

Corporations

Law 528

Spring 2024 | Monday (5:30-8:00 PM) | Room 102

Professor Sylvia Winston

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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: **Corporations and Other Business Organizations, by Lawrence A. Cunningham (Carolina Academic Press, 10th Ed. 2020)**

I will also post other supplemental materials such as articles, cases, statutes, or other laws 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 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 two (2) 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.**

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.

In addition, an important and valuable feature of this course every other Monday 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
- 35% - Mid-Term Exam (will be available starting on March 6, 2024)
- 60% - 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.

Course Overview

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

<u>Topic</u>	<u>Assigned Reading</u>
Introduction <ul style="list-style-type: none">• Putting Business Organizations in Context• Other Perspectives on Business• Distinguishing Features of Business Law Practice	Introduction (p. 3-13)
Agency Principles <ul style="list-style-type: none">• Sole Proprietorships• Agency Law	Chapter 1 (p. 15-52)
Alternative Forms of Business Organizations <ul style="list-style-type: none">• Partnerships• The Corporate Form• Limited Liability Companies	Chapter 2 (p. 53-114)
Corporate Formation <ul style="list-style-type: none">• Incorporation• Defective incorporation• Capitalization• Organizing the Corporation	Chapter 3, Chapter 4, and Chapter 5 (p. 115-235)
Corporate Authority <ul style="list-style-type: none">• Functions and Authority of Shareholders, Directors, and Officers• Voting and Election Rules• Removal of Directors• Deadlocks, Oppression, and Dissolution• Contractual Arrangements	Chapter 6 and Chapter 7 (p. 237-350)
Piercing the Corporate Veil <ul style="list-style-type: none">• Tort-based claims• Contract-based claims• Statutory Claims	Chapter 8 (p. 351-384)
Duties of Officers, Directors, and Shareholders <ul style="list-style-type: none">• Duty of Care• Duty of Loyalty• Duties of Controlling Shareholders	Chapter 10, Chapter 11, and Chapter 12 (p. 409-578)

<u>Topic</u>	<u>Assigned Reading</u>
Changes in Control <ul style="list-style-type: none"> • Negotiated Changes in Control • Protecting Control 	Chapter 13 (p. 579-669)
Derivative Litigation and Dispute Resolution <ul style="list-style-type: none"> • Derivative Actions • The Demand Requirement • Special Litigation Committees • Alternative Dispute Resolution 	Chapter 14 (p. 671-718)
Indemnification, Insurance, and Exculpation <ul style="list-style-type: none"> • Mandatory and Permissive Indemnification • Non-Exclusivity Statutes • Insurance • Exculpation Statutes • Scope of Exculpation 	Chapter 15 (p. 719-756)
Federal Securities Law <ul style="list-style-type: none"> • Federal Securities Acts • Proxy Regulation • Shareholder Proposals • Proxy Contests • Tender Offers 	Chapter 16 (p. 757-800)
Insider Trading <ul style="list-style-type: none"> • State Law • Federal Law 	Chapter 17 (p. 801-815)

SYLLABUS ATTACHMENT
SIU SCHOOL OF LAW – Spring 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. 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, <https://salukicare.siu.edu/>. Associate Dean Angela Upchurch (aupchurch@siu.edu or (618) 536-8314) is available at the School of Law 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>

Syllabus Attachment

Spring 2024

MISSION STATEMENT FOR SOUTHERN ILLINOIS UNIVERSITY CARBONDALE

SIU embraces a unique tradition of access and opportunity, inclusive excellence, innovation in research and creativity, and outstanding teaching focused on nurturing student success. As a nationally ranked public research university and regional economic catalyst, we create and exchange knowledge to shape future leaders, improve our communities, and transform lives.

IMPORTANT DATES:

Semester Classes Begin:01/16/2024
Last day to add full-term course (without Dean's signature):01/21/2024
Last day to withdraw from the University with a full refund:01/26/2024
Last day to drop a full-term course for a credit/refund:01/28/2024
Last day to drop a full-term course (W grade, no refund):.....03/31/2024
Final examinations:05/06/2024–05/10/2024

Note: Please verify the above dates with the Registrar calendar and find more detailed information on deadlines at <http://registrar.siu.edu/calendars>. For add/drop dates that apply to shorter-than-full-term courses, please look at the Schedule of Classes search results at <http://registrar.siu.edu/schedclass/index.php>

SPRING SEMESTER HOLIDAYS:

Martin Luther King, Jr.'s Birthday 01/15/2024
Spring Break 03/09/24-03/17/24
Total Solar Eclipse (classes cancelled) 04/08/24

DIVERSITY: Southern Illinois University Carbondale's goal is to provide a welcoming campus where all of our students, faculty and staff can study and work in a respectful, positive environment free from racism and intimidation. For more information visit: <http://diversity.siu.edu>. Additional [informational flyer](#).

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MILITARY COMMUNITY: There are complexities of being a member of the military community and also a student, and military and veteran related developments can complicate academic life. If you are a member of the military community and in need of accommodations please visit Veterans Services at <http://veterans.siu.edu/>.

STUDENT MULTICULTURAL RESOURCE CENTER: The Student Multicultural Resource Center serves as a catalyst for inclusion, diversity and innovation. As the Center continues its work, we are here to ensure that you think, grow and succeed. We encourage you to stop by the Center, located in the Student Services Building Room 140, to see the resources available and discover ways you can get involved on the campus. Visit us at <https://smrc.siu.edu/>.

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SIU COUNSELING AND PSYCHOLOGICAL SERVICES (CAPS): Mental health counseling services are available by calling [CAPS](tel:6184535371) at (618) 453-5371. CAPS offers confidential same-day services and ongoing counseling. For after hours crisis care, students are encouraged to call 988, 911, or present to their nearest emergency room.

WITHDRAWAL POLICY (Undergraduate Only): Students who officially register for a session must officially withdraw from that registration in a timely manner to avoid being charged as well as receiving a failing grade for those classes. An official withdrawal must be initiated by the student, or on behalf of the student through the academic unit, and be processed by the Registrar's office. For the proper procedures to follow when dropping courses and when withdrawing from SIUC visit: <http://registrar.siu.edu/students/withdrawal.php>.

SIUC'S EARLY WARNING INTERVENTION PROGRAM (EWIP): Students enrolled in courses participating in SIUC's Early Warning Intervention Program might be contacted by University staff during a semester. More information can be found at the University Core Curriculum's Overview webpage: <https://corecurriculum.siu.edu/for-faculty/>.

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CATALOGS:

catalog.siu.edu
gradcatalog.siu.edu - Graduate policies often vary from Undergraduate policies. To view the applicable policies for graduate students, please refer to the graduate catalog.

CENTER FOR LEARNING AND SUPPORT SERVICES:

Tutoring: <https://clss.siu.edu/>
Math Labs: <http://math.siu.edu/courses/course-help.php>

WRITING CENTER: <http://write.siu.edu/>

PLAGIARISM: See the Student Conduct Code: <http://srr.siu.edu/student-conduct-code/>

INCOMPLETE POLICY (Undergraduate Only): <http://registrar.siu.edu/grades/incomplete.php>

REPEAT POLICY: <http://registrar.siu.edu/students/repeatclasses.php>

MORRIS LIBRARY HOURS: <https://libcal.lib.siu.edu/hours/>

ADVISEMENT: <http://advisement.siu.edu/>

SIU ONLINE: <https://online.siu.edu/>