

**BUSINESS ORGANIZATIONS (LAW 554 - 002)**  
**Spring 2024**  
**Prof. Gregory O. Nies**  
**9:00 – 10:15 am, Tues. & Thurs., LSAR 204**

**Instructor**

Gregory O. Nies

Email: Temporary email is [gbnies@belsouth.net](mailto:gbnies@belsouth.net) (My “siu.edu” email will be obtained and announced shortly)

Office: Room 214

**Office Hours**

Conventional office hours: I will be available to meet with students in my office on Tuesdays and Thursdays from 10:30 am 12:00 noon.

By appointment: I will normally be on campus during business hours Monday through Friday. My preferred method of meeting with students is via a mutually agreed time. Just email me and we will set a convenient time.

**Course Description**

This course analyzes legal issues surrounding agency law, partnership law, and the law of the closely held and public held corporation. Among the topics considered are: planning for the close corporation; management and control issues of corporations; the proxy system; duties of officers, directors and controlling shareholders; transactions in shares by directors and others; mergers and takeovers; and public policy implications of the publicly held corporation. The course provides students with a solid and interwoven understanding of its concepts. It is intended to be useful to both future business and nonbusiness lawyers.

**Course Materials**

The book for this class is Business Associations: Cases and Materials on Agency, Partnerships, LLCs, and Corporations, 11<sup>th</sup> edition by Stephen Bainbridge. The corresponding statutory supplement is helpful.

**Overview / Course Learning Objectives**

The learning objective of this course is to learn agency law, the law of business organizations, both incorporated and unincorporated, the laws concerning limited liability, and to understand how this fits into a broader cultural, social and professional identity context.

The course structure is divided into three main topics: I. Agency law, II. Partnership law, and III. Corporation law. However, significantly more time will be devoted to corporate law.

Specific learning objectives. By the end of this course, student should be able to:

## I. Agency Law

- understand the agent's scope of authority to act for the principle
- understand the principle's liability for the agent's acts and omissions

## II. Partnership Law

- understand the relationship among partners in a partnership
- understand the scope of a partner's liability for acts and omissions of a fellow partner

## III. Corporation Law

- understand the concept, value, and limitations of limited liability
- understand the nature and advantages of the Limited Liability Partnership (LLP) and the Limited Liability Company (LLC)
- understand the formation and operation of a corporation
- understand the various duties that corporate officers, directors, and shareholders owe to one another
- understand the various problems of control that often arise in corporations and methods of resolving inter-corporate disputes
- understand mergers & takeovers, and corporate debt

## **Attendance Policy**

Attendance is mandatory. If you miss more than six classes, you will be prohibited from taking the final exam.

Attendance will be taken either by roll call at the beginning of the class (first few classes) or by the circulation of an attendance "sign in" sheet (majority of the course).

## **Participation**

Students are expected to be prepared for class – this is law school! We will learn the material by reading it prior to class and then discussing it in class. For this discussion format to work, you must be prepared for each class.

I will typically call on several students to discuss issues related to the assigned readings for the day (the classic law school "cold call"). While a pattern may emerge regarding the general order in which students are called, all students should be prepared to present on any given class day. Note that all students are encouraged to contribute to the class discussion, and not just those called on. Speaking in class (much like oral argument in court) is an opportunity – not a burden!

## **Writing Assignment**

The required writing assignment will be a Bar Exam-style exercise. Satisfactory completion of the writing assignment is required to be eligible to take the final exam and complete the course.

## **Class Website**

There is a class website on D2L. I will strive to share as much as possible via this course site, including supplemental readings, slides, and other materials. Students are expected to monitor the D2L site.

## **Video Recordings of Lectures**

While all classes are recorded per school policy, recordings of this class are not automatically posted. If you are forced to miss a class, access to a class recording may be made available at the discretion of the instructor. A recording of a class is not a substitute for real-time participation, and if you know you will miss a class you should consider asking another student to take notes for you.

## **Grading**

Your grade is determined by a combination of class participation and completing an ungraded writing assignment (15%), a midterm exam (15%), and final exam (70%). The final exam schedule will be posted to the law school website.

## **Workload Expectations**

The American Bar Association standards for accrediting law schools contain a formula for calculating the amount of work that constitutes one credit hour. According to ABA Standard 310(b)(1), a “credit hour” is an amount of work that reasonably approximates: (1) 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, or the equivalent amount of work over a different amount of time. This is a 3-credit hour class, meaning that we will spend two 75-minute blocks of time together each week. The amount of assigned reading and out of class preparation should take you about 6 hours 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 9 hours per week (3 in class and 6 preparing for class) on course-related work.

## **Ban on Collaboration/AI in Writing Assignments**

You are not allowed to obtain help from any other person (including any other student) or from generative artificial intelligence (including, but not limited to, ChatGPT) on the writing assignment in this course. This ban on collaboration includes obtaining written materials from any other person or generative artificial intelligence and communicating with any other person about the assignment. If you violate the ban on collaboration policy, you will fail to successfully complete the assignment and therefore will not be entitled to take the final exam for the course. You also may be found in violation of the Honor Code, which can lead to serious penalties, including expulsion. An Honor Code investigation must also be reported to the Bar Examiners, even if you are cleared of any violation. When in doubt about how to proceed, ask me.

## SIU SIMMONS LAW SCHOOL SYLLABUS ATTACHMENT - Fall 2024

**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](http://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. Please send approved accommodations to your faculty through the DSS online portal.

**SALUKI CARES and COUNSELING & PSYCHOLOGICAL SERVICES (CAPS).** 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](mailto:siucares@siu.edu), <https://salukicare.siu.edu/>. Associate Dean Sheila Simon [ssimon@siu.edu](mailto:ssimon@siu.edu) or (618) 536-8321 is available at the Simmons Law School to help students access university resources. Additionally, counseling services are available through CAPS ([\*Counseling and Psychological Services \(CAPS\) | Student Health Services | SIU\*](#)). A counselor is at the law school every Wednesday from noon until 4:30pm in Room 268 for drop-in appointments.

**SAFETY AWARENESS FACTS AND EDUCATION** Title IX makes it clear that violence and harassment based on sex and gender is a Civil Rights offense subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories such as race, national origin, etc. If you or someone you know has been harassed or assaulted, you can find the appropriate resources here: <http://safe.siu.edu>

## **Tentative Class and Required Reading Schedule**

This reading schedule is tentative—updated reading assignments or syllabi may be posted to the D2L class website. Page numbers listed below are keyed to the required Text, 11<sup>th</sup> edition, unless otherwise noted.

### **Agency (chapter 1)**

August 20 Agency I – 1-13 and

*Helena Agri-Enterprises, LLC v. Great Lakes Grain, LLC*, 988 F.3d 260 (6th Cir. 2021)

Can be found at: <https://casetext.com/case/helena-agri-enters-v-great-lakes-grain-llc>

August 22 Agency II – 13-16, 29-46

August 27 Agents as Fiduciaries – 82-92

### **Partnerships (chapter 2)**

August 29 Partnerships – 93-111

September 3 Fiduciary Duties of Partners – 111-131

September 5 Expulsion, Property, Management – 132-150

September 10 Dissolution – 150-167

### **Introduction to Corporations and Limited Liability (chapters 3 & 8)**

September 12 The Corporation and Limited Liability – 179-203

September 17 Purpose of the Corporation – 206-224

September 19 Limited Partnerships – 168-178, 203-206

September 24 The LLC – 871-891

September 26 Piercing and Dissolving LLCs – 891-899, 917-931

### **Duties (chapter 4)**

October 1 The Duty of Care – 225-251

October 3 Duty of Loyalty 1 – 251-273

October 8 Duty of Loyalty 2 – 273-295

October 10 Good Faith – 295-313

October 15 Derivative Suits – 314-335

October 17 Insider Trading – 423-439, 447-458      **\*\* MID TERM \*\***

October 22 Indemnification – 468-482

### **Problems of Control (chapter 5)**

October 24 Proxy Fights – 483-498

October 29 Shareholder Proposals – 510-541

October 31 Shareholder Inspection – 541-554

November 5 Shareholder Voting Control – 554-574

November 7 Control and Dissolution – 633-654

### **Mergers, Takeovers, and Corporate Debt (chapters 6 & 7)**

November 12 Mergers – 675-686, 709-720

November 14 Takeovers – 720-743

November 19 Corporate Debt – 825-847

November 21 Current Issues in Business Organizations (as time allows) - Supplemental readings.  
See D2L

November 25 to 29 - Thanksgiving Break

December 2 through 13 - Finals Weeks

