

## **Business Organizations**

(Spring Semester, 2020)

LAW-554

Lesar Law Building Room 202 (M/W: 11:00 a.m. – 12:15 p.m.)

Professor Y.S. Lee

248 Law Building

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Office hours (1:15 p.m. – 2:15 p.m. Tuesdays or by appointment)

### REQUIRED TEXTS AND MATERIALS

Klein, Ramseyer & Bainbridge, *Business Associations, Cases and Materials on Agency, Partnerships, LLCs, and Corporations*, 10th Edition.

Additional materials, such as powerpoint slides, will be provided via TWEN.

### COURSE REQUIREMENTS

#### 1) Methods of Instruction

The course will be conducted primarily through lectures and class discussions. Students are responsible for the lecture materials. Students are also expected to participate actively in class discussions and to offer short discussions as instructed below.

#### 2) Readings

Students are expected to read the assigned chapters and any other assigned material prior to the class. Students should be prepared to discuss the subject covered in the reading assignments, including covered cases, in class.

#### 3) Course Structure

The three main topics to be covered will be

- I. Agency law
- II. Partnership law, and
- III. Corporation law.

We will also discuss limited liability company law throughout the semester.

### 3) Attendance and Class Performance

Class attendance is mandatory, and students are expected to participate in class discussions actively.

Attendance will be taken at the beginning of each class by passing around a roll sheet for you to sign. The maximum number of absences allowed in this course is four (4) classes. The Rules provide for three options if a student accumulates absences in excess of the allowable number. The professor may recommend that: (a) the student be given the lowest possible grade; (b) the student be given a “W”; or (c) the student be allowed to continue in the course with a grade reduction.

In addition, I will call on students to make informal presentations of the cases from the text. The order of the presentation is roughly the alphabetical order of the students’ last names, but all students must be prepared to present the cases.

Excellent in-class performance, including the assigned short presentation, may also result in an increase of the grade by up to one-third point (e.g. 3.0 to 3.3). Good attendance record also counts for the performance score.

Students who are engaging in disruptive behavior in class, including improper use of their laptop computers as illustrated below and those who are repeatedly unprepared (i.e. have not completed the required reading or not prepared for a presentation) may be asked to leave the classroom at the discretion of the instructor. Repeated offence may result in grade reduction or the withdrawal of student from class. Students who have difficulty in following reading materials should seek assistance from the instructor at the earliest opportunity.

#### **Laptop Policy**

You may use your laptop computer or a similar device (such as a smartphone) in class only for class-related purposes—for example, taking notes and viewing material prepared for class. The improper laptop use includes but may not be limited to reading and sending email, instant messaging, accessing the internet, and playing games. The instructor reserves the option to ban laptops and all similar devices from class.

### 4) Examination and Grading Policy

There will be a three-hour exam at the end of the semester. It is anticipated that 100% of your grade will be based on the final exam, subject to attendance and participation elements explained above. It is anticipated that the final exam will be closed book exams.

### 5) Announcements

Students are responsible for all announcements made orally in the class as well as through group emails and on TWEN

6) Writing Assignments: We will have one ungraded writing assignment to comply with the writing-across-the-curriculum requirement and the requirement to have a bar exam-type assessment. Satisfactory completion of this assignment is required to be eligible to take the exam and complete the course.

#### 7) 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 an 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.

#### 8) Disability Policy

Determinations about appropriate accommodations for disabilities are now made by the University Disability Support Services ("DSS") Office. In regards to these procedures:

Disability Support Services provides the required academic and programmatic support services to students with permanent and temporary disabilities. DSS provides centralized coordination and referral services. To utilize DSS services, students must come to the DSS to open cases. The process involves interviews, reviews of student-supplied documentation, and completion of Disability Accommodation Agreements. <http://disabilityservices.siu.edu/>. Upon completion of a Disability Accommodation Agreement with DSS, students should bring the agreement to the School of Law Registrar's Office to ensure the School of Law provides the proper classroom and examination accommodations.

9) 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](mailto:siucares@siu.edu), <http://salukicare.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](mailto:judiray@siu.edu), and her phone number is 618-453-3135.

10) Workload Expectation: 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 (scheduled for Monday and Wednesday, subject to adjustment). The amount of assigned reading and out of class preparation should take you at least 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 no less than a total of 9 hours per week (3 in class and 6 preparing for class) on course-related work.

#### COURSE OUTLINE (subject to change)

##### Week 1.

Class #1 (Jan. 13)

Agency

Required reading:

KRB: pp. 1 – 20 (before *Watteau v. Fenwick*)

Class #2 (Jan. 15)

Agency (cont.)

Required reading:

KRB: pp. 20 – 38

##### Week 2.

No class

##### Week 3.

Class #3 (Jan. 27)

Agency (cont.)

Required reading:

KRB: pp. 39 – 59 (before *Manning v. Grimsley*)

Class #4 (Jan. 29)

Agency (cont.)

Required reading:  
KRB: pp. 59 – 82

Week 4.

Class #5 (Feb. 3)

Partnerships

Required reading:  
KRB: pp. 83 – 101 (before the Fiduciary Obligations of Partners)

Class #6 (Feb. 5)

Partnerships (cont.)

Required reading:  
KRB: pp. 101 – 121

Week 5.

Class #7 (Feb. 10)

Partnerships (cont.)

Required reading:  
KRB: pp. 122 – 143

Class #8 (Feb. 12)

Partnerships (cont.)

Required reading  
KRB: pp. 144 – 166 (before Section C)

Week 6.

Class #9 (Feb. 17)

Partnerships (cont.)

Required reading  
KRB: pp. 166 – 186

Class #10 (Feb. 19)

Corporations

Required reading

KRB: pp. 187 – 204 (before Sea-Land Services)

Week 7.

Class #11 (Feb. 24)

Corporations (cont.)

Required reading

KRB: pp. 204 – 225 (before Shlensky)

Class #12 (Feb. 26)

Corporations (cont.) / Limited liability companies (LLCs)

Required reading

KRB: pp. 225 – 246

Week 8.

Class #13 (Feb. 26)

LLCs (cont.)

Required reading

KRB: pp. 247 – 267 (before Additional Capital)

No class on Wednesday (Mar. 4)

Ungraded assignment: due by beginning of Class #14 (Mar. 16)

Week 9.

Spring break, no class

Week 10.

Class #14 (Mar. 16)

LLCs (cont.) / Duties of Officers, Directors, and Other Insiders (Duties)

Required reading

KRB: pp. 267 – 292 (before Note on Cinerama)

Class #15 (Mar. 18)

Duties (cont.)

Required reading  
KRB: pp. 292 – 314

Week 11.

Class #16 (Mar. 23)

Duties (cont.)

Required reading  
KRB: pp. 315 – 336 (before Ratification)

Class #17 (Mar. 25)

Duties (cont.)

Required reading  
KRB: pp. 336 – 358 (before Shareholder Derivative Actions)

Week 12.

Class #18 (Mar. 30)

Duties (cont.)

Required reading  
KRB: pp. 358 – 380 (before Auerbach)

Class #19 (Apr. 1)

Duties (cont.)

Required reading  
KRB: pp. 380 – 400 (before In re China Agritech Inc.)

Week 13.

Class #20 (Apr. 6)

Duties (cont.)

Required reading  
KRB: pp. 400 – 420 (before Doran)

Class #21 (Apr. 8)

Duties (cont.)

Required reading

KRB: pp. 420 – 444 (before Note on Integrated Disclosure)

Week 14.

Class #22 (Apr. 13)

Duties (cont.)

Required reading

KRB: pp. 444 – 464 (before Deutschman)

Class #23 (Apr. 15)

Duties (cont.)

Required reading

KRB: pp. 464 – 483 (before Inside Information)

Week 15.

Class #24 (Apr. 20)

Duties (cont.)

Required reading

KRB: pp. 484 – 502 (before Short-Swing Profits)

Class #25 (Apr. 22)

Duties (cont.)

Required reading

KRB: pp. 502 – 526 (before Indemnification and Insurance)