

UNIVERSITY OF PENNSYLVANIA
THE WHARTON SCHOOL
Legal Studies 202-001
Autumn Term 2006

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
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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.

DATE **ASSIGNMENT**

I. Two Building Blocks of Business Organization: Agency Costs and Agency Law

September	6	Introduction
	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 Klein & Coffee, pp. 101-111, [Introduction], 120-135, 225-226
	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

IV. The Fiduciary Duties of Corporate Directors and Officers

October	11	The Duty of Care Readings: Ch. 5, pp. 328-373 Klein & Coffee, pp.150-156
	16	Midterm exam -- in class.
	18	The Duty of Loyalty I Readings: Ch. 5, pp. 374-394 Klein & Coffee, pp. 150-156 [review]
	25	The Duty of Loyalty II Readings: Ch. 5, pp. 394-412 Klein & Coffee, pp. 164-172

V. Disclosure Requirements and Liabilities under Federal Securities Law

	30	Introduction to Federal Securities Regulation: What is a Security? Readings: Ch. 5, pp. 413-431 Klein & Coffee, pp. 204-206, 235-40 [review], 273-281, 288-89, 292-95, 380-412.
November	1	Insider Trading I: Common Law Fiduciary Duty and Rule 10b-5 Readings: Ch. 5, pp. 432-477 Klein & Coffee, pp. 157-164
	6	Insider Trading II: Tippees and Misappropriation Theory Readings: Ch. 5, pp. 478-510
	8	Problems of Control Readings: Ch. 6, pp. 511-532

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)