

# Corporations

Law 528

Spring 2023 | Monday, Wednesday (9-10:15 AM) | Room 108

Professor Sylvia Winston

[sylvia.winston@siu.edu](mailto:sylvia.winston@siu.edu)

Office Hours: via email or via telephone or video by appointment only

## Course Learning Objectives

This 3-unit course surveys the legal rules governing corporations with an emphasis on Delaware law and the legal roles and duties of the officers, directors, and shareholders of public corporations.

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, 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 acquisitions, mergers, takeovers and control transactions; and (vii) the formation, operation and management of a hybrid organizational form – the limited liability company.

This course is designed to not only 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.

## Course Materials

The required textbook for this class is: **Cases and Materials on Corporations, by Coffee, Gilson and Quinn (Aspen Publishing, 9th Ed. 2022)**

I will also post statutes and other laws, articles, case studies and other supplemental materials on the class website from time to time. All supplemental reading will be treated the same as text reading for exam and assessment purposes.

Each week, students will receive an email by 5 p.m. on Wednesday with the reading assignments and any supplemental materials for the week ahead.

## 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. Class will start promptly at the assigned times and failure to be in your seat at the start of class will result in a class absence. Likewise, class is not come-and-go as you please. Absent true emergency situations or circumstances discussed in advance with the professor, students are expected to remain in their seats for the duration of class.

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 Instructor at the beginning of each course. . . . Attendance will be taken in class and attendance records will be kept for one year. Violation of this attendance rule shall subject the student to [] penalties. . . .”

You will be requested to record your attendance and preparation on a sign-in sheet. By signing the attendance sheet, you confirm that you are prepared for class. It is your responsibility to ensure that you sign the attendance sheet at the beginning of each class. **You may not sign the attendance sheet if you arrive in class after I have begun teaching.** 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 three (3) 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). **If you expect to be absent from class, please notify me in advance by sending me an email to [sylvia.winston@siu.edu](mailto:sylvia.winston@siu.edu).**

## Participation

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

Beginning the third week of class, each week five (5) pre-notified students 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 Wednesday 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. This feature of the course is to emphasize the current and real-world nature of the topics covered.

## **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 approximately 150 minutes together each week. Applying the ABA standard to the number of credits offered for this class, you should plan on spending a total of approximately 8.5 hours per week (2.5 in class and 6 preparing for class) on course-related work.

## **Course Assignments and Grading**

The reading assignments are included in the Course Overview attached hereto. I may supplement these readings with additional materials when necessary. Such additional materials will be distributed through the class website.

I will occasionally assign homework in the form of quizzes, short answer questions or case studies. These will be graded on a pass-fail basis and included in your class participation grade. These assignments will be distributed through the class website.

Your final grade will be based on the following:

- 5% - Attendance, Participation, and Professionalism
- 5% - Writing Assignment
- 40% - Mid-Term Exam (March 8, 2023)
- 50% - Final Exam (date and time to be announced)

## **Use of Laptops**

You are permitted to use laptops to take notes in class, however any other use of laptops during class is prohibited. Impermissible uses include, but are not limited to, looking at emails or instant messages, visiting social media sites, or any other use of the Internet, unless I explicitly invite you to look something up. **Misuse of laptops during class may result in you losing the privilege of using a laptop in the classroom and may negatively affect the class participation portion of your grade.**

## **Other Professional Courtesies**

Normal classroom etiquette and professional courtesies apply to class sessions. Be on time. Be respectful of your fellow students, their desire to learn and their learning styles. Cell phones, headphones, iPods, and other such devices are not to be used (or heard) in the classroom.

**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. 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](mailto:siucares@siu.edu), <https://salukicare.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](mailto: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](mailto:pandemicinfor@siu.edu).

**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>

## Course Overview

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

<u>Topic</u>	<u>Assigned Reading</u>
<b>The Nature of the Corporation</b> <ul style="list-style-type: none"><li>• Role and purpose</li><li>• History &amp; evolution of corporations</li><li>• Global Overview</li><li>• Social responsibility of corporations</li><li>• Various players</li></ul>	Chapter I, Chapter II (p. 51-57)
<b>Director and Officer Issues</b> <ul style="list-style-type: none"><li>• Duty of Care</li><li>• Duty of Loyalty</li><li>• Obligation of Good Faith</li><li>• Executive Compensation</li></ul>	Chapter II (p. 57-130)
<b>Corporate Formation</b> <ul style="list-style-type: none"><li>• Incorporation</li><li>• Defective incorporation</li><li>• Piercing the Corporate Veil</li><li>• Pre-Formation Transactions</li></ul>	Chapter IV
<b>Public Company Issues</b> <ul style="list-style-type: none"><li>• The role of the SEC</li><li>• Selected Securities Law Issues</li></ul>	Chapter V
<b>Shareholder Issues</b> <ul style="list-style-type: none"><li>• Shareholder Voting and Control</li><li>• Shareholder Proposals</li><li>• Shareholder Inspection Rights</li><li>• Shareholder Derivative Actions</li></ul>	Chapter VI, Chapter VIII
<b>Acquisitions, Takeovers and Control Transactions</b> <ul style="list-style-type: none"><li>• Forms and function</li><li>• Officer, Director and Shareholder issues</li><li>• Transactional and litigation issues</li></ul>	Chapter IX
<b>Partnerships, Close Corporations and Limited Liability Companies</b> <ul style="list-style-type: none"><li>• Formation</li><li>• Operation and Management</li></ul>	Chapter VII