

UNIVERSITY OF PENNSYLVANIA  
THE WHARTON SCHOOL  
LEGAL STUDIES/MANAGEMENT DEPARTMENT

LGST/MGMT 213/813 Course Syllabus  
FALL 2006  
LEGAL ASPECTS OF ENTREPRENEURSHIP

Robert J. Borghese  
Wharton Office: 651 JJHH  
Wharton Office Telephone: (215) 898-5919  
Wharton Email: borghese@wharton.upenn.edu  
Wharton Office Hours: By appointment

Course Materials: The required course materials include a Bulkpack of cases and materials available at Wharton Reprographics. The recommended course materials include a two-volume legal treatise, *Start-up & Emerging Companies: Planning, Financing, and Operating the Successful Business* by G. Smith (Law Journal Seminars Press) and *The Entrepreneur's Guide to Business Law* by Bagley and Dauchy (West) available at the Bookstore.

A Note on the Course: This course is designed to be *practical* and *intensive*. Extensive readings are the core of the course. Please do not register for the course unless you intend to be prepared for and actively involved (voluntarily or involuntarily) in each class.

Grading Policy: There will be one mid-term examination comprising 40% of the grade and a cumulative final examination comprising 55% of the grade. Class attendance, preparation and participation will comprise 5% of the grade.

**TOPICAL ASSIGNMENTS**

**I. INTRODUCTION**

**Class 1 Background on the U.S. Legal System**

Readings: Introduction Materials in the Bulkpack.  
Please read *Bold v. Simpson* carefully so we can discuss how to read a case effectively.

**II. DUTIES TO YOUR FORMER EMPLOYER: COMMON LAW DUTIES AND RESTRICTIVE COVENANTS**

**Class 2 Duties to Your Former Employer: Common Law Duties and Restrictive Covenants**

Readings: Duties to Your Former Employer Materials in the Bulkpack.

**III. THE CHOICE OF BUSINESS FORM FOR THE START-UP COMPANY**

**Class 3            Sole Proprietorships, General Partnerships and Limited Partnerships**

Readings:        Sole Proprietorship, General Partnership, and Limited Partnership Materials in the Bulkpack.

Smith Text, Chapter 1.

**Class 4            Corporations: Preserving the Expectation of Limited Liability, and Risk, Return and Control; Limited Liability Companies**

Readings:        Corporations I and II Materials in the Bulkpack.  
Limited Liability Company Materials in the Bulkpack

Smith Text, Chapter 2, §2.01-2.07.

**IV.     FINANCING THE START-UP COMPANY**

**Class 5            Tax Considerations for Start-ups: Tax-Free Organization and The Service Provider Problem**

Readings:        Taxation I and II Materials in the Bulkpack

Smith Text, Chapter 2, §2.08; Chapter 12.

**Class 6            MID-TERM EXAMINATION (NO EXCEPTIONS) – DATE TO BE DETERMINED**

**Class 7            Creditors' Rights and Duties; Federal and State Securities Law**

Readings:        Creditors' Rights Materials and Securities Law Materials in the Bulkpack.

Smith Text Chapter 4

**Class 8            Venture Capital and Private Equity Financing, and Equity Compensation Plans**

Readings:        Securities Law Materials in the Bulkpack.

Smith Text Chapter 4 and Chapter 8.

**V.     MERGERS AND ACQUISITIONS**

**Class 9            Letters of Intent; Mergers, Asset Acquisitions, and Stock Acquisitions**

Readings:        Mergers and Acquisitions Materials in the Bulkpack.

**VI.    OPERATING THE COMPANY**

**Class 10          Employment Law I: Independent Contractors, and "At Will" and Contract Employees**

Readings: At-Will and Contract Employees, and Race and Sex Discrimination Materials in the Bulkpack.

**Class 11 Employment Law II: Race and Sex Discrimination; Discrimination on the Basis of Disability**

Readings: Race and Sex Discrimination Materials in the Bulkpack, and Americans with Disabilities Act Materials in the Bulkpack.

**Class 12 Patents and Trade Secrets**

Readings: Patents and Trade Secrets Materials in the Bulkpack.  
Smith Text, Chapter 15.

**Class 13 Copyrights and Trademarks**

Readings: Copyrights and Trademarks Materials in the Bulkpack.  
Smith Text, Chapter 15.

**FINAL EXAMINATION: TIME AND LOCATION DETERMINED BY REGISTRAR.  
(NO EXCEPTIONS)**