Corporations
Law 528
Spring 2016
Room 102 – T, R (1:30 – 2:45)
Assistant Professor Mike Koehler

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Office Hours: By appointment
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E-mail: mkoehler@siu.edu

Course Overview and Learning Objectives

This course (separate and distinct from the law school’s course on agency and partnership and non-incorporated forms of business as well as the law school’s course on securities regulation) is an in-depth study of the legal framework of corporations, including the legal roles and responsibilities of its constituent parts – namely corporate directors, corporate officers, and shareholders.

Learning objectives for this course are to increase your knowledge and sophistication regarding the following topics: (i) how the corporate form is separate and distinct from other legal forms of business organization; (ii) the role and purpose of corporations; (iii) corporate formation and the law relevant to corporate internal affairs, including the prominent role of Delaware law; (iv) the legal roles and responsibilities of corporate directors, corporate officers and shareholders; (v) the unique legal issues relevant to publicly-traded corporations, the role of the Securities and Exchange Commission, and certain securities law issues; (vi) legal issues relevant to corporate mergers, acquisitions and takeovers; and (vii) the formation, operation and management of a hybrid organizational form – the limited liability company.

This course is designed not only to increase your knowledge and application of the legal framework of corporations and the many ways lawyers advise, counsel, confront, and interact with corporate actors, but also certain public policy and ethical considerations relevant to the corporate form.

Class Materials

The assigned textbook for this class is Business Associations: Cases and Materials on Agency, Partnerships, and Corporations (Klein, Ramseyer, Bainbridge) (Eighth Ed. 2012).
In addition, to best achieve the learning objectives of this course, we will study various original source corporate documents relating to John Deere Co. (an Illinois-based multinational business) that will be posted on TWEN.

Assigned material will also include other supplemental readings posted on TWEN. The goal of the supplemental reading is to provide alternative format readings in furtherance of the learning objectives of this course, to stimulate classroom discussion, and to emphasize the current and real-world nature of topics covered in this course. All supplemental reading will be treated the same as text reading for exam and assessment purposes.

To best achieve the learning objective of this course, students are also strongly encouraged to subscribe (using discounted student rates) to the *Wall Street Journal*. The following websites also contain current material on various corporate law topics.

- The Race to the Bottom (http://www.theracetothebottom.org/)
- The Conglomerate (http://www.theconglomerate.org/)
- Professor Bainbridge (http://www.professorbainbridge.com/)
- Business Law Prof Blog (http://lawprofessors.typepad.com/business_law/)
- Delaware Corp. and Comm. Litigation Blog (http://www.delawarelitigation.com/)

**Attendance**

Part of your success in your legal career will be to show up at the right place at the right time. The same is true for this course.

As specified in the *Rules of the Southern Illinois University School of Law*, “regular attendance to class meetings in all courses is expected and required of all students in accordance with the rule to be announced by the professor at the beginning of each course. Attendance will be taken in class and attendance records will be kept. Violation of this rule shall subject the student to penalties …”.

It is your responsibility to ensure that you sign the attendance sheet during class. You should also note that the *School of Law Honor Code* states that it is academic misconduct to sign another student’s name to an attendance sheet for a class that the other student did not attend.

Students may have no more than a maximum of five absences (partial or total) for any reason (other than jury duty, the student’s hospitalization, birth or adoption of the student’s child, or a death in the student’s immediate family – any of which shall be proven by documentation). Students with more than five absences will be referred to the Associate Dean and will be given the lowest possible grade – a failing grade – for the course.
Participation

Being physically present in class is, of course, not your only responsibility. You are also expected to arrive to class poised to learn and to actively participate in classroom discussions. Active participation in classroom discussions requires preparation for class and reading the assigned course material, understanding the key concepts, and answering any assigned problems or discussion questions.

Students will be randomly called upon during each class session and will be expected to facilitate learning of the assigned material through active discussion and participation.

In addition, an important and valuable feature of this course every other Thursday will be “Corporate Law in the News” in which students should be prepared to discuss a news topic relevant to the topics covered in this course. Like the assigned supplemental readings, this feature of the course is to emphasize the current and real-world nature of the topics covered.

Seating Chart

To better facilitate classroom discussion and assessment of attendance and participation, there will be a seating chart for this class.

Grading and Learning Assessment Opportunities

Your final grade will be based on the following:

- 10% - Attendance and participation
- 90% - Comprehensive final examination (May 12th)

In addition, during the semester there will be at least one learning assessment opportunity further to the law school’s “Writing Across the Curriculum” initiative. The assessment(s) will be ungraded, but mandatory and must be satisfactorily completed by each student to receive credit for this class.

Professional Courtesies

Be on time. Be respectful of your fellow students, their desire to learn and their learning styles. Cell phones, iPods, and other such devices are not to be used (or heard) in the classroom. Should you choose to take notes during class using a laptop computer, use of the computer shall be strictly limited to taking notes (any other use will result in forfeiture of future computer usage).
**Disability Accommodation**

Pursuant to the *Rules of the Southern Illinois University School of Law*, “the Law School will make reasonable accommodations for students with disabilities. A student seeking such accommodation must make application to the Associate Dean in accordance with the Southern Illinois University School of Law Policy Concerning Applicants and Students with Disabilities. A student is required timely to submit appropriate documentation of the disability sufficient to allow the Associate Dean to determine the reasonableness of the accommodation requested. If the requested accommodation concerns examinations, the Associate Dean will decide whether to grant the accommodation after consultation with the appropriate faculty member(s). The Associate Dean and the faculty members involved will treat the identity of the student requesting accommodation as confidential, to the maximum extent practicable.”

**Emergency Procedures**

Southern Illinois University-Carbondale is committed to providing a safe and healthy environment for study and work. Because some health and safety circumstances are beyond our control, we ask that you become familiar with the SIUC emergency Response Plan and Building Emergency Response Team (BERT) program. Emergency response information is available on posters in buildings on campus, available on BERT's website at [www.bert.siu.edu](http://www.bert.siu.edu), Department of Safety's website [www.dps.siu.edu](http://www.dps.siu.edu) (disaster drop down) and in Emergency Response Guideline pamphlet. Know how to respond to each type of emergency.” “Instructors will provide guidance and direction to students in the classroom in the event of an emergency affecting your location. It is important that you follow these instructions and stay with your instructor during an evacuation or sheltering emergency. The Building Emergency Response Team will provide assistance to your instructor in evacuating the building or sheltering within the facility.”

**Saluki Cares**

The purpose of Saluki Cares is to develop, facilitate and coordinate a university-wide program of care and support for students in any type of distress—physical, emotional, financial, or personal. By working closely with faculty, staff, students and their families, SIU will continue to display a culture of care and demonstrate to our students and their families that they are an important part of the community. For Information on Saluki Cares: (618) 453-5714, or siucares@siu.edu, [http://salukicares.siu.edu/index.html](http://salukicares.siu.edu/index.html). At the School of Law, Assistant Dean Judi Ray is also available to help students access university resources. Her email is judiray@siu.edu, and her phone number is 618-453-3135.
## Course Overview

*(Subject to Modification Based on the Flow of the Semester)*

(* Denotes Reading Posted on TWEN*)

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<thead>
<tr>
<th>Topic</th>
<th>Assigned Reading</th>
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<tbody>
<tr>
<td>Introductions and Course Overview</td>
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<tr>
<td>Brief Overview of Business Organizations</td>
<td>Business Structures*</td>
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<tr>
<td>Corporate Basics and Building Blocks</td>
<td>Video Clips From The Corporation, Corporate Personhood Reading*</td>
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<tr>
<td>Corporate Formation</td>
<td>Why Do Corporations Choose Delaware*</td>
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<tr>
<td>Internal Affairs Doctrine</td>
<td>Deere Articles of Incorporation*, Deere Bylaws*</td>
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<tr>
<td>The Nature of the Corporation</td>
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<tr>
<td>- Role and Purpose</td>
<td>Chapter 3 (pgs. 251-267)</td>
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<tr>
<td>- Limited Liability</td>
<td>Chapter 3 (pgs. 176-198)</td>
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<tr>
<td>Director and Officer Issues</td>
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<tr>
<td>- Duty of Care, Duty of Loyalty and Obligation of Good Faith</td>
<td>Deere Articles of Incorporation*, Deere Bylaws*, Deere Director and Executive Information*</td>
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<td></td>
<td>Chapter 5 (pgs. 308 – 365; 373-398), Corporate Directors Survey*</td>
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<td></td>
<td>Chapter 5 (pgs. 503-512), Indemnification and D&amp;O Insurance - The Basics*</td>
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<td>Shareholder Issues</td>
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<td></td>
<td>Deere Articles of Incorporation*, Deere Bylaws*, Deere Shareholder Information*</td>
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<td>Chapter 6 (pgs. 516-538), Deere Proxy</td>
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<tr>
<td>Topic</td>
<td>Chapter/Reference</td>
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<td>Shareholder Voting and Control</td>
<td>Statement*</td>
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<td>Shareholder Proposals</td>
<td>Chapter 6 (pgs. 542-546); Trinity Wall Street v. Wal-Mart Stores*</td>
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<tr>
<td>Shareholder Inspection Rights</td>
<td>Chapter 6 (pgs. 562-569)</td>
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<tr>
<td>Shareholder Derivative Actions</td>
<td>Chapter 3 (pgs. 201-225; 230-50)</td>
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**Perspectives on Being A Director / Director**

- Guest Speaker(s) from Deere

**Public Company Issues**

- The Role of the SEC | SEC Overview* |
- Securities Law Issues  
  - Registration | Chapter 5 (pgs. 414-430), Registration Statement* |
  - Disclosure Issues and Insider Trading | Chapter 5 (pgs. 433-461; 466-491), The Importance of Disclose*, Deere SEC Filings*, Materiality Readings* |

**Mergers, Acquisitions and Takeovers**

- Forms and Function | Chapter 7 (pgs. 739-804), Merger Agreement* |
- Officer, Director, and Shareholder Issues |
- Transactional and Litigation Issues |

**Limited Liability Companies**

- Formation | Chapter 4 (pgs. 269-297), A Guide To Illinois LLC’s* LLC Operating Agreement* |
- Operation and Management |