

**UNIVERSITY OF PENNSYLVANIA**  
**THE WHARTON SCHOOL**  
Legal Studies 202-001  
Autumn Term 2007

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

**Class Meets:** Monday and Wednesday, 12:00 Noon – 1:30 p.m.  
Jon M. Huntsman Hall

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

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

**DATE**      **ASSIGNMENT**

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

September	5	<b>Introduction</b>
	10	<b>Introduction to Agency Law: Owners, Employees, and Creditors</b> Readings: Ch. 1, pp. 1-57
	12	<b>Introduction to Fiduciary Obligation</b> Readings: Ch. 1, pp. 58-90

**II. Partnerships and Other Noncorporate Business Forms**

September	17	<b>Partners Compared with Employees and Creditors; Partnership by Estoppel</b> Readings: Ch. 2, pp. 91-106
	19	<b>Fiduciary Duties of Partnerships; Rights of Partners in Management; Dissolution</b> Readings: Ch. 2, pp. 106-139

September	24	<b>Variations of Business Forms: Limited Partnerships, Limited Liability Companies, Limited Liability Partnerships and Close and Public Corporations.</b> Readings: Ch. 2, pp. 140-199
	26	<b>The Corporate Entity: Definitional Carousel</b> Readings: Ch. 3, pp. 200-206

### **III. The Nature of Corporations**

October	1	<b>The Corporate Entity and Limited Liability – “Piercing the Corporate Veil”</b> Readings: Ch. 3, pp. 207-231
	3	<b>Shareholder Direct and Derivative Actions; the Demand Requirement</b> Readings: Ch. 3, pp. 232-281
	8	<b>The Role and Purposes of Corporations</b> Readings: Ch. 3, pp. 282-298

### **IV. The Fiduciary Duties of Corporate Directors and Officers**

October	10	<b>The Duty of Care</b> Readings: Ch. 5, pp. 328-373
	17	<b>Midterm exam -- in class.</b>
	22	<b>The Duty of Loyalty I</b> Readings: Ch. 5, pp. 374-394
	24	<b>The Duty of Loyalty II</b> Readings: Ch. 5, pp. 394-412

### **V. Disclosure Requirements and Liabilities under Federal Securities Law**

	29	<b>Introduction to Federal Securities Regulation: What is a Security?</b> Readings: Ch. 5, pp. 413-431
November	31	<b>Insider Trading I: Common Law Fiduciary Duty and Rule 10b-5</b> Readings: Ch. 5, pp. 432-477

November      5                    **Insider Trading II: Tippees and Misappropriation Theory**  
Readings:      Ch. 5, pp. 478-510

7                    **Problems of Control**  
Readings:      Ch. 6, pp. 511-532

## **VI. Problems of Control**

12                  **Proxy Fights and Private Rights of Action II: Introduction to Shareholder Voting**  
Readings:      Ch. 6, pp. 533-559

14                  **Shareholders' Rights: Shareholder Proposals and Rights of Inspection**  
Readings:      Ch. 6, pp. 559-584

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

## **VII. Mergers, Acquisitions, and Takeovers**

26                  **Introduction to M&A and Takeovers**  
Readings:      Ch. 7, pp. 713-751; pp. 758-768

28                  **"Duty to Auction"**  
Readings:      Ch. 7, pp. 768-848

December      3                    **Corporate Federalism and State Antitakeover Statutes**  
Readings:      Ch. 7, pp. 849-862

5                    **Bondholders' Rights**  
Readings:      Ch. 8, pp. 863-901

18                  **Final Examination**  
Tuesday, 12:00 Noon – 2:00 PM  
(Location to be announced)