

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.

DATE **ASSIGNMENT**

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

January	12	Introduction
	19	Introduction to Agency Law: Owners, Employees, and Creditors Readings: Ch. 1, pp. 1-59
	24	Introduction to Fiduciary Obligation Readings: Ch. 1, pp. 59-86

II. Partnerships and Other Noncorporate Business Forms

January	26	Partners Compared with Employees and Creditors; Partnership by Estoppel Readings: Ch. 2, pp. 87-104
	31	Fiduciary Duties of Partnerships; Rights of Partners in Management; Dissolution Readings: Ch. 2, pp. 105-149

February	2	Variations of Business Forms: Limited Partnerships, Limited Liability Companies, Limited Liability Partnerships and Close and Public Corporations. 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?
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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)