**Business Entities**

**Fall 2020**

**Course Information & Syllabus**

Prof. Christine Hurt

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**Required Materials**:

D. Gordon Smith & Cynthia A. Williams, Business Organizations: Cases, Problems, and Case Studies (4th ed. 2019)

OR

D. Gordon Smith & Cynthia A. Williams, Business Organizations: Cases, Problems, and Case Studies (3d ed. 2012)

Charles R.T. Kelly & Robert B. Thompson, Corporations & Other Business Organizations: Selected Statutes, Rules & Forms (2020-21 edition)

**General Information**:

This class meets online two days a week, Monday and Wednesday, from 5:30 to 7:30 Central Time.

**Grading**:

This course will culminate in a two-hour examination, part short answer and part multiple choice, which will determine 100% of the final grade for each student. The exam will be open book.

**Business Entities**

**Syllabus**

**Readings**:

1. **Overview of Business Entities and Agency Principles**
2. **The Agency Relationship**

Smith & Williams, pp. 1-28 (3rd ed.); 1-29 (4th ed.). [Note: The 4th edition swaps a case called *Nears v. Holiday Hosp. Franchising, Inc.* for *Yost v. Wabash College*, 3 N.E.3d 509 (Ind. 2014). We will discuss *Yost*. The 4th edition also swaps *Bethany Pharmacal Co. v. QVC, Inc.* for *Ceferatti v. Aranow*, 321 Conn. 593 (Conn. 2016). We will discuss *Ceferatti*.

1. **The Unincorporated Entities: General Partnerships, Limited Partnerships & Limited Liability Companies**
2. **Formation & Management of the Partnership; Fiduciary Duties**

S&W, pp. 29-62 (3rd ed.); 31-64 (4th ed.)

1. **Partner Liability & Limited Liability Partnerships**

S&W, pp. 68-92 (3rd ed.); 72-94(4th ed.)

1. **Limited Partnerships (not in either edition of S&W)**

*Allen v. Encore P’ners, L.P.*, 72 A.3d 93 (Del. 2013)

*Allen v. El Paso Pipeline GC Co., LLC*,113 A.3d 167 (Del. Ch. 2014)

*Dieckman v. Regency GP LP*, 155 A.3d 358 (Del. 2017)

1. **Management of Limited Liability Companies**

S&W, pp. 103-124 (3rd ed.); 95-117 (4th ed.)

1. **Fiduciary Duty & Liability in Limited Liability Companies**

S&W, pp. 124-140 (3rd ed.); 117-141

[Note that the 4th ed. swaps *Auriga Capital Corp. v. Gatz Props. LLC* for *Miller v. HCP & Co.*, 2018 WL 656378 (Del. Ch. Feb. 1, 2018). We will discuss *Miller*. The 4th edition also omits one cases found in the 3rd edition, *Tzolis v. Wolff*.

1. **Limited Liability Company Dissolution**

S&W, pp. 149-161 (3rd ed.); 141-169 (4th ed.)

[Note that the 4th ed. omits *Valinote v. Ballis*, andadds a case, *In re Carlisle Etcetera LLC*, 114 A.3d 592 (Del. Ch. April 30, 2015). We will discuss *In re Carlisle*.]

**III. Corporations**

1. **Formation of a Corporation; Capital Structure**

S&W, pp. 173-190 (3rd ed.); 171- 188 (4th ed.)

S&W, pp. 197-214 (3rd ed.); 195-212 (4th ed.)

S&W, pp. 220-227 (3rd ed.); 218-239 (4th ed.)

[Note that the 4th ed. adds more text and cases in the “piercing the veil” section: *Blair v. Infineon Techs, AG*, 720 F.Supp.2d 462 (D. Del. 2010) and *Doe v. Exxon Mobil Corp.*, 573 F.Supp.2d 16 (D.D.C. 2008).]

1. **Duty of Care**

S&W, pp. 361-384 (3rd ed.); 379-403 (4th ed.)

1. **Duty of Loyalty: Oversight**

            S&W, pp. 401-409 (3rd ed.); 427-436 (4th ed.)

S&W, pp. 422-430 (3rd ed.); 448-456(4th ed.)

1. **Duty of Loyalty: Conflict-of-Interest**

S&W, pp. 430-462 (3rd ed.); 464-516 (4th ed.)

[Note that the 4th edition adds the following cases: *Valeant Pharms. Int’l v. Jerney*, 921 A.2d 732 (Del.Ch. 2007), *Gantler v. Stephens*, 965 A.2d 695 (Del. 2009), *Espinoza v. Zuckerberg*, 124 A.3d 47 (Del. Ch. 2015), and *Dweck v. Nassar*, 2012 WL 161590 (Del. Ch. 2012).]

1. **Closely-Held Corporations: Protections for the Minority Shareholder**

S&W, pp. 229-253; 263-266 (3rd ed.); 241-265; 283-295 (4th ed.)

[Note that the 4th edition omits *Ronnen v. Ajax Elec. Motor Corp., Capital Grp. Companies, Inc. v. Armour,* and *Warhime v. Warhime* that appear on these pages in the 3rd edition. Instead, the 4th edition includes *Salamone v. Gorman*, 106 A.3d 354 (Del. 2014), *Henry v. Phixios Holdings, Inc.*¸2017 WL 2928034 (Del. Ch. July 10, 2017).]