

**UNIVERSITY OF PENNSYLVANIA
THE WHARTON SCHOOL
LEGAL STUDIES AND BUSINESS ETHICS DEPARTMENT**

**LGST 813 Course Syllabus
Spring 2009
LEGAL ASPECTS OF ENTREPRENEURSHIP**

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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 to use the law strategically to manage risk, deploy resources and maximize shareholder value. Topics include 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 and securities law aspects of raising capital, structuring venture capital and private equity financings, letters of intent and mergers and acquisitions, employment law, and intellectual property law including trade secrets, copyrights, patents and trademarks.

Course Materials:

Required Materials: Readings available on course webcafe.

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 Background on the U.S. Legal System

Readings: Background on the U.S. Legal System Materials on webcafe.

Class 2 Lawyers and Litigation

Readings: Lawyers and Litigation Materials on webcafe.

Class 3 Duties to Your Former Employer: Common Law Duties and Restrictive Covenants

Readings: Duties to Your Former Employer Materials on webcafe.

- Class 4** **Choice of Business Form I: Sole Proprietorships, General Partnerships and Limited Partnerships**
- Readings: Sole Proprietorship, General Partnership, and Limited Partnership Materials on webcafe.
- Smith Text, Chapter 1.
- Class 5** **Choice of Business Form II: Corporations and Limited Liability Companies**
- Readings: Corporations and Limited Liability Company Materials on webcafe.
- 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 I and II Materials on webcafe.
- 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 and Securities Law Materials on webcafe.
- Smith Text Chapter 4
- Class 9** **Venture Capital and Private Equity Financing**
- Readings: Securities Law Materials, and Venture Capital and Private Equity Materials on webcafe.
- Smith Text Chapter 4 and Chapter 8.
- Class 10** **Mergers and Acquisitions**
- Readings: Mergers and Acquisitions Materials on webcafe.
- Class 11** **Employment Law I: Independent Contractors v. Employees, and "At Will" v. Contract Employment**
- Readings: Employment Law Materials on webcafe.
- Class 12** **Employment Law II: Race, Sex, Age and Disability Discrimination**
- Readings: Employment Law Materials on webcafe.

Class 13 Intellectual Property Law

Readings: Patents and Trade Secrets, and Copyrights and Trademark Materials on webeafe.
Smith Text, Chapter 15.

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