



AS OF: OCT. 15, 2022

**LAW OF CORPORATE MANAGEMENT AND FINANCE**  
LGST 2020 / 8020  
Spring 2023

Prof. Vince Buccola  
Legal Studies & Business Ethics Department  
Huntsman Hall 649  
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**Class Meetings** Mondays & Wednesdays, 10:15 – 11:45  
Huntsman XXX  
**Note: Class follows the MBA calendar (see agenda below)**

**Teaching Assistant** Gui Siqueira  
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**Buccola Office Hours** Tuesdays, [TIME TBD] (or by appointment)  
Huntsman 649

**Siqueira Office Hours** [DAY and TIME TBD]  
Huntsman \_\_

**Canvas** <https://canvas.upenn.edu/courses/1689766>

**Course Description**

It is no secret that business corporations are among the most important institutions in the modern economy. Their prominence is a function of their distinctive capacity to induce people with incompletely aligned interests—even perfect strangers—to contribute resources to a common cause. Such coordination is a remarkable achievement but raises its own challenges.

This course introduces students to the legal principles that underlie and animate the corporation. We will consider how law facilitates capital accumulation and seeks to ameliorate conflict among and between investors and managers. Topics covered include fiduciary litigation, takeover law, shareholder activism and voting, the rights of non-shareholder constituents (including creditors and employees), and insider trading. Although our focus is on public corporations, we also consider the governance of venture firms and the significance of alternative entity forms (such as LLCs and DAOs).

## Assessment

*For LGST 8020*

- Professionalism (20%)
- Final Exam (80%)

*For LGST 2020*

- Professionalism (20%)
- Group Presentation—Case Study (20%)
- Final Exam (60%)

## Policies

This course will involve a combination of lecture, discussion, and “Socratic” questioning. Cold calling will be a regular feature of class. To make the course as valuable to your friends (and you) as possible, please observe the following norms:

- *Do the Reading.* You should complete assigned readings before class. Completion means more than having skimmed. You should be ready to answer questions about the assigned texts and discuss them critically.
- *But Tell Me If You Didn't.* Schedules get busy. If you are unable to finish the readings, email me at least one hour before class, and I will not call on you (max four times in the semester).
- *Don't Pretend to Have Read What You Haven't.*
- *No Electronic Devices in Class.* If you have an extraordinary need, please talk with me.

## Text

Course pack [study.net] available via Canvas.

// tentative agenda on next page

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| 1. | JAN. 18:<br><i>Readings</i> | <b>Introduction to the Corporation</b><br>none  |
| 2. | JAN. 23:<br><i>Readings</i> | <b>Legal Foundations of the Corporation</b><br>DGCL § 101(a), (b)<br>§ 102(a), (b), (c); 242<br>§ 109<br>§ 141(a), (b)<br>§ 142<br>Tesla Certificate of Incorporation<br>Tesla Bylaws |
| 3. | JAN. 25:<br><i>Readings</i> | <b>Introduction to Fiduciary Litigation; The Business Judgment Rule</b><br><i>Shlensky v. Wrigley</i>   |
| 4. | JAN. 30:<br><i>Readings</i> | <b>Negligence and Tunneling</b><br><i>Smith v. Van Gorkom</i><br>DGCL § 102(b)(7)<br><i>In re Tesla Motors (Tesla 2)</i>  |
| 5. | FEB. 1:<br><i>Readings</i>  | <b>Oversight</b><br><i>In re Caremark</i><br><i>Marchand v. Barnhill</i><br><i>In re Boeing</i>   |
| 6. | FEB. 6:<br><i>Readings</i>  | <b>Controlling Shareholders' Obligations</b><br><i>Sinclair Oil v. Levien</i><br><i>In re Tesla Motors (Tesla 1)</i>  |
| 7. | FEB. 8:<br><i>Readings</i>  | <b>An Aside on Procedure</b><br>Del. Rule Ch. Ct. 23.1<br><i>Tri-State Pension Fund v. Zuckerberg</i>   |

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| 8.  | FEB. 13: | <b>Merger Duties and Litigation 1</b><br><i>Readings</i> <i>Revlon v. MacAndrews &amp; Forbes</i><br><i>Kahn v. M&amp;F Worldwide</i><br><i>Corwin v. KKR Financial Holdings</i> |
| 9.  | FEB. 15: | <b>Merger Duties and Litigation 2</b><br><i>Readings</i> <i>In re Trulia</i>   |
| 10. | FEB. 20  | <b>Federal Securities Law</b><br><i>Readings</i> 1934 Act, § 10(b)<br>SEC Rule 10b-5<br><i>Santa Fe Industries v. Green</i><br><i>Basic Inc. v. Levinson</i>                     |
| 11. | FEB. 22: | <b>Introduction to Tender Offers and Defensive Tactics</b><br><i>Readings</i> <i>Unocal v. Mesa Petroleum</i>  |
| 12. | FEB. 27: | <b>The Poison Pill and Shareholder Value(s)</b><br><i>Readings</i> DGCL §§ 151, 157<br><i>Household Inc. v. Moran</i><br><i>Revlon v. MacAndrews, redux</i>                      |
| 13. | MAR. 13: | <b>Just Say No?</b><br><i>Readings</i> <i>Paramount v. Time</i><br><i>Air Products v. Airgas</i>   |
| 14. | MAR. 15: | <b>Introduction to Shareholder Voting</b><br><i>Readings</i> DGCL §§ 212, 141(d), (k)<br>1934, § 14<br>SEC Rule 14a-3, a-4, a-7, a-8<br>Tesla Proxy Materials                    |

15.	<b>MAR. 20:</b> <i>Readings</i>	<b>Delaware and the Franchise</b> <i>Blasius Industries v. Atlas</i> <i>The Williams Companies Stockholder Litigation</i>
16.	<b>MAR. 22:</b> <i>Readings</i>	<b>The SEC and Shareholder Activism</b> 1934 Act, § 13 SEC Rule 13D TBD on Exxon SEC Rule 14a-19
17.	<b>MAR. 27:</b> <i>Readings</i>	<b>Other Constituencies: Creditors</b> <i>Metropolitan Life v. RJR Nabisco</i> DGCL §§ 170, 154 Uniform Fraudulent Transfer Act, §§ 2–4, 7 <i>Quadrant Structured Products v. Vertin</i> TBD on covenants
18.	<b>MAR. 29:</b> <i>Readings</i>	<b>Other Constituencies: Employees</b> TBD on golden parachutes TBD on non-competes, inventions Uniform Trade Secrets Act, §§ 1–3
19.	<b>APR. 3:</b> <i>Readings</i>	<b>Venture-Backed Startup Governance 1</b> Pollman, <i>Startup Governance</i> [excerpts] NVCA Term Sheet <i>In re Trados</i>
20.	<b>APR. 5:</b> <i>Readings</i>	<b>Venture-Backed Startup Governance 2</b> TBD
21.	<b>APR. 10:</b> <i>Readings</i>	<b>Non-Corporate Entities: From LLCs to DAOs</b> TBD on LLC Agreements TBD on DAO Governance

22.	<b>APR. 12:</b> <i>Readings</i>	<b>Insider Trading: Foundations and Merger News</b> 1934 Act, § 10(b) SEC Rule 10b-5 <i>SEC v. Texas Gulf Sulphur</i> <i>Chiarella v. United States</i> SEC Rule 14e-3
23.	<b>APR. 17:</b> <i>Readings</i>	<b>Insider Trading: Tipper-Tippee Liability</b> <i>Dirks v. SEC</i> <i>United States v. Newman</i> <i>United States v. Blazczak</i>
24.	<b>APR. 19:</b> <i>Readings</i>	<b>Review</b> none
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25.	<b>APR. 24:</b> <i>Readings</i>	<b>Group Presentations — LGST 2020 (Undergraduates) Only</b> N/A
26.	<b>APR. 26:</b> <i>Readings</i>	<b>Group Presentations — LGST 2020 (Undergraduates) Only</b> N/A
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**FINAL EXAM:** Date and time TBD