Class Meetings
Mondays & Wednesdays, 10:15 – 11:45
Huntsman XXX
Note: Class follows the MBA calendar (see agenda below)

Teaching Assistant
Gui Siqueira
gsiq@wharton.upenn.edu

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
1. JAN. 18: Introduction to the Corporation
   Readings none

2. JAN. 23: Legal Foundations of the Corporation
   Readings DGCL § 101(a), (b)
   § 102(a), (b), (c); 242
   § 109
   § 141(a), (b)
   § 142
   Tesla Certificate of Incorporation
   Tesla Bylaws

3. JAN. 25: Introduction to Fiduciary Litigation; The Business Judgment Rule
   Readings Shlensky v. Wrigley

4. JAN. 30: Negligence and Tunneling
   Readings Smith v. Van Gorkom
   DGCL § 102(b)(7)
   In re Tesla Motors (Tesla 2)

5. FEB. 1: Oversight
   Readings In re Caremark
   Marchand v. Barnhill
   In re Boeing

6. FEB. 6: Controlling Shareholders’ Obligations
   Readings Sinclair Oil v. Levien
   In re Tesla Motors (Tesla 1)

7. FEB. 8: An Aside on Procedure
   Readings Del. Rule Ch. Ct. 23.1
   Tri-State Pension Fund v. Zuckerberg
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<tr>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
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<tr>
<td>FEB. 13</td>
<td>Merger Duties and Litigation 1</td>
<td>Revlon v. MacAndrews &amp; Forbes</td>
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<td>Kahn v. M&amp;F Worldwide</td>
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<td>Corwin v. KKR Financial Holdings</td>
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<td>FEB. 15</td>
<td>Merger Duties and Litigation 2</td>
<td>In re Trulia</td>
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<td>FEB. 20</td>
<td>Federal Securities Law</td>
<td>1934 Act, § 10(b)</td>
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<td>SEC Rule 10b-5</td>
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<td>Santa Fe Industries v. Green</td>
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<td>Basic Inc. v. Levinson</td>
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<td>FEB. 22</td>
<td>Introduction to Tender Offers and Defensive Tactics</td>
<td>Unocal v. Mesa Petroleum</td>
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<td>FEB. 27</td>
<td>The Poison Pill and Shareholder Value(s)</td>
<td>DGCL §§ 151, 157</td>
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<td>Household Inc. v. Moran</td>
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<td>Revlon v. MacAndrews, redux</td>
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<td>MAR. 13</td>
<td>Just Say No?</td>
<td>Paramount v. Time</td>
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<td>Air Products v. Airgas</td>
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<td>MAR. 15</td>
<td>Introduction to Shareholder Voting</td>
<td>DGCL §§ 212, 141(d), (k)</td>
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<td>1934, § 14</td>
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<td>SEC Rule 14a-3, a-4, a-7, a-8</td>
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<td>Tesla Proxy Materials</td>
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15. **MAR. 20:** Delaware and the Franchise
   
   **Readings**  
   *Blasius Industries v. Atlas*  
   *The Williams Companies Stockholder Litigation*

16. **MAR. 22:** The SEC and Shareholder Activism
   
   **Readings**  
   *1934 Act, § 13*  
   *SEC Rule 13D*  
   *TBD on Exxon*  
   *SEC Rule 14a-19*

17. **MAR. 27:** Other Constituencies: Creditors
   
   **Readings**  
   *Metropolitan Life v. RJR Nabisco*  
   *DGCL §§ 170, 154*  
   *Uniform Fraudulent Transfer Act, §§ 2–4, 7*  
   *Quadrant Structured Products v. Vertin*  
   *TBD on covenants*

18. **MAR. 29:** Other Constituencies: Employees
   
   **Readings**  
   *TBD on golden parachutes*  
   *TBD on non-competes, inventions*  
   *Uniform Trade Secrets Act, §§ 1–3*

19. **APR. 3:** Venture-Backed Startup Governance 1
   
   **Readings**  
   *Pollman, Startup Governance [excerpts]*  
   *NVCA Term Sheet*  
   *In re Trados*

20. **APR. 5:** Venture-Backed Startup Governance 2
   
   **Readings**  
   *TBD*

21. **APR. 10:** Non-Corporate Entities: From LLCs to DAOs
   
   **Readings**  
   *TBD on LLC Agreements*  
   *TBD on DAO Governance*
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<tr>
<td>22.</td>
<td>APR. 12:</td>
<td>Insider Trading: Foundations and Merger News</td>
<td>1934 Act, § 10(b)</td>
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<td>23.</td>
<td>APR. 17:</td>
<td>Insider Trading: Tipper-Tippee Liability</td>
<td><em>Dirks v. SEC</em></td>
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<td><em>United States v. Newman</em></td>
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<td><em>United States v. Blazczak</em></td>
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<td>APR. 19:</td>
<td>Review</td>
<td>none</td>
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<td>25.</td>
<td>APR. 24:</td>
<td>Group Presentations — LGST 2020 (Undergraduates) Only</td>
<td>N/A</td>
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<td>26.</td>
<td>APR. 26:</td>
<td>Group Presentations — LGST 2020 (Undergraduates) Only</td>
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**FINAL EXAM:** Date and time TBD