

## **BUSINESS ASSOCIATIONS**

Fall 2009

George Mason University School of Law  
Syllabus

Texts: ALLEN, KRAAKMAN & SUBRAMANIAN, COMMENTARIES AND CASES ON THE LAW OF BUSINESS ORGANIZATION 2d ed. (2007) & the Statutory Supplement

Recommended: Read the Wall Street Journal Every Day

Also, students interested in more background on financial markets are encouraged to read The Wall Street Journal Guide to Money and Investing.

Class Times: Tuesday and Thursday, 6-7:50.

Class Room: Room 221

### **Professor Information**

J.W. Verret, Room 411, [jverret@gmu.edu](mailto:jverret@gmu.edu), 703-993-9257

Office Hours, By appointment only

Secretary: Susan Birchler, email: [sbirchle@gmu.edu](mailto:sbirchle@gmu.edu)

### **Course Requirements and Grading Policy**

The course requirements consist of class participation and a final exam. Students will be required to have a minimum of 3 participation credits for participation through volunteering uniquely insightful answers in class (not simply relaying the facts of a case or quoting a regulation).

I will contact students with low participation marks around the mid-semester as a reminder, and I reserve the right to alter your final grade down one grading level for failure to obtain a minimum of three marks and increase your final grade by one level for stellar participation marks.

At the beginning of every new case or section, I will ask for volunteers. Volunteers are eligible to earn participation credits. If there are no volunteers, I will call names alphabetically. Students who are called on are not eligible for additional participation credits, but will lose participation credits if they are unprepared or are absent without advance notice.

In my typical class, 5-6 students can expect to have their grade lowered for poor participation, and 10-12 students can expect to have their grade increased for superior participation.

### **Things I would recommend:**

- 1) If you miss a class, ask someone else in the class what the reading is for next time. On any given class, I reserve the right to jump ahead or fall backward in the syllabus.
- 2) Email me if you are confused about a topic, I respond to all student emails as quickly as possible. Do not wait, though, until the last three weeks in the semester.
- 3) Don't pester me about the format of the final. The format is irrelevant to how you should study.

The following table sets forth the topics and reading assignments for the course lectures. BE ADVISED THAT THE ENTIRE ALLEN & KRAAKMAN TEXT IS FAIR GAME FOR THE FINAL. If something is in those readings, but not covered in the lecture or assigned readings below, it still may appear on the Final!!! It is also important that students not only read the assigned pages in the text but also review the related statutes and rules cited in the text. You may get the major ones yourself from Westlaw or obtain the statutory supplement, whichever is easiest for you. To facilitate class discussion, it is important that students complete the reading assignment in advance of class.

Internet policy:

Students may *not* access the internet or send emails or IM during class. Doing so, even once, WILL RESULT IN A DOWNWARD ADJUSTMENT IN YOUR FINAL GRADE.

### **Course Overview:**

Note: AKS = Allen, Kraakman & Subramanian textbook

Readings are listed below; the reading averages about 30 pages per class. You are responsible for all restatement and statutory provisions included in the text, as well as those listed on the syllabus. You should consult these provisions as background material to help your understanding of the text, and I will go over some important ones in class. Statutory and Restatement material may be covered on the exam.

Each number below represents one assignment. However, we may go through the material more slowly or quickly than indicated below. I may add or omit material during the semester. I will also occasionally hand out supplemental materials. I will notify you of any changes via email, so be sure to check frequently.

If we do not finish the material for a particular day, we will start the next class with that material, but the reading for that class otherwise will remain the same unless otherwise announced. In the unlikely event that a class is cancelled, we will proceed one day behind, and a makeup may be scheduled

### **Part I: Agency & Partnership: basic forms of enterprise organization -- agency, partnership & LLC**

Class Day 1. Introductory Concepts and Agency

AKS 1-12, 15-40

Restatement of Agency (2d and 3rd) sections cited in text.

Class Day 2. Partnership

AKS 41-58

Uniform Partnership Act (UPA) §§ 6, 7, 8, 9, 12, 13, 14, 15, 16, 18, 25, 26, 27, 36

Class Day 3. Partnership (cont.)

AKS 59-81

UPA §§ 29-41

Revised Uniform Partnership Act (RUPA) §§ 601-603, 701-705, 801-807

**Part II: The Corporate Form: the basic claims on cash flows under the corporate form, includes valuation and creditors' rights**

Class Day 4. The Corporate Form  
AKS 83-109

Delaware General Corporation Law (DGCL) § 141

Class Day 5. Basic Concepts of Finance  
AKS 111-129

Class Day 6. Protection of Creditors  
131-156

Class Day 7. Protection of Creditors  
AKS 156-175