Description:
The primary course objectives are the study of agency concepts, which involve the legal consequences of acting on behalf of other persons or entities, and the formation and operation of unincorporated businesses such as sole proprietorships, partnerships, and limited liability companies. Important topics include the rights and liabilities of those owning and managing unincorporated business forms vis-à-vis other owners/managers, their employees, and third parties.

By the semester's end, each student will be able to understand and articulate:

- The agency relationships in business entities, including the attendant fiduciary obligations and the operation of agency principles to bind the business;
- The definition and nature of the various unincorporated business forms, including sole proprietorships, partnerships (general, limited), and limited liability companies (LLCs);
- How these unincorporated businesses are formed, and the liabilities associated with defective formation;
- How these unincorporated businesses are managed, and the fiduciary obligations associated with management; and
- The rights and obligations of business owners, and the extent to which they may be personally liable for business obligations.

I am a practicing transactional attorney. This syllabus is likely to change before the semester is done. I will post such changes on TWEN and announce them in class.

Course Material:

Structure of Course:
Each student is expected to come to class prepared to discuss the assigned readings. At each class meeting, the instructor may randomly call upon students to respond to inquiries about the material under discussion. Those dialogues, along with material formally presented in lectures, slides, handouts, and the assigned readings constitute the course material that will be examined on both the final exam.

Evaluation:
There will be a closed-book final examination that will account for the semester grade.
Attendance Policy:
The School of Law Rules primarily govern students' attendance requirements. Pursuant to those Rules, the maximum number of absences for this course is set at Three (3). Because oral participation is a central (and graded) component of this course, attendance is essential. This means that it is not possible to duplicate the classroom experience through watching a video of the course for any given day. Being “on call” and prepared to undergo oral examination serves as a pedagogical benefit both to the individual student as well as to the entire class.

Attendance will be taken during each class. You are responsible for insuring that your attendance is recorded. If you did not sign the attendance sheet, you should check with me prior to leaving class to be sure your attendance is recorded. A failure to sign the attendance sheet will be counted as an absence.

If you come to class and are not prepared when called on, you will not receive points for attendance for that day.

Signing the daily attendance sheet is a representation that you have completed the readings and spent time thinking about any questions asked in the reading or by the instructor beforehand. It is also a representation that you have spent at least 4 hours in preparation for the class as required by the ABA Standard 310(b)(1) set out below.

TWEN:
You should check TWEN prior to each class as I will occasionally add additional material to be referenced or prepared.

Laptops and Other Electronic Devices:
Laptop computers should not be used in class for any purpose other than taking notes. If any student inappropriately uses a laptop (for sending email, chatting, web browsing, etc.) the student will be marked as absent for the day.

Office Hours:
As an adjunct professor, I do not have regular office hours. You may reach me by e-mail at: david.bartelsmeyer@siu.edu. I will be available after class and at other times by appointment.

Workload Expectations:
The American Bar Association ("ABA") law-school-accreditation standards contain a formula for calculating the amount of work that constitutes one credit hour. According to ABA Standard 310, "a 'credit hour' is an amount of work that reasonably approximates not less than one hour of classroom or direct faculty instruction and two hours of out-of-class student work per week for fifteen weeks." This is a 2-credit hour class, meaning that we will spend one 200-minute block of time together each week. The amount of assigned reading and out-of-class preparation should take you about 4 hours for each class session and for the week. All told, applying the ABA standard to the number of credits offered for this class, you should plan on spending a total of 6 hours per week (2 in class and 4 preparing for class) on course-related work.
Emergency Procedures:

We ask that you become familiar with Emergency Preparedness @ SIU. Emergency response information is available on posters in buildings on campus, on the Emergency Preparedness @ SIU website, and through text and email alerts. To register for alerts, visit http://emergency.siu.edu/.

Disability Policy:

SIU Carbondale is committed to providing an inclusive and accessible experience for all students with disabilities. Disability Support Services coordinates the implementation of accommodations. If you think you may be eligible for accommodations but have not yet obtained approval, please contact DSS immediately at 618-453-5738 or disabilityservices.siu.edu. You may request accommodations at any time, but timely requests help to ensure accommodations are in place when needed. Accommodations and services are determined through an interactive process with students and may involve consideration of specific course design and learning objectives in consultation with faculty. Upon completion of a Disability Accommodation Agreement with DSS, students should bring the agreements for each course to the School of Law Registrar's Office to ensure the School of Law provides the proper classroom and examination accommodations.

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) 453-2461, or siucares@siu.edu, https://salukicares.siu.edu/. Assistant Dean Judi Ray is available at the School of Law to help students access university resources. Please email her at judiray@siu.edu, or call 618-453-3135.

Covid-19:

SIUC’s policy on face masks and social distancing is consistent with the guidance from the Centers for Disease Control and Prevention and the Illinois Department of Public Health. For up-to-date information, students, faculty, and staff should visit SIUC’s COVID website (https://siu.edu/coronavirus), which includes the Saluki Safety Plan. People can also send email to pandemicinfor@siu.edu.
Assignments:
Assignments are blocked below for logic and for indication of order of presentation. Every numbered assignment will not neatly correspond with the work for a single class. The dates indicated for each assignment are not set in stone. The dates are a prediction of when we will reach that material. The dates may adjust as the semester progresses.

Chapter 1: Agency (1)
1. Who is an Agent? (1)
   a. Gorton v. Doty (Idaho 1937)(1)
   b. MJ & Partners Restaurant Ltd Partnership v. Zadikoff (N.D. Ill. 1998)(7)

Wednesday, August 31: Text pp. 13-49.
Chapter 1: Agency, cont’d
1. Who is an Agent? Cont’d
   b. A. Gay Jenson Farms Co. v. Cargill, Inc. (Minn. 1981)(19)
2. Liability of Principal to 3rd Parties in Contract (26)
   a. Authority(26)
      i. Mill Street Church of Christ v. Hogan (Ky. App. 1990)(26)
      ii. Karl Rove & Co. v. Thornburgh(5th Cir. 1994)(29)
   b. Apparent Authority (34)
      i. Lind v. Schenley Industries, Inc. (3d Cir. 1960)(37)
      ii. Ackerman v. Sobol Family Partnership, LLP (Conn 2010)(42)

Wednesday, September 7: Text pp. 50-85.
Chapter 1: Agency, cont’d
1. Liability of Principal to 3rd Parties in Contract
   a. Inherent Authority (50)
      i. Watteau v. Fenwick (Queen’s Bench 1892)(50)
   b. Ratification (63)
      i. Botticello v. Stefanovicz (Conn. 1979)(63)
   c. Estoppel (72)
   d. Agent’s Liability on the Contract (82)
Wednesday, September 14: Text pp. 85-128.
Chapter 1: Agency, cont’d
1. Liability of Principal to 3rd Parties in Tort (85)
   a. Servant or Independent Contractor? (85)
      i. Humble Oil & Refining Co. v. Martin (Tex. 1949)(86)
      ii. Hoover v. Sun Oil Co. (Del. 1965)(89)
      iii. Murphy v. Holiday Inns, Inc. (Va. 1975)(93)
   b. Tort Liability and Apparent Agency (101)
      i. Miller v. McDonald’s Corp (Oregon 1997)(101)
   c. Scope of Employment (106)
      iii. Manning v. Grimsley (1st Cir. 1981)(115)
   d. Statutory Claims (106)
      i. Arguello v. Conoco, Inc. (5th Cir. 2000)(121)

Wednesday, September 21: Text pp. 129-177.
Chapter 1: Agency, cont’d
1. Liability of Principal to 3rd Parties in Tort
   a. Liability for Torts of Independent Contractors (129)
      ii. Anderson v. Marathon Petroleum Co. (7th P Cir. 1986)(133)
      iii. Kleeman v. Rheingold (N.Y. 1993)(139)
2. Fiduciary Obligation of Agents (142)
   a. Duties During Agency (142)
      i. Reading v. Regem (King’s Bench 1948)(142)
      ii. General Automotive Manufacturing Co. v. Singer (Wisc. 1963)(146)
   b. Duties During & After Termination of Agency: “Grabbing & Leaving” (154)
      i. Bancroft-Whitney Co. v. Glen (Cal. 1966)(154)

Chapter 2: Partnerships (209)
1. What Is a Partnership? Who Are the Partners? (209)
   a. Partners Compared with Employees (209)
      i. Fenwick v. Unemployment Compensation Commission (N.J. 1945)(209)
b. Partners Compared with Lenders (232)
   i. Martin v. Peyton (N.Y. 1927)(232)
   ii. Kaufman-Brown Potato Co. v. Long (9th Cir. 1950)(238)
c. Partnership by Estoppel (242)

2. Partnership Property (245)
   a. In re Fulton (Bankruptcy 1984)(245)

***Take-home Writing Across the Curriculum (WAC) and Bar Question assignment ***

Assigned October 5, 2022 and due October 12, 2022

Wednesday, October 5: Text pp. 252-295.
Chapter 2: Partnerships, cont’d
1. The Rights of Partners in Management(252)
   c. Moren ex rel. Moren v. JAX Restaurant (Minn. App. 2004)(256)
   d. RNR Investments Ltd. Partnership v. Peoples First Community Bank (Fla. App. 2002)(259)
2. The Fiduciary Obligations of Partners(271)
   a. Introduction(271)
      i. Meinhard v. Salmon (N.Y. 1928)(271)
      ii. Sandvick v. LaCrosse(North Dakota 2008)(277)

Wednesday, October 12: Text pp. 296-337.
Chapter 2: Partnerships, cont’d
1. The Fiduciary Obligations of Partners, cont’d
   a. After Dissolution (296)
      i. Bane v. Ferguson (7th Cir. 1989)(296)
   b. Grabbing and Leaving (296)
   c. Expulsion (311)
      i. Lawlis v. Kightlinger & Gray (Ind. App. 1990)(311)
2. Partners at Loggerheads: Dissolution Solution Under the UPA (1914) (325)
   a. Right to Dissolve (325)
Wednesday, October 19: Text pp. 337-385.
Chapter 2: Partnerships, cont’d
1. Partners at Loggerheads: Dissolution Solution Under the UPA (1914), cont’d
   a. The Consequences of Dissolution (337)
   b. The Sharing of Losses (358)
      i. Kovacik v. Reed (Cal. S. Ct. 1957)(358)
   c. Law Partnership Dissolution (361)
2. Partners at Loggerheads: Dissolution Solution Under the UPA (1997)(366)
   b. Creel v. Lily (Maryland 1999)(374)
3. Buyout Agreements

Wednesday October 26: Text pp. 386-416.
Chapter 2: Partnerships, cont’d
1. Limited Partnerships (386)
   a. Frigidaire Sales Corp. v. Union Properties, Inc. (Wash. 1977)(387)
   e. In re: El Paso Pipeline Partners, L.P. Derivative Litigation (Delaware 2014)(405)

Wednesday, November 2: Text pp. 479-517.
Chapter 3: Limited Liability Entities (479)
1. Limited Liability Companies (479)
   a. Formation (479)
   b. The Operating Agreement (484)
      iii. Fisk Ventures, LLC v Segal()(498)
   c. Piercing the LLC Veil (505)
ii. NetJets Aviation, Inc. v. LHC Communications, LLC (2nd Cir. 2008)(509)

**Wednesday, November 9:** Text pp. 517-555.
Chapter 3: Limited Liability Entities, cont’d
1. Limited Liability Companies, cont’d
   a. Fiduciary Obligation (517)
      ii. VGS, Inc. v. Castiel (Del. Ch. 2000)(523)
      iii. Gottsacker v. Monnier (Wisconsin 2005)(530)
   b. Additional Capital (535)
   c. Expulsion from the LLC (540)

**Wednesday, November 16:** Text pp. 555-574.
Chapter 3: Limited Liability Entities, cont’d
1. Limited Liability Companies, cont’d
   a. Dissolution (555)
      i. The Dunbar Group, LLC v. Tignor (Va. 2004)(555)
      iii. R & R Capital, LLC v. Buck & Doe Run Valley Farms, LLC (Del. Ch. 2008)(564)
      iv. Fisk Ventures, LLC v. Segal (Del. Ch. 2009)(568)

**Wednesday, November 23:** No Class—Thanksgiving Break

**Wednesday, November 30:** Text pp. 575-596.
1. Securities Regulation Issues (575)
   a. Great Lakes Chemical Corp. v. Monsanto Co. (D. Del. 2000)(575)
   b. Koch v. Hankins (9th Cir. 1991)(589)
2. Class overview