

**Zoom link: to be provided**

**PRELIMINARY SYLLABUS**

Office Hours: Tuesday 4-5pm; & Thursday 9-10am; by appointment

Text: Bainbridge, BUSINESS ASSOCIATIONS (11th ed. 2021). ISBN: 978-1-68467-334-6

Statutory Supplement: Business Associations: Agency, Partnerships, LLCs and Corporations – 2022 Statutes and Rules (Bainbridge) 2022 ISBN: 978-1-63659-901-4

**Reading Assignments:** We will cover about 3-5 topics per week. It is your responsibility to stay sufficiently ahead in the reading. I reserve the right to assign additional materials.

PowerPoints will be sent out by email and will be posted on TWEN immediately before each class.

**Overview:** This course surveys and analyzes the conduct of business in each of the principal forms of business associations including the relative rights and liabilities of the owners of such associations and third persons. The course considers the legal principles governing agency and partnership relationships as well as corporations. It reviews the uniform partnership statutes, the uniform limited liability company statutes, and principally Delaware corporate law.

**Learning Outcomes:**

Students will be able to (i) identify and distinguish between various business forms; (ii) explain how each form operates, (iii) explain the advantages and disadvantages of each form; and (iv) give examples of when each form might best be used by a client.

Students will be able to explain the fiduciary duties of loyalty and care and how the application of each varies depending upon the situation in which it is being applied.

Students will be able to identify present and potential business law issues related to the ownership and management of businesses, including the authority of agents; the rights of shareholders; and the obligations of directors, managers, and others.

Students will demonstrate an awareness of ethical challenges, including conflicts of interest, related to the representation of a business, its owners, and its employees.

Students will understand how to create articles of incorporation and bylaws for a corporation.

### ***Examination and Grading:***

The final grade will be determined by a three-hour open book examination (internet disabled) given at the end of the semester at the date and time selected by the Registrar. Each student will also present a five minute presentation on an assigned corporation (pass/fail) and prepare articles of incorporation and bylaws (pass/fail).

If you are in need of special accommodations for the exam, please contact Associate Dean Annamaria Nields (anields@gmu.edu) as possible to arrange those accommodations.

***Attendance:*** As provided in the law school's Academic Regulations, you may not miss more than 20% of the regularly scheduled classes. It is a violation of the Honor Code to misrepresent your attendance or the attendance of another student. If you do not meet the expectations of the attendance policy, you will be denied the opportunity to take the final exam. Attending class means being present for the entire class period with your "camera on". Please speak with me before class if you are unable to attend with your camera on.

***Class Preparation and Participation:*** Class participation is required. You are expected to arrive at class having prepared the assigned materials. I reserve the right to mark any unprepared student absent and to adjust any student's grade up or down one grade step based upon class participation. Exceptional class participation is needed for a plus.

1 Introduction / Who is an Agent? - Ch. 1, § 1  
Read pages 1-13

2 Liability of Principal to 3rd Parties - Contract - part 1 - Ch. 1, § 2A  
Read pages 13-29

3 Liability of Principal to 3rd Parties - Contract - part 2 - Ch. 1 §§ 2B, 2C & 2D  
Ratification, Estoppel, and Agent's Liability on the Contract  
Read pages 29-34

4 Liability of Principal to 3rd Parties - Tort - part 1 - Ch. 1, §§ 3A & 3B  
Servant v. Independent Contractor and Apparent Agency  
Read pages 34 - 63

5 Liability of Principal to 3rd Parties - Tort - part 2 - Ch. 1, §§ 3C & 3E  
Scope of Employment and Liability of Torts for Independent Contractors  
Read pages 63-72, 78 - 82

6 Fiduciary Obligations of Agents - During & After - Ch. 1, § 4  
Read pages 82 - 92

7 What is a Partnership? Who are the Partners? - Ch. 2, §§ 1A & 1B  
Read pages 93-103

8 Fiduciary Obligations of Partners - Ch. 2, § 2  
Read pages 111-138

9 Partnership Property & Rights of Partners in Management - Ch 2, §§ 3 & 4  
Read pages 138-149

10 Partnership Dissolution - part 1 - Ch. 2, § 5A The Right to Dissolve  
Read pages 150-152

11 Partnership Dissolution - part 2 - Ch. 2, §§ 5B, 5C & 5D Consequences of Dissolution,  
Sharing of Losses, and Buy Out Agreements  
Read pages 158-166

12 The Corporate Entity and its Formation, Ch 3, §1  
Read pages 181-183  
Organizing the corporation

13 Limited Liability - Ch. 3, § 2  
Read pages 190-206

14 Role and Purpose of Corporations - Ch. 3, §3  
Read pages 206-224

15 Ch. 4, § 1 - Obligation of Control: Duty of Care  
Read pages 225-251

16 Duty of Loyalty - Generally - Ch. 4, § 2A  
Read pages 251-256, 261-262

17 Corporate Opportunity - Ch. 4, § 2B  
Read pages 263-273

18 Dominant Shareholders - Ch. 4, § 2C  
Read pages 273-284

19 Shareholder Approval of Interested Director Transactions - Ch. 4, § 2D  
Read pages 284-294

20 Good Faith - Ch. 4, §§ 3A & 3B  
Read pages 295-313

21 Limited Liability Companies - Ch. 8, §§ 1, 3, & 4  
Organizing the LLC  
Primary advantages versus partnerships and corporations  
Piercing LLC Veil, Fiduciary Obligations  
Read pages 871-884, 891-905

Review LLC Certificate of Organization

22 Shareholder Derivative Actions - part 1 - Ch. 4, §§ 4A & 4B

Read pages 314-328

Read Del. Civ. Pro. Rule 23.1 Read Federal Rule of Civil Procedure 231

23 Shareholder Derivative Actions - part 2 - Ch. 4, §§ 4C & 4D

Special Committees and Director Independence

Read pages 335-355

24 Disclosure and Fairness - Ch. 4, §§ 5A & 5B, 5C

Read pages 365-384, 401-408

Read Securities Act (1933) §§ 2(1), 2(11), 4

25 Inside Information – Ch. 4, §6

Read pages 423-428

26 Indemnification and Insurance - Ch. 4, § 8

Read pages 468-478

27 Control in Closely-Held Business - Ch. 5, § 3

Read pages 566-574, 579-598

28 Corporate Debt – Ch. 7

Read pages 825-847