

## **BUSINESS ORGANIZATIONS - FALL 2021**

Professor: Itai Fiegenbaum

Course Site: WISE

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Office: 425

Day/Time: Monday/Wednesday 3:20-5:20pm

Location: 201

**Casebooks:** Alan Palmiter, Frank Partnoy, and Elizabeth Pollman, *Business Organizations: A Contemporary Approach* (3<sup>rd</sup>. ed., 2019)

William A. Klein, *et. al.*, *Business Associations: Agency, Partnerships, LLCs, and Corporations - 2021 Statutes and Rules* (Foundation Press, any ed. post 2018) (Note: any other statutory supplement is fine, as long as it is less than 3 years old)

**Office Hours:** Personal online office hours will be **Monday and Wednesday, 12:30-1:30pm**. Please email ahead to reserve time. If this time slot doesn't work for you, I would be happy to schedule an appointment that is more convenient.

**Course Goals:** This course provides a foundational understanding of the legal structure of modern business organizations. Following a brief introduction on the law of agency, the course will introduce and examine the main entities used to conduct business: partnerships (including limited partnerships), corporations, and limited liability companies. By the end of this course, you will know how decisions within these business entities are made, how they are financed, how externalities are regulated, how investors exercise their rights, and how managers comply with fiduciary duties.

**Grading:** Grades are based on a final examination. All students are assigned to 3 review panels and 3 discussion panels (see below). In addition, each student will be required to complete 10 online quizzes during the semester (see below). Failure to participate in 6 panels or complete the required quizzes will result in a grade reduction.

**Quizzes:** Registration of the Palmiter/Partnoy/Pollman casebook grants you access to online quizzes. There will be an online review quiz at the end of each substantial topic. Students are required to complete 10 (of the possible 14) quizzes during the semester via West Academic's online portal. Quizzes will be graded as either pass or fail and are due two hours before class begins (1:20pm).

**Participation:** Voluntary participation is always welcome. In addition, the class will be divided into 6 groups. Each group will be "on-call" for 3 review panels and 3 discussion panels. Members of the review panel will participate in a brief review at the beginning of class. Members of the discussion panel will provide brief answers on the assigned reading for that class. There are 5 unpanelled classes at the end of the semester. You are of course allowed to miss a class that your group is assigned to if circumstances prevent you from attending. In that event, you will be assigned to one of the 5 unpanelled classes.

**Attendance:** Standard WUCL attendance policy applies.

**Technology:** Laptops are permitted, as long as they don't create a distraction. Handouts of the day's powerpoint presentation will be ready for distribution a few hours before class.

**Readings:** The reading assignments are separately posted and will be paced to match our progress in the classroom. Announcements regarding the reading assignments will be posted on WISE at least a week ahead of class. Please check emails at least once a day.

The course will cover the following modules and chapters from the Palmiter/Partnoy/Pollman casebook:

**Module I – Business Organizations Fundamentals**

Chapter 1: Introduction to the Firm

Chapter 2: Agency Basics

Chapter 3: Partnership Basics

Chapter 4: Corporation Basics

**Module II – Corporations and Policy**

Chapter 6: Corporations in Society

**Module III – Choice of Entity and the Corporate Form**

Chapter 8: Organizational Choices

Chapter 9: Incorporation

Chapter 10: Actions Binding the Corporation

**Module IV – Corporate Finance**

Chapter 12: Capital Structure

**Module V – Corporate Externalities**

Chapter 13: Piercing the Corporate Veil

**Module VI – Corporate Governance**

Chapter 16: Shareholder Voting Rights

**Module VII – Fiduciary Duties**

- Chapter 19: Shareholder Litigation
- Chapter 20: Board Decision Making
- Chapter 21: Director Conflicts
- Chapter 23: Board Oversight

**Module VIII – Close Corporations**

- Chapter 25: Planning in the Close Corporation
- Chapter 26: Oppression in the Close Corporation