

**UNIVERSITY OF PENNSYLVANIA  
THE WHARTON SCHOOL  
LEGAL STUDIES/MANAGEMENT DEPARTMENT**

**LGST/MGMT 213 Course Syllabus  
FALL 2007  
LEGAL ASPECTS OF ENTREPRENEURSHIP**

Peter N. Flocos

Wharton Office: 651 Jon M. Huntsman Hall

Wharton Office Telephone: (215) 898-5919

Wharton Email:

Wharton Office Hours: Wednesdays, 2 pm to 3 pm

Class Hours: Wednesdays, 3 pm to 6 pm

Course Description: Legal Aspects of Entrepreneurship is a practical and intensive course that examines the critical legal issues confronting start-up and emerging growth companies. The course provides perspective on how the law impacts business risk, the deployment of resources and shareholder value.

Topics include, from this business perspective, an overview of the U.S. legal system; contract law; the enforceability of confidentiality, non-competition and other restrictive covenants in employment agreements; choice of business form including the legal, financial and tax advantages and disadvantages of general partnerships, limited partnerships, corporations and limited liability companies; tax law; securities law; venture capital and private equity financings; mergers and acquisitions; employment law; and intellectual property law including copyrights, trademarks, trade secrets and patents.

Course Materials:

Required Materials: Readings available on course webCafé.

Recommended Materials: *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, and one final examination. Each examination will be equally weighted and each will be a closed-book, closed-note examination.

## **TOPICAL ASSIGNMENTS**

### **CLASS 1 INTRODUCTION; OVERVIEW OF THE U.S. LEGAL SYSTEM, LAWYERS AND LITIGATION**

Readings: U.S. Legal System Materials on webCafé; Lawyers and Litigation Materials on webCafé

### **CLASS 2 CONTRACT LAW; CONTRACT LAW VERSUS TORT LAW**

Readings: Contract Law Materials on webCafé

### **CLASS 3 DUTIES TO YOUR FORMER EMPLOYER: COMMON LAW DUTIES AND RESTRICTIVE COVENANTS**

Readings: Duties to Your Former Employer Materials on webCafé

### **CLASS 4 CHOICE OF BUSINESS FORM I: SOLE PROPRIETORSHIPS, GENERAL PARTNERSHIPS AND LIMITED PARTNERSHIPS**

Readings: Sole Proprietorships, General Partnerships and Limited Partnerships Materials on webCafé

Smith Text, Chapter 1

### **CLASS 5 CHOICE OF BUSINESS FORM II: CORPORATIONS AND LIMITED LIABILITY COMPANIES**

Readings: Corporations and Limited Liability Company Materials on webCafé

Smith Text, Chapter 2, §2.01-2.07

### **CLASS 6 TAX CONSIDERATIONS FOR START-UPS: IRC SECTION 351- TAX-FREE ORGANIZATION, IRC SECTION 83 - THE SERVICE PROVIDER PROBLEM, AND IRC SECTION 385 - THE RECLASSIFICATION OF DEBT AS EQUITY**

Readings: Taxation Materials on webCafé

Smith Text, Chapter 2, §2.08; Chapter 12

### **CLASS 7 MID-TERM EXAMINATION (NO EXCEPTIONS) – DATE TO BE DETERMINED**

- CLASS 8 CREDITORS' RIGHTS AND DUTIES; FEDERAL AND STATE SECURITIES LAW**
- Readings: Creditors' Rights Materials on webCafé and Securities Law Materials on webCafé
- Smith Text, Chapter 4
- CLASS 9 FEDERAL AND STATE SECURITIES LAW; VENTURE CAPITAL AND PRIVATE EQUITY FINANCING**
- Readings: Securities Law Materials on webCafé and Venture Capital and Private Equity Materials on webCafé
- Smith Text, Chapters 4 and 8
- CLASS 10 MERGERS AND ACQUISITIONS; "DEAL LITIGATION"**
- Readings: Mergers and Acquisitions Materials on webCafé; Deal Litigation Materials on webCafé
- CLASS 11 EMPLOYMENT LAW I: INDEPENDENT CONTRACTORS VERSUS EMPLOYEES, AND "AT WILL" VERSUS CONTRACT EMPLOYMENT**
- Readings: Employment Law Materials on webCafé
- CLASS 12 EMPLOYMENT LAW II: RACE, SEX, AGE AND DISABILITY DISCRIMINATION**
- Readings: Employment Law Materials on webCafé
- CLASS 13 INTELLECTUAL PROPERTY LAW**
- Readings: Copyright, Trademark, Trade Secret and Patent Materials on webCafé
- Smith Text, Chapter 15
- FINAL EXAMINATION: TIME AND LOCATION DETERMINED BY REGISTRAR (NO EXCEPTIONS)**