UNIVERSITY OF PENNSYLVANIA
THE WHARTON SCHOOL
Legal Studies 202-001
Spring Term 2011

Professor: Dr. Nicholas D. Constan, Jr.

Class Meets: Monday and Wednesday, 12:00 - 1:30 p.m.
Jon M. Huntsman Hall, Room F-45

Office Hours: By Appointment
Jon M. Huntsman Hall, Room 2069
E-mail: constann@wharton.upenn.edu

Assigned Readings: Business Associations: Agency, Partnerships, and Corporations;
Klein Ramseyer Bainbridge (Foundation Press, 7th ed.2009), may
be purchased at the Penn Bookstore.

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<th>DATE</th>
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<tr>
<td></td>
<td>I. Two Building Blocks of Business Organization: Agency Costs and Agency Law</td>
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<tr>
<td>January</td>
<td>12</td>
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<tr>
<td>19</td>
<td>Introduction to Agency Law: Owners, Employees, and Creditors</td>
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<td>Readings: Ch. 1, pp. 1-59</td>
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<td>24</td>
<td>Introduction to Fiduciary Obligation</td>
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<td>Readings: Ch. 1, pp. 59-86</td>
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<td>II. Partnerships and Other Noncorporate Business Forms</td>
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<td>January</td>
<td>26</td>
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<td>Readings: Ch. 2, pp. 87-104</td>
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<td>31</td>
<td>Fiduciary Duties of Partnerships; Rights of Partners in Management; Dissolution</td>
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<td>Readings: Ch. 2, pp. 105-149</td>
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Readings: Ch. 2, pp. 150-181

7 The Corporate Entity: Definitional Carousel
Readings: Ch. 3 pp. 182-188

III. The Nature of Corporations

February 9 The Corporate Entity and Limited Liability -- “Piercing the Corporate Veil”
Readings: Ch. 3, pp. 189-213

14 Shareholder Direct and Derivative Actions; the Demand Requirement
Readings: Ch. 3, pp. 214-263

16 The Role and Purposes of Corporations
Readings: Ch. 3, pp. 264-280

IV. The Fiduciary Duties of Corporate Directors and Officers

21 The Duty of Care
Readings: Ch. 5, pp. 310-335

23 Review of Course

28 Midterm exam – in class

March 2 The Duty of Loyalty I
Readings: Ch. 4, pp. 336-356

5-13 SPRING BREAK

14 The Duty of Loyalty II
Readings: Ch. 4, pp. 357-403

V. Disclosure Requirements and Liabilities under Federal Securities Law

16 Introduction to Federal Securities Regulation: What is a Security?
Readings: Ch. 5, pp. 404-466

21 Insider Trading I: Common Law Fiduciary Duty and Role 10b-5
Readings: Ch. 5, pp. 467-498

23 Insider Trading II: Tippees and Misappropriation Theory
Readings: Ch. 5, pp. 499-520

28 Problems of Control
Readings: Ch. 6, pp. 521-547

VI. Problems of Control

30 Proxy Fights and Private Rights of Action II: Introduction to Shareholder Voting
Readings: Ch. 6, pp. 548-569

April 4 Shareholders' Rights: Shareholder Proposals and Rights of Inspection
Readings: Ch. 6, pp. 570-606

6 Shareholder Voting Control
Reading: Ch.6, pp. 607-645

VII. Mergers, Acquisitions, and Takeovers

11 Introduction to M&A and Takeovers
Readings: Ch. 7, pp. 689-733

13 “Duty to Auction"
Readings: Ch. 7, pp. 733-792

18 Corporate Federalism and State Antitakeover Statutes
Readings: Ch. 7, pp. 793-836

20 Bondholders' Rights
Readings: Ch. 8, pp. 837-876

25 Review of the Course

May 5 Final Examination - Tentative
Thursday, 9:00am-11:00am
(Location to be announced)