA Section 8.70; DGCL Section 122(17); Casebook: pp. 277-300 (including Problems 4-2, 4-3 & 4-4)

Oct. 10-14  Fall Break – No Class

Mon. Oct 17  MBCA Sections 1.43, 6.24, 8.11, 8.60-8.63; DGCL Sections 141, 144, 157; Casebook: pp. 311-323 (including Problems 4-5 & 4-6)

Tues. Oct 18  MBCA Sections 2.02(b)(4), 8.30, 8.31; DGCL Section 141(e), 102(b)(7); Casebook: pp. 323-327, 346-348 (Notes 2, 3, 6, 7 & 9); pp. 349-357 (including Problem 4-7)

Wed. Oct 19  MBCA Sections 8.01(b), 8.30, 8.42; DGCL Section 102(b)(7); Casebook: pp. 357-376 (including Problem 4-8)

Mon. Oct 24  Casebook: pp. 376-393 (including Problem 4-9); Disney Derivative Complaint (2d Amended) found in the O'Kelley Selected Statutes, Rules and Forms; Article: Leigh Jones, "News Corp's Independent Directors Hire Top Lawyers," Reuters (7/19/11)

(Articles available on Class TWEN website: http://lawschool.westlaw.com/manage/homepage.aspx?courseid=115252
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Tues. Oct 25  MBCA Sections 7.40-7.42, 7.44, 8.42; ALI Principals of Corporate Governance Section 7.03; Casebook: pp. 393-399 & 407-422 (including Problem 4-10); Article: Jonathan Glater, "Big Penalty Set for Law Firm, But Not a Trial," New York Times (6/17/08)

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Wed. Oct 26  MBCA Sections 7.44, 8.50-8.59; DGCL Sections 102(b)(1) & 145; Casebook: pp. 432-440, 444-446 (including Problem 4-13)


Tues. Nov 1  MBCA Sections 7.32, 8.01, 8.24(c); DGCL Sections 141(a), 141(b), 350-354; Casebook: pp. 447-467 (including Problem 5-1)
Wed. Nov 2  MBCA Sections 7.22, 7.30-7.31; DGCL Sections 212, 218(a), 218(c); Casebook: pp. 467-478

Mon. Nov 7  Casebook: pp. 478-488 & 492-504 (not including Problem 5-2)

Tues. Nov 8  MBCA Sections 8.90, 14.30 & 14.34; Casebook: pp. 504-519 (including Problems 5-3(2)(a)-(d) & 5.4(b)-(c))

Wed. Nov 9  MBCA Section 6.27; Casebook: pp. 519-533 (including Problem 5-5)


Tues. Nov 15  DLLCA Sections 1101(c)-(e); RULLCA 110 & 409; Casebook: pp. 556-571

Wed. Nov 16  DLLCA Section 802; RULLCA Sections 701 & 110(c)(7); Casebook: pp. 571-591

Mon. Nov 21  On TWEN access LLC Operating Agreements 1, 2, 3, 4 and 5 and the "Reading Assignments, Instructions, Guidelines" ("Instructions"). Read the relevant sections of all 5 Operating Agreements in these categories: (I) Organization; (II) Management and Control; (III) Capitalization; (IV) Distribution and Allocations; and (V) Defining/Limiting Fiduciary Duties. Refer to the Instructions accompanying each Operating Agreement—there you will find these categories and the relevant sections of the Operating Agreements that you should read. Prepare to answer the Questions in the Instructions that apply to the assigned categories. Bring your laptop to class so that you will have access to these materials.

Professor Mabey will team teach with L.L.C. expert Charles L. Allen, Executive Vice President, Secretary, and Chief Legal Officer of Extra Space Storage, Inc., a New York Stock Exchange-traded Real Estate Investment Trust


8/4/11
On TWEN access LLC Operating Agreements 1, 2, 3, 4 and 5 and the "Reading Assignments, Instructions, Guidelines" ("Instructions"). Read the relevant sections of all 5 Operating Agreements in these categories: (VI) Transferability of Interests; (VII) Term and Dissolution; and (VIII) Default and Dispute. Refer to the Instructions accompanying each Operating Agreement—there you will find these categories and the relevant sections of the Operating Agreements that you should read. Prepare to answer the Questions in the Instructions that apply to the assigned categories. Bring your laptop to class so that you will have access to these materials.

Professor Mabey will team teach with L.L.C. expert Charles L. Allen, Executive Vice President, Secretary, and Chief Legal Officer of Extra Space Storage, Inc., a New York Stock Exchange-traded Real Estate Investment Trust

Thanksgiving Holiday – No Class

Review of Limited Liability Companies; Professor Mabey will team teach with L.L.C. expert Charles L. Allen, Executive Vice President, Secretary, and Chief Legal Officer of Extra Space Storage, Inc., a New York Stock Exchange-traded Real Estate Investment Trust

Dodd-Frank Act; Articles: Summary of Act (from Senate Banking Committee website); July 21, 2011 testimony of Federal Reserve Chairman Ben Bernanke; Federal Rulemaking summary; Articles: (1) Robert Frank, Gregory Zuckerman and Steve Eder, "Soros Fund All in the Family," Wall Street Journal (7/27/11); (2) "Is George Soros a hypocrite on regulation?" Wall Street Journal (7/28/11); (3) "Brief Summary of the Dodd-Frank Wall Street Reform and Consumer Protection Act;" (4) 7/21/11 Testimony of Chairman Ben S. Bernanke; and (5) Appendix A to 7/21/11 Testimony of Chairman Ben S. Bernanke

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Review; Articles: (1) "21 Teachings of Law Practice," by Ralph Mabey; and (2) "How Will You Measure Your Life?" by Clayton Christensen, Harvard Business Review

Final Exam – 8:30 a.m.