

UNIVERSITY OF LA VERNE COLLEGE OF LAW

TRANSACTIONAL TRACK: BUSINESS ORGANIZATIONS

Syllabus

SPRING 2019 DAY SESSION

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Class Meeting Time: Monday and Wednesday 1:30-3:00 p.m.

Office Hours:

Professor Naccachian: Wednesdays 3:00 p.m. _ 6:00 p.m.
Mondays 11 a.m. _ 1:00 p.m.

- I. **Required Text:** The Law of Business Organizations, 13th Edition, Robert W. Hamilton, Jonathan R. Macey, and Douglas K. Moll; California Corporations Code, 2018 Edition, Thompson/West.
- II. **Recommended:** Business Basics for Law Students, Fourth Edition, Hamilton and Booth, Aspen Publishers; Restatement 2d Agency (1958); Restatement 3rd Agency (2006); Examination & Explanation series.
- III. **1. Course Content:** This course introduces the student to basic business principles starting with agency/principal and the various business models available to carry on a business, including sole proprietorships, partnerships, limited partnerships, joint ventures, limited liability partnerships (LLPs), limited liability companies (LLCs), and the corporation in its various iterations. We also explore Federal Securities regulations resulting from the Securities Act of 1933 and The Securities Exchange Act of 1934. The course is a primer in basic business terminology and touches on basic accounting and finance principles.

While students are not expected to develop expertise in the field of business law from this survey the course will provide the foundation for future study.

2. ABA Standard 310

This course is designed to satisfy the requirements of ABA Standard 310. Standard 310 requires that for each hour of in-class time, students spend two hours preparing for class (reading or completing class assignments or assessments).

IV. Learning Outcomes: at the conclusion of this course, students will be able to:

1. Articulate the basic differences between a general partnership and a limited liability company (LLC), including formation, management, sharing of profits and losses, personal liability and dissolution.
2. Articulate the basic differences between an LLC and a closely held corporation.
3. Articulate and apply the principles associated with the agent/principal relationship and its impacts on third party contracts and tort liability.
4. Advise a potential client on the basic advantages and disadvantages of conducting a business as a partnership, a limited partnership, a limited liability partnership, a limited liability company, or a closely held corporation.
5. Articulate and apply relevant sections of the California Corporations Code relative to the [Revised] Uniform Partnership Act of 1994, limited partnerships, LLPs, LLCs, and closely held corporations.
6. Articulate and apply common law principles relative to the operation of the various business entities with particular emphasis on the closely held corporation.
7. Locate and use the applicable forms necessary for formation of a partnership, limited partnership, LLP, LLC, and a corporation.
8. Identify and resolve issues in a real or hypothetical fact situation regarding the operation of a business under the various entities.
9. Competently identify and resolve the major issues in a California bar exam question involving one of the various business entities.
10. Articulate the duties owed by Directors towards the corporation and its shareholders including the duty of care and duty of loyalty.
11. Articulate the Business Judgment Rule and demonstrate in a hypothetical fact situation how the BJR protects Directors.
12. Articulate the role of the BJR in derivative litigation.
13. Identify a Section 12 corporation subject to regulation under the Securities Exchange Act of 1934.
14. Articulate a traditional violation of Rule 10b-5 promulgated by the SEC under authority of the Securities Exchange Act of 1934.

15. Identify an insider trading violation under Rule 10b-5 based on the classic theory as articulated in *In re Cady, Roberts & Co.* and an insider violation based on the misappropriation theory as articulated in *U.S. v. O'Hagan*.
16. Articulate Rule 10b-5 liabilities based on tipper/tippee liability as articulated in *SEC v. Dirks* and identify statutory fiduciary relationships under Rule 10b-5-2.
17. Articulate a violation of Rule 14e-3 in connection with trading based on non-public information regarding a tender offer.
18. List the elements of a Section 16(b) violation and identify such violation in a hypothetical set of facts.
19. Articulate the role of the BJR in analyzing a Board of Directors' decision to implement defensive measures to "protect" the corporation from an unwanted takeover.

IV. **1. Classroom Expectations: Preparation and Participation:** There will be a lot of material to cover, often involving factual situations in unfamiliar business settings, using unfamiliar business terminology. This, coupled with the compressed nature of the coverage, three units in one semester requires that each student read and consider all assigned materials, including materials posted on TWEN, and, if necessary, available supplemental materials to enhance the mastery of the materials BEFORE coming to class. This includes familiarizing oneself with terminology, concepts, doctrines and theories. **The better prepared the students; the better the classroom experience will be for everyone, including the professors. (Happy professors make for happy students.)**

Students must prepare their own written briefs for each major case assigned in the casebook in advance of class, so that thoughtful discussion of the principles contained in those cases can occur. **NO BOOKBRIEFING; NO CANNED BRIEFS. DO NOT ATTEMPT TO FOOL THE PROFESSOR.**

Your professor is a firm believer in preparation, attendance, and participation. The classroom experience is designed to enhance your mastery of the materials. The classroom experience is marginalized when students show up unprepared or unwilling to engage in thoughtful dialogue. It is currently contemplated that time will be set-aside at each class to do individual or group exercises to enhance mastery of the material. These exercises will only work if you are fully prepared for every class.

2. HABITS, ATTITUDES & MINDEDNESS

Create a calendar for the semester including class times, due dates, work and other obligations including time to maintain health and essential sleep. Practicing a "success-minded" attitude will help you succeed in this class. When success-minded students encounter challenges, they take personal responsibility, work

towards solutions, and persist through setbacks. Develop a success-minded attitude!

- V. **Briefing Format:** While various briefing models may be utilized, all briefs should contain the following components: relevant facts, issue, holding, and reasoning. While the professor will often engage in an expanded factual discussion, your briefs should only contain key facts and should never be longer than one page.
- VI. **TWEN:** Sign up for TWEN immediately and check it often. Additional materials, including relevant cases, will be posted for your consideration. You will be held responsible for all material posted on TWEN.
- VII. **Attendance:** Attendance is mandatory. There are no “excused” absences. The College of Law policy regarding attendance will be strictly adhered to. Should a student be unprepared when called upon in class, the student will be given either a full or half absence for that class. **YOU MAY BE INDIVIDUALLY OR COLLECTIVELY ASKED TO HAND IN A BRIEF.** If it does not reflect a good faith effort on your own behalf, or if you do not have a brief, you will be marked absent. If you cannot prepare for class due to an unforeseen exigency, please notify the professor **BEFORE** the start of class and you will not be called on nor marked absent. No more than one “pass” is available per semester. It is important that you arrive on time. Being late to class is no more acceptable than being late for court and will result in an absence, either a full or a half depending on how egregious. We have a lot of material to cover in a relatively short period of time and it is critically important that you are in your seat, ready to go, by start of class.

Note: the semester will be only 14 weeks long. Therefore, students can only miss a maximum of 2.5 class sessions before being administratively withdrawn from the course.

- VIII. **Laptop Policy:** A laptop can be a valuable tool in the learning process. However, the use of laptops for note taking in the classroom can actually impede the learning process. In order to get the most out of the classroom experience, students must be fully engaged. Mindlessly recording of everything that is said in the classroom does not facilitate that engagement. You may, however, use laptops or tablets, to take notes or access material relevant to the classroom discussion. If that privilege is abused, laptops and tablets will be prohibited. Other types of electronic devices, such as cell phones, portable texting/messaging devices, are not to be used in the classroom. Anyone caught using such a device will be asked to leave the classroom and receive an absence for the class.

IX. Examination: There will be a three-hour final exam at the end of the semester. The examination will consist of both essay and objective questions. While it is contemplated that the final exam may consist of two essays and a multiple-choice section, students will be informed if a different format is going to be used. At a minimum expect that the final exam will have two essays. Numeric grades will be assigned in accordance with College of Law guidelines and the MAPP.

Assessments: Students will be given multiple non-graded formative assessments in the form of assignments, both in class and take home. Each assignment is to be turned in by the designated time and competently done with appropriate diligence. In addition, graded assignments in the form of in-class quizzes, midterms, or take-home assignments will be administered for a total of 20% of your course grade. The final exam will therefore be worth 80% of your final semester grade.

Grading: Assignments, graded or ungraded, are to be turned in on time, done in good faith, and according to instructions. **No assignment will be accepted after the due date and time.** As future attorneys, you have a professional obligation to both your client and the court to meet deadlines. If you are unable to attend a class the day an assignment is due, it is your responsibility to get it to us via email, no later than the day and time due. If you are absent during a class in which a graded or ungraded assignment is given, you will not receive credit.

X. Office Hours: Prof. Naccachian can be reached by email, text or phone and will be on campus to meet with students between the hours indicated above or by appointment. While students are encouraged to meet with either professor in most instances questions can be answered via email that is the preferred choice of communication. That is not to say you should not visit me during my office hours.

XI. Students with disabilities: Students with disabilities should refer to the policies described at the University of La Verne Disabled Student Services Handbook [as of September 13, 2017 located at <https://sites.laverne.edu/disabled-student-services/disabled-student-services-handbook/>], which can be found on the website of the University of La Verne Disabled Student Services website (<https://sites.laverne.edu/disabled-student-services/disabled-student-services-handbook/>) or at their office. Temporary accommodations are offered on a case-by-case basis. All required documentation must be submitted by the student before any formal accommodations and should be made directly to the Director of Student Affairs. Any student eligible for and requesting academic accommodations due to a documented disability (or a suspected disability) is asked to contact the College of Law Director of Student Affairs and Americans with Disability Act Compliance Officer, Akita Mungaray by email at amungaray@laverne.edu or by phone at (909) 460-2017. Her office is located on the first floor of the College of Law, Office # 107. You can also contact Cynthia Denne at the University of La Verne Disabled Student

Services office at (909) 448-4441. The office is located at the La Verne campus Health Center. In order to be considered for accommodations, disabilities must be documented and the proper medical evaluations must be submitted. The office is here to help you succeed in law school. Visit it online at <https://sites.laverne.edu/disabled-student-services/>

XII. Academic Integrity Policy: All work, including classroom brief, must be the individual work of each student unless specifically instructed to work in groups. Students will strictly adhere to the MAPP provision, Section V, A. 6. on plagiarism, to wit:

“Plagiarism or other fraudulent representation (or material omission) relative to the originality of any part of any academic requirement in any course, including any written assignment or any examination;

Plagiarism is defined as representing, expressly or impliedly, the work of another to be one’s own. Plagiarism includes, but is not limited to:

- a. Using the words of another without proper attribution;
- b. Paraphrasing the word of another without proper attribution; or
- c. Using the ideas of another without proper attribution.

Lack of knowledge of what constitutes plagiarism shall not be a defense to a charge of plagiarism.”

XIII. Reading Schedule: A reading schedule for the first five weeks will be passed out or posted during the first week of classes. As a general guide, we will attempt to cover 60 pages a week. With the exception of covering securities and the Securities Act of 1933, material will be covered in the sequence set forth in the book. However, please note that some of the material will not be covered. So make sure you read the weekly reading assignments carefully before reading the material. In addition, there will be assignments and TWEN postings that must be read and prepared. Assignments will be given at the end of the class and will also be posted on TWEN. Students are responsible for determining the assignment for the following week. Please be advised that the Professor may modify the reading schedule or sections reflected here.

XIV. Topics covered:

- I. **Agency: principal/agent; authority; tort & contract**
- II. **Partnerships: UPA & RUPA. CA CORP 16101 et seq**
- III. **Closely Held Corporations**
 - A. **Formation**
 - B. **Ultra Vires Doctrine**
 - C. **Pre-incorporation Issues**
 - D. **Piercing the corporate veil**

- E. Reverse piercing/deep rock doctrine & equitable subordination**
- F. Successor Liability**
- G. Financing the corporation: debt/equity & public Subscriptions, Par Value, and Watered stock
Planning the capital structure: thin capitalization**
- H. Public Offerings: Securities Act of 1933
Defining “securities.”**
- I. Issuance of shares: preemptive rights & Distributions (dividends and selective stock redemptions.)**
- J. Management & control: traditional roles of directors and officers.**
- K. Voting Trusts; Shareholder agreements; & cumulative voting**
- L. The Publicly Held Corporation
Sarbanes-Oxley Act (SOX)**
- M. The Securities Exchange Act of 1934
Section 12 Corporations
Proxy regulation including Rule 14a-9 and disclosure requirements: MD & A**
- N. Director’s duty of care and the business judgment rule.**
- O. Directors duty of loyalty: self-dealing; executive compensation and “waste”; conflict of interest; and the corporate opportunity doctrine.**
- P. Shareholder derivative suits and the business judgment rule.**
- Q. Deadlock, dissension, and oppression in the closely held corporation.**
- R. Securities Fraud: Rule 10b-5
Insider trading: classic theory and misappropriation theory of liability.
Traditional Rule 10b-5 violations: manipulation of market price.**
- S. Transactions in controlling shares.**
- T. Defensive posturing by management: defending the corporate bastion or entrenchment?
Poison pills and the modified business judgment rule: Unocal, Revlon, and Unitrin.**
- U. The Limited Partnership.**
- V. The Limited Liability Partnership (LLP).**
- W. The Limited Liability Company (LLC): CA Corp Code 17701.01 et seq.
Formation: Articles of Organization and the Operating Agreement
Management: member-managed or manager-managed
Liability of members
Piercing the veil
Transferability of ownership interests
Dissociation and dissolution.**

XV. Appendix of Mission, Values and Learning Outcomes

a. University of La Verne Mission and Values

It is the mission of the University of La Verne to provide opportunities for students to achieve their educational goals and become contributing citizens to the global community.

The University of La Verne shares four core values that promote a positive and rewarding life for its students through fostering a genuine appreciation and respect for:

1. Values Orientation. The University affirms a philosophy of life that actively supports peace with justice, the health of the planet and its people. Therefore, in light of this affirmation, it encourages students to become reflective about personal, professional, and societal values. It also encourages values-based ethical behavior.

2. Community and Diversity. The University promotes the goal of community within a context of diversity. Therefore, it encourages students to understand and appreciate the diversity of cultures that exists locally, nationally, and internationally. It also seeks to promote appreciation and preservation of biodiversity by helping students understand the impact/dependence of human beings on their environment.

3. Lifelong Learning. The University commits itself to promoting education that facilitates lifelong learning. Therefore, it teaches students how to learn, to think critically, to do constructive research, and to access and integrate information in order to prepare them for continued personal and career growth.

4. Community Service. The University believes that personal service is a primary goal of the educated person. Therefore, it encourages students to experience the responsibilities and rewards of serving the human and ecological community.

University of La Verne College of Law Vision, Mission, and Values

b. VISION

La Verne Law is an incubator for innovation in legal education, thought, and advocacy for individuals passionate about serving their communities and promoting access and justice.

c. MISSION

The mission of La Verne Law is to guide our students in the discovery of law and self as they prepare for the practice of law or other professional careers. Our faculty of scholars and teachers is committed to creating an innovative, collaborative learning environment designed to develop the knowledge and skills relevant to achieving individual and professional success.

Our mission encompasses educating, as well as enhancing the professional lives of, the members of the local, regional, national, and international communities we encounter – students, faculty, staff, administrators, alumni, members of the bench and bar, and others who pursue social justice.

Our mission is grounded in the core values of the University of La Verne – life-long learning, ethical reasoning and decision-making, diversity & inclusivity, and community & civic engagement. Difference making is our legacy.

d. CORE VALUES

University Values: As a College within the University of La Verne we adopt and endorse the University core values of Lifelong Learning, Diversity and Inclusivity, Community Engagement, and Ethical Reasoning.

College of Law Core Principles and Values: As an institution dedicated to teaching and training the next generation of lawyers and leaders, we operate institutionally and individually on the principles of professionalism, innovation, ethics, student centeredness and community enhancement. In our actions and interactions, we are and seek to be affirming, respectful, humble, accountable, committed, inclusive, empathetic, responsive, passionate, and positive.

University of La Verne College of Law Program Objectives

- A. Upon completion of the program of legal education, students will possess the skills and knowledge to enable them to pass any bar examination of their choosing.
- B. Upon completion of the program of legal education, students will possess those skills to participate as respected members of the legal profession.
- C. Upon completion of the program of legal education, students will model ethical, responsible, and professional behavior.
- D. Upon completion of the program of legal education, students will embrace cultural differences and civic and community engagement.

American Bar Association Standard 302

LEARNING OUTCOMES

A law school shall establish learning outcomes that shall, at a minimum, include competency in the following:

- (a) Knowledge and understanding of substantive and procedural law;
- (b) Legal analysis and reasoning, legal research, problem-solving, and written and oral communication in the legal context;
- (c) Exercise of proper professional and ethical responsibilities to clients and the legal system; and
- (d) Other professional skills needed for competent and ethical participation as a member of the legal profession.

In compliance with ABA Standard 302, the University of La Verne College of Law has established the following.

University of La Verne College of Law Program Learning Outcomes

- 1. Students shall demonstrate knowledge and understanding of substantive and procedural law.
- 2. Students shall demonstrate competence in legal analysis and reasoning.
- 3. Students shall demonstrate competence in conducting legal research.
- 4. Students shall demonstrate competence in problem solving.
- 5. Students shall demonstrate competence in written and oral communication.

6. Students shall be able and motivated to exercise proper professional and ethical responsibilities to clients, the legal system, and the wider community.
7. Students shall demonstrate competent litigation skills.
8. Students shall demonstrate competent transactional skills.
9. Students shall apply cultural competency while exercising their legal skills.
10. Students shall demonstrate competence in answering bar-style multiple-choice, essay, and performance test questions.

XVI. Reading Assignments: See Next Page

Business Organizations

Reading Assignments

Unit 1
Week One
Introduction to Business Entities

Agency/Principal Relationships

Read: pp. 1-30

Read: Cal. Corp. Code § 16404.

Learning Objectives:

1. Be able to recognize and characterize the legal consequences when an agent enters into contractual relationships where the agent is disclosed, partially disclosed, and undisclosed.
2. Understand and explain the difference between vicarious and direct liability.
3. Understand and identify various forms of authority binding a principal as a result of contractual relationship entered into by an agent.

Unit 2
Week Two & Week Three
Partnerships

Formation, management, sharing of profits and losses, liability to third parties, duty of loyalty and care, dissolution and dissociation

Read & Brief: pp. 33-123

Read Only: Meinhard v. Salmon focus on language re: fiduciary duties.

Statutes: CCC §16103, §16202, §16306, § 16307, §16308, §16401, & §16404.

Learning Objectives:

1. Be able to understand the definition and formation of a partnership.
2. Be able to explain the rights, management and affairs of each partner in context of statutory rules.
3. Be able to identify and explain issues relating to tort and contractual liability of a partner with third parties.
4. Be able to understand profit sharing and losses of a partnership within the meaning of statutory guidelines and rules.
5. Be able to understand the duties owed between partners, in particular the duty of care and duty of loyalty set forth in RUPA §404
6. Recognize and understand the difference between RUPA and UPA.

Unit 3
Week Four

Formation of the Closely Held Corporation

Ultra-Vires Doctrine; Premature Commencement; Promoter Liability Rules & Defective Incorporation

Disregard of the Corporate Entity

Piercing the Corporate Veil, "Reverse" Piercing, Successor Liability

Read & Brief: pp. 125-176

Note: Minton v. Cavaney, 364 P.2d 473 (Cal.1961) Find it on Westlaw

Statutes: CCC §200, §202, §204, §204.5, and §212.

Learning Objectives:

1. Familiarize students with the process of forming a California corporation and draft a basic Articles of Incorporation with the Secretary of State.
2. Understand the Ultra-Vires doctrine both from common law doctrine and modern statutory rules.
3. Understand corporate powers defined in modern corporate statutes.
4. Understand the common law promoter liability issues.
5. Understand the difference between a de jure, de facto and estoppels doctrines.
6. Be able to analyze how a corporate veil is pierced and identify when the common law doctrine of "piercing the corporate veil "applies.

Unit 4

Week Five

Financing the Corporation

Debt and Equity Capital, Shares: Common & preferred, Issuance of Shares: Par Value & Watered Stock, Concept of Leverage, and Preemptive Rights & Distribution

Read & Brief: pp. 177-223

Learning Objectives:

1. Be able to understand and explain corporate "thin capitalization", "par value", "stated capital", and "leverage" in context of a corporation with a debt.
2. Be able to understand the liability of a successor corporation for pre-existing corporate obligation both in context of common law and statutory rules.

Week Six

Management & Control of the Corporation

Roles of Shareholders, Directors, Shareholder Voting & Agreements, Action by Corporate Directors and Officers

Read & Brief: pp. 283-354

Read

Note: Examine the cases: Clark v. Dodge, Long Park v. Trenton New Brunswick Theatres Co. and the McQuade case.

Learning Objectives:

1. Understand wrongful distribution in context of fiduciary duties owed to a closely held corporation.
2. Understand the attributes of a common law closely held corporation.
3. Understand the common law rule of directors managing the corporate affairs as set forth in McQuade.
4. Be able to explain the development of traditional directorial management rules, legality of Shareholders Agreements and the altering of common law management schemes.
5. Be able to understand and explain the difference between cumulative voting and straight voting.
6. The difference between shareholder agreements that alter the traditional management and “pooling agreements” that govern voting between shareholders

Unit 6

Week Seven

Management and Control of the Publicly Held Corporation

Securities: public offerings and the investment contract, Introduction to the Securities Act of 1933, The Sarbanes-Oxley Act, The Securities Exchange Act of 1934 and proxy regulation, Rule 14a-9, Regulation FD

Read & Brief (Smith v. Gross). Read TWEN postings.

Learning Objectives

1. Students will be able to recognize what constitutes a public offering subject to the Securities Act of 1933.
2. Students will be able to articulate the attributes of a security known as an “investment contract” under the common law and California Corporation’s Code section 25019.
3. Students will be able to articulate the principle requirements of The Sarbanes-Oxley Act.
4. Students will be able to recognize and articulate the purpose of the Securities Exchange Act of 1934 and articulate the elements of a Rule 14a-9 violation.
5. Students will be able to articulate the requirements of Regulation FD.

Unit 7

Week Eight

Duty of Care, Duty of Loyalty, Conflict of Interest & the Business Judgment Rule

Read & Brief: pp. 425-529

Learning Objectives:

1. Be able to understand the various functions of corporate directors and the process of decision-making in context of how directors are required to perform and execute their duties in good faith and with greatest loyalty in order not to harm corporate interest.
2. Understand the Business Judgment Rule (BJR) and recognize that the protection is determined by analyzing the quality of the business decision-making rather than focus on the results of a bad decision.

Unit 8

Week Nine

Shareholder Derivative Lawsuits & Dissension in the Closely Held Corporation

Derivative Lawsuits & Demand Requirement, Executive Compensation & Corporate Governance, Deadlock, Dissension, Oppression, and Actions by directors & Officers

Read & Brief: pp. 531-634

Learning Objectives:

1. Be able to explain “de facto dividend” & “constructive dividend”.
2. Be able to know and understand alternative voting schemes and their respective legalities.
3. The difference between “deadlock”, “oppression”, and “dissension” and how it plays out to potential dissolution of a closely held corporation.

Unit 9

Week Ten

Transactions in Shares: Securities Fraud

Securities Exchange Act of 1934 section 10(b) and Rule 10b-5: traditional violations, classic insider trading, and misappropriation theory. Rule 14e-3(a), Section 16(b) anti-short term profiting by covered persons.

Read Only: pp. 637-744

Read SEC v. Cuban on TWEN.

Learning Objectives:

1. Students will be able to articulate a traditional violation of Rule 10b-5 and the requirements for a private cause of action.
2. Students will be able to articulate a violation of Rule 10b-5 based on both a classic theory of insider trading and misappropriation theory.
3. Students will be able to identify a Rule 14e-3(a) violation.

4. Students will be able to identify Rule 10b-5 violations based on tipper/tippee liability and articulate the role of Rule 10b-5-2 for purposes of establishing a Rule 10b-5 violations based on either tipper/tippee liability or misappropriation theory.
5. Students will be able to recognize a basic Section 16(b) violation.

Unit 10

Week Eleven

Sales of Control, Indemnification & Insurance, Takeovers

Sales of control, Indemnification: mandatory, permissive, and illegal, Legislative response to takeovers, Management response to takeovers and the “poison pill”, Judicial response to management anti-takeover tactics.

Read & Brief: pp. 749-807. CA. Corp Code sections 204(10)(11), and 317.

*Be prepared to discuss Unocal, Revlon, and Unitrin set forth in the notes.

Learning Objectives:

1. Students will be able to recognize the potential breach of duty when a majority shareholder sells his or her controlling interest to a third party.
2. Students will be able to articulate the basic rules regarding indemnification of a director or officer.
3. Students will be able to articulate the major types of poison pills and other defensive measures taken by management in defense of the corporate bastion.
4. Students will be able to articulate and apply the Unocal Proportionality Test to a hypothetical set of facts.

Unit 11

Week Twelve & Week Thirteen

Limited Partnerships

Formation, Management Rights of General Partners v. Limited Partners, Sharing of Profits & Losses, and Dissolution

Limited Liability Partnerships

Formation, Operation, Liability Dissolution

Limited Liability Limited Partnerships

Read & Brief: pp. 841-909

Statutes: Review California’s Revised Limited Partnership Act §15611 et seq. CCC §16951 et seq.

Assessment: Take home writing assignment due on week 13.

Learning Objectives:

1. Be able to understand the differences between limited and general partnerships in context of formation, management, liability, sharing profits/losses and dissolution.
2. Understanding the advantages of forming an LLP in California.

Unit 12

Week Fourteen

Limited Liability Company (LLC)

Formation, Alternative Management Models, member Interests, Liability, Dissociation and Dissolution

Read & Brief: pp. 911-1040

Statutes: CA Statute §§17000 et seq., §17101, §17103, §17105, §17106, §17150, §17153, §17157, §17200, §17202, §17250 and §17252.

Learning Objectives:

1. Understand the difference between an LLC and a general partnership in context of management responsibilities and member/partner liability to third parties.
2. Understand the importance of separating assets from the business liability in an LLC as oppose to a partnership model.
3. Understand the LLC's similarity to closely held corporation as oppose to a partnership.