## Professor:
Dr. Nicholas D. Constan, Jr.

## Class Meets:
Monday and Tuesday, 12:00 Noon – 1:30 p.m.
Jon M. Huntsman Hall, Room 345

## Office Hours:
By appointment
Jon M. Huntsman Hall, Room 653
E-mail: constann@wharton.upenn.edu

## Assigned Readings:
1. **Business Associations: Agency, Partnerships, and Corporations:**
   Klein Ramseyer Bainbridge (Foundation Press, 6th ed. 2006), may be purchased at the Penn Bookstore.

2. **Business Organization and Finance: Legal and Economic Principles:**
   Klein & Coffee, (Foundation Press, 9th ed. 2004, may be purchased at the Penn Bookstore.

## Course outline:
Chapter and page references without designation are to the Klein & Ramseyer casebook.

<table>
<thead>
<tr>
<th>DATE</th>
<th>ASSIGNMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Two Building Blocks of Business Organization: Agency Costs and Agency Law</strong></td>
<td></td>
</tr>
<tr>
<td>September 6</td>
<td><strong>Introduction</strong></td>
</tr>
</tbody>
</table>
| 11 | **Introduction to Agency Law: Owners, Employees, and Creditors**  
Readings:  
Ch. 1, pp. 1-57  
Klein & Coffee, pp. 1-25, 29-30 |
| 13 | **Introduction to Fiduciary Obligation**  
Readings:  
Ch. 1, pp. 58-90  
Klein & Coffee, pp. 25-29, 29-44 |
II. Partnerships and Other Noncorporate Business Forms

September 18

**Partners Compared with Employees and Creditors; Partnership by Estoppel**
Readings: Ch. 2, pp. 91-106
Klein & Coffee, pp. 52-71

20

**Fiduciary Duties of Partnerships; Rights of Partners in Management; Dissolution**
Readings: Ch. 2, pp. 106-139
Klein & Coffee, pp. 71-80; 96-101

25

**Variations of Business Forms: Limited Partnerships, Limited Liability Companies, Limited Liability Partnerships and Close and Public Corporations.**
Readings: Ch. 2, pp. 140-199

27

**The Corporate Entity: Definitional Carousel**
Readings: Ch. 3, pp. 200-206
Klein & Coffee, pp. 227-296

III. The Nature of Corporations

October 2

**The Corporate Entity and Limited Liability – “Piercing the Corporate Veil”**
Readings: Ch. 3, pp. 207-231
Klein & Coffee, pp. 120-135

4

**Shareholder Direct and Derivative Actions; the Demand Requirement**
Readings: Ch. 3, pp. 232-281
Klein & Coffee, pp. 199-209

9

**The Role and Purposes of Corporations**
Readings: Ch. 3, pp. 282-298
Klein & Coffee, pp. 115-120, 141-149, 172-178
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 11</td>
<td><strong>The Duty of Care</strong></td>
<td>Ch. 5, pp. 328-373, Klein &amp; Coffee, pp.150-156</td>
</tr>
<tr>
<td>16</td>
<td><strong>Midterm exam -- in class.</strong></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td><strong>The Duty of Loyalty I</strong></td>
<td>Ch. 5, pp. 374-394, Klein &amp; Coffee, pp. 150-156 [review]</td>
</tr>
<tr>
<td>25</td>
<td><strong>The Duty of Loyalty II</strong></td>
<td>Ch. 5, pp. 394-412, Klein &amp; Coffee, pp. 164-172</td>
</tr>
<tr>
<td>November 1</td>
<td><strong>Insider Trading I: Common Law Fiduciary Duty and Rule 10b-5</strong></td>
<td>Ch. 5, pp. 432-477, Klein &amp; Coffee, pp. 157-164</td>
</tr>
<tr>
<td>6</td>
<td><strong>Insider Trading II: Tippees and Misappropriation Theory</strong></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td><strong>Problems of Control</strong></td>
<td>Ch. 6, pp. 511-532</td>
</tr>
</tbody>
</table>
VI. Problems of Control

November 13  Proxy Fights and Private Rights of Action II: Introduction to Shareholder Voting
Readings: Ch. 6, pp. 533-559
Klein & Coffee, pp. 120-127, 179-182

15  Shareholders’ Rights: Shareholder Proposals and Rights of Inspection
Readings: Ch. 6, pp. 559-584

20  Shareholder Voting Control
Readings: Ch. 6, pp. 585-629

VII. Mergers, Acquisitions, and Takeovers

27  Introduction to M&A and Takeovers
Readings: Ch. 7, pp. 713-751; pp. 758-768
Klein & Coffee, pp. 209-223, 178-199

29  “Duty to Auction”
Readings: Ch. 7, pp. 768-848

December 4  Corporate Federalism and State Antitakeover Statutes
Readings: Ch. 7, pp. 849-862
Klein & Coffee, pp. 178-199 [review]

6  Bondholders’ Rights
Readings: Ch. 8, pp. 863-901
Klein & Coffee, pp. 238-255

20  Final Examination - Tentative
Wednesday, 9:00 – 11:00 AM
(Location to be announced)