

Business Organizations
Spring 2008 - Professor Greenwood

Tentative Syllabus – For Introductory Information, see Home Page
(All dates and assignments subject to change)

Unless otherwise noted, page numbers are to the **Required Text**:
KLEIN, RAMSEYER & BAINBRIDGE, BUSINESS ASSOCIATIONS, 6th Ed. (Foundation)

I do not assign from the recommended supplemental text, KLEIN & COFFEE, BUSINESS ORGANIZATION AND FINANCE, but many students find it very helpful to read that book in parallel with the text.

You are required to sign up for TWEN and to post a comment, question or discussion item on TWEN at least once every two weeks.

You must read the Wall St. Journal on a daily basis. Copies are available in the library or you may subscribe at <http://subscribe.wsj.com/semester>. If you choose to subscribe, please indicate that you are in my class, as WSJ gives me a free subscription if enough of you sign up.

You will need an Annual Report by March 12. Annual Reports for the company(ies) of your choice are available for free from:

<http://www.prars.com>

<http://thestreet.ar.wilink.com>

or directly from the SEC at

<http://www.sec.gov/edgar.shtml>.

If you want the color glossy pictures, please order your Annual Report early so that it will arrive on time (downloads are text only).

Class	Assignment
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1-Tu Jan 15	<p>1. Please complete the Student Introduction Form and post on TWEN.</p> <p>2. Introduction: Read: <i>The Kiamachi Shows How Small Railroads Can Serve Rural Areas</i>, Wall Street Journal (Wed. Jan 8, 1992 at p. A1 col. 6) <i>Innovative Ways: Thermo Electron Uses An Unusual Strategy To Create Products</i>, Wall Street Journal (Thurs. Aug. 5, 1993 at p. A1 col. 6) <i>Bear Stearn's Top Paychecks Grow</i>, Wall Street Journal (Thurs. Aug. 5, 1993 at p. C1 col 3) <i>Bumpy Ride. Hired to Rev Up AAA, An Outsider Discovers Changing it is Tough.</i>, Wall St Jrnl (Aug 30, 1994) <i>Property Switch. Real-Estate Empires Of Private Developers Face a Harsh New Era. Deep in Debt, Many of Them Must Try Going Public Or Yield Role to Lenders. Large Institutions Take Over</i>, Wall St. J. (August 24, 1993).</p>
2-Th Jan 17	<p>Agency/Tort: <i>Who Should Pay In Harassment Cases, A Business or Person?</i>, Wall St. J. (Oct. 6, 1995, p. B1).;</p> <p>Agency, Authority, Apparent and Inherent Authority: 1-35 including problems on p 35</p>
3-Th Jan 24	Liability in Tort 47- 79.
4- Tu Jan 29	Fiduciary Obligations of Agents : pp 80-91
5- Th Jan 31	<p>Supplemental materials: Elements of Partnership; Partnership Outline Partnerships, Formation: 91-95 (Fenwick), 96-101 (Martin v. Peyton), possibly 101-106 (Southex); Fiduciary Duties: 109-131 (Meinhard v. Salmon, Bane, Meehan, Lawlis)</p>
6- Tu Feb 5	<p>Partnership property: 131-5 Putnam v. Shoaf</p> <p>Raising Capital problem 136-40</p> <p>Rights of Partners 140-51 (Stroud, Day, etc.)</p> <p>Supplemental materials: UPA Sec. 18 outline.</p> <p>The Problem of Losses: handout & pp 179-82</p> <p>Dissolution: 151-63, (Owen, Page), 182-187 (Buyouts)</p>

7- Th Feb 7	<p>Corporations: Limited Liability: 207-232 (Walkovsky, Breast Implant, etc.)</p> <p>Christopher Drew & Andy Newman, “Taxi Owners Deftly Dodge Claims of Accident Victims” New York Times, May 24, 1998 p1.</p> <p>Supplemental readings: Read indicated pages from one of: — Lynn M. LoPucki, <i>The Death of Liability</i>, 106 YALE L.J. 1, 1-31 (1996) — Reiner Kraakman, <i>Corporate Liability Strategies and the Costs of Legal Controls</i>, 93 YALE L.J. 857, 857-867 (1984) — Lewis Kornhauser, <i>An Economic Analysis of the Choice Between Enterprise and Personal Liability for Accidents</i>, 70 CALIF. L. REV. 1345, 1345-1352 (1982)</p> <p>Optional: Greenwood, <i>Do Corporations Have A Fiduciary Obligation To Commit Torts</i> – http://law.hofstra.edu/greenwood</p>
8- Tu Feb 12	<p>Internal Affairs Doctrine and the Race to the Top/Bottom. McDermott Inc. v Lewis, 531 A.2d 206 (Del 1987)</p> <p>Optional: Greenwood, <i>The Mysterious Race to the Top/Bottom</i> http://law.hofstra.edu/greenwood</p>
9- Th Feb 14	<p>Corporate Role: Charity 282-299 (AP Smith, Dodge v FoMoCo, Wrigley) Profit maximization: 792-801 (Paramount v. Time)</p> <p>Recommended: Greenwood, <i>Are Shareholders Entitled to the Residual</i> http://law.hofstra.edu/greenwood</p>
10- Tu Feb 19	<p>Annual Reports: Order your annual report!!</p> <p>Role Obligations and Moral conflicts: <u>Bell v. Maryland</u>, 378 U.S. 226 (1963) (Concentrate on the corporate law issues in the Douglas and Black opinions, including the conflicting images of the corporation and the roles of corporate managers, and ignore the federalism issues)</p> <p>Optional: Greenwood, <i>Fictional Shareholders</i>, http://law.hofstra.edu/greenwood</p>
11- Th Feb 21	<p>Derivative Actions: 232-241 (Beneficial; Flying Tiger); demand 240-256 (Grimes, Marx); 269-282 (Oracle)</p>
12- Tu Feb 26	<p>LLCs: 305-322 (Elf Atochem, Kaycee, McConnell) (very fast) Duty of Care: 328-345 Kamin v. Amex, Smith v Van Gorkum</p> <p>Optional: Greenwood, <i>Fictional Shareholders</i>, http://law.hofstra.edu/greenwood</p>
13 - Th Feb 28	<p>Duty of Care: 345-374 (Brehm, Francis, Caremark); PLUS: Stone ex rel. AmSouth Bancorporation v. Ritter 911 A.2d 362 Del.Supr.,2006.</p>

14 - Tu Mar 4	<p>1. Duty of Loyalty: Duty of Loyalty: 372-384 (Bayer, Lewis)</p> <p>2. Compensation: (Review Brehm)</p> <p>Required: Please also read :</p> <p>3. The WSJ Annual survey on Executive Compensation. Four articles from the 2006 version are posted under WSJ articles.</p> <p>and any one of the following:</p> <p>4a. Edward N. Wolff, <i>Changes in Household Wealth in the 1980s and 1990s in the U.S.</i>, http://www.levy.org/default.asp?view=publications_view&pubID=fca3a440ee</p> <p>4b. Executive Paywatch (AFL-CIO): http://www.aflcio.org/paywatch/index.htm</p> <p>4c. The Rich Get Richer: And Why the Poor Don't by Edward N. Wolff, http://www.prospect.org/print/V12/3/wolff-e.html</p> <p>4d. Greenwood, <i>Enronitis</i>, http://law.hofstra.edu/greenwood</p>
15 - Th Mar 6	<p>Duty of Loyalty: Directors & Managers 374-384 (Bayer, Lewis)</p> <p>Duty of Loyalty: Corporate Opportunities 384-394 (Broz, Ebay)</p>
16 - Tu Mar 11	<p>Duty of Loyalty: Dominant Shareholders: 394-404 (Sinclair, Zahn);</p> <p>Duty of Loyalty: Ratification 405-411 (Wheelabrator)</p>
17 - Th Mar 13	<p>Federal law 449-477 (Basic; Santa Fe)</p> <p>BRING Annual Reports/Disclosure Statements</p>
18 - Tu Mar 18	<p>Inside Information 478-511</p>
19- Th Mar 20 (Purim)	<p>Proxy fights: Levin v MGM; Rosenfeld v. Fairchild (right of management to have co. pay its expenses); '34 Act § 14(a) 533-544</p>
Spring Break	<p>No class</p>

20 - Tu April 1	Corporate Democracy/Shareholders Proposals Lovenheim, NYCERS v Dole, Austin v. ConEd 559-570 Corporate Democracy/information rights: Crane, Pillsbury, Sadler 571-585
21 - Th Apr 3	Freezeouts. Wilkes, Sugarman, Smith 630-650
22 - Tu Apr 8	Conflicting roles: Duff & Phelps 651-664 Sales of Control Frandsen, Zetlin 693-713
23 - Th Apr 10	Takeovers: Auctions/Pills 758-781 (Cheff v. Mathes, Unocal)
24 - Tu Apr 15	Takeovers: The Short-Lived Duty to Maximize Shareholder Value: Revlon 781-791
25 - Th Apr 17	Takeovers: Corporate Purpose 792-819 (Time, Paramount)
26 - Tu Apr 22 (Pesah Kh'HM)	Takeovers: Stakeholders and State Anti-Takeover Provisions 849-863 (CTS)
27 - Th Apr 24 (Pesah Kh'HM)	Conclusion Optional: Greenwood, <i>Metaphors of Corporate Law</i> , http://law.hofstra.edu/greenwood
28 - Tu Apr 29	Catch up or Review session