



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

**LGST 813 Course Syllabus
LEGAL AND TRANSACTIONAL ASPECTS OF ENTREPRENEURSHIP**

Robert J. Borghese
Wharton Office: Sixth Floor, Jon M. Huntsman Hall
Wharton Office Telephone: (215) 898-7689
Wharton Email: borghese@wharton.upenn.edu
Wharton Office Hours: After class in the Forum and by appointment

Course Description: Legal and Transactional Aspects of Entrepreneurship is a practical and intensive course that examines the critical legal and transactional 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 transactions, mergers, acquisitions and other entrepreneurial deal structures, employment law, and intellectual property law including trade secrets, copyrights, patents and trademarks.

COURSE REQUIREMENTS

1. **Class Attendance.** Attendance at all class sessions is mandatory. Failure to attend the first class will result in automatically being dropped from the course. Those on the waitlist must attend the first class to be considered for admission. To the extent there is availability in the course, admission off of the waitlist will be determined in the order specified by the MBA Program Office.
2. **Class Seating.** Seating will be assigned based on a class seating chart. Tent cards must be used in all class sessions.
3. **Technology Use.** The use of technology is permitted during class with the understanding that it be used only for class purposes and does not disturb others in the class.
4. **Class Preparation and Participation.** Students are expected to be prepared for each class and to be ready to discuss course materials.
5. **Recording of Class Sessions.** Recording of class sessions is not permitted.



Course Materials:

Required Materials:

1. Course Readings on Canvas.

Recommended Materials:

1. *Start-up & Emerging Companies: Planning, Financing, and Operating the Successful Business* by G. Smith (Law Journal Seminars Press)
2. *The Entrepreneur's Guide to Business Law* by Bagley and Dauchy (West) available at the Bookstore.

Examinations: There will be one mid-term examination, and one cumulative final examination. Each examination will be equally weighted and each will be a closed-book, closed-note examination.

Examination Dates:

Midterm Exam: To be determined

Final Exam: Friday, December 16, 2016 at 3:00 P.M. **The exam date will not be changed under any circumstances.**

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.

TOPICAL ASSIGNMENTS

- Topic 1** **Discussion of Course Themes**
Background on the U.S. Legal System
Lawyers, Litigation and Alternative Dispute Resolution
- Readings: Background on the U.S. Legal System Materials, and Lawyers and Litigation Materials.
- Topic 2** **Duties to Your Former Employer: Common Law Duties and Restrictive Covenants**
- Readings: Duties to Your Former Employer Materials.
- Topic 3** **Choice of Business Form I: Sole Proprietorships, General Partnerships and Limited Partnerships**



Readings: Sole Proprietorship, General Partnership, and Limited Partnership Materials.
Smith Text, Chapter 1.

Topic 4 Choice of Business Form II: Corporations and Limited Liability Companies

Readings: Corporations and Limited Liability Company Materials.
Smith Text, Chapter 2, §2.01-2.07.

Topic 5 Tax Considerations for Start-ups: IRC Section 351- Tax-Free Organization, IRC Section 83 - The Service Provider Problem

Readings: Taxation I and II Materials.
Smith Text, Chapter 2, §2.08; Chapter 12.

**Topic 6 Final Thoughts on Choice of Business Form for Start-Up Companies
Thoughts on Equity Incentive Structures for Start-Up Companies
Creditors' Rights and Duties**

Readings: Creditors' Rights Materials and Securities Law Materials.
Smith Text Chapter 4

**Topic 7 Raising Capital: Federal Securities Law, and Venture Capital and Private Equity
Financing Structures**

Readings: Securities Law Materials, and Venture Capital and Private Equity Materials.
Smith Text Chapter 4 and Chapter 8.

Topic 8 Mergers, Acquisitions and Entrepreneurial Deal Structures

Readings: Mergers and Acquisitions Materials.

**Topic 9 Employment Law I: Independent Contractors v. Employees, and "At Will" v. Contract
Employment**

Readings: Employment Law Materials.

Topic 10 Employment Law II: Wrongful Termination and Discrimination



Readings: Employment Law Materials.

Topic 11 **Intellectual Property Law**
Closing Course Themes

Readings: Patents and Trade Secrets, and Copyrights and Trademark Materials.

Smith Text, Chapter 15.