

UNIVERSITY OF PENNSYLVANIA
THE WHARTON SCHOOL
Legal Studies 202-001
Autumn Term 2013

Professor: Dr. Nicholas D. Constan, Jr.

Class Meets: Tuesday and Thursday, 10:30 – 11:50
Jon M. Huntsman Hall, Room G88

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, 8th ed. 2012), may
be purchased at the Penn Bookstore or online.

DATE **ASSIGNMENT**

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

August	29	Introduction
September	3	Introduction to Agency Law: Owners, Employees, and Creditors Readings: Ch. 1, pp. 1-34
	5	Introduction to Fiduciary Obligation Readings: Ch. 1, pp. 34-78

II. Partnerships and Other Noncorporate Business Forms

10	Partners Compared with Employees and Creditors; Partnership by Estoppel Readings: Ch. 2, pp. 79-136
12	Fiduciary Duties of Partnerships; Rights of Partners in Management; Dissolution Readings: Ch. 2, pp. 137-165

September	17	Variations of Business Forms: Limited Partnerships, Limited Liability Companies, Limited Liability Partnerships and Close and Public Corporations. Readings: Ch. 4, pp. 269-307
	19	No Class – Make-up TBA
	24	The Corporate Entity: Definitional Carousel Readings: Ch. 3, pp. 169-201

III. The Nature of Corporations

	26	The Corporate Entity and Limited Liability – “Piercing the Corporate Veil” Readings: Ch. 3, pp. 176-200
October	1	Shareholder Direct and Derivative Actions; the Demand Requirement Readings: Ch. 3, pp. 201-250
	3	The Role and Purposes of Corporations Readings: Ch. 3, pp. 251-267

IV. The Fiduciary Duties of Corporate Directors and Officers

	8	The Duty of Care Readings: Ch. 5, pp. 308-333
	10	Midterm exam -- in class.
	15	The Duty of Loyalty I Readings: Ch. 5, pp. 334-373
	17	The Duty of Loyalty II Readings: Ch. 5, pp. 373-399
	22	Fall Break

V. Disclosure Requirements and Liabilities under Federal Securities Law

	24	Introduction to Federal Securities Regulation: What is a Security? Readings: Ch. 5, pp. 400-432
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October 29 **Insider Trading I: Common Law Fiduciary Duty and Rule 10b-5**
Readings: Ch. 5, pp. 433-461

31 **Insider Trading II: Tippees and Misappropriation Theory**
Readings: Ch. 5, pp. 462-515

VI. Problems of Control

November 5 **Problems of Control**
Readings: Ch. 6, pp. 516-542

7 **Proxy Fights and Private Rights of Action II: Introduction to Shareholder Voting**
Readings: Ch. 6, pp. 542-561

12 **Shareholders' Rights: Shareholder Proposals and Rights of Inspection**
Readings: Ch. 6, pp. 562-575

14 **Shareholder Voting Control**
Readings: Ch. 6, pp. 576-610

VII. Mergers, Acquisitions, and Takeovers

19 **Introduction to M&A and Takeovers**
Readings: Ch. 7, pp. 695-732

21 **"Duty to Auction"**
Readings: Ch. 7, pp. 739-795

26 **Corporate Federalism and State Antitakeover Statutes**
Readings: Ch. 7, pp. 835-848

28 Thanksgiving

December 3 **Bondholders' Rights**
Readings: Ch. 8, pp. 849-893

5 Review of Course

13 **Final Examination**
Friday, 9:00 AM – 11:00 AM
(Location to be announced)