

**Corporation Law I**  
**Winter 2009/2010**  
**Western Sierra - Bob Turner**

**Textbook:**

*Bauman, Jeffrey D., Corporations Law and Policy, Seventh Edition, West Group, 2009.*

**Course Objective and Philosophy:**

This course of study is designed to introduce the student to corporate law, and to cement the basics of acceptable business and corporate behavior. Instructional philosophy will include the standard law school practice of having students brief cases in class, followed by directed discussion. Students are responsible for preparation of approximately 59 pages of text for each class session, with emphasis on the cases presented in the text. Some classes will require more reading, but following classes will usually allow for fewer pages.

Students will be encouraged to brief cases without reading from the text, by referring to notes, and by re-stating, as simply as possible, what each case stands for, and why it is included in the text in the given sequence. Each student will be expected to prepare a brief for all cases to be studied.

**Learning Outcome**

The goal is to have each student, at the end of the complete course, able to recall and apply salient features of the corporate law, including the *Business Judgment Rule*, Duties of *Loyalty* and *Care*, prohibitions on *insider trading* and *short-swing trading*, personal liabilities of promoters and officers/directors, *derivative actions*, and the *Securities Exchange Act of 1934*. Major emphasis in the second quarter will be on Rule 10b-5 – the federal anti-fraud provision – the Fraud on the Market theory, and Delaware freeze out mergers. We will work diligently on corporate defenses in the takeover context, and try to tie up the loose ends with respect to the duty of loyalty and good faith.

**Spring Quarter – Corporation Law II – 2010**

**Week 11:** pp. 768 -819  
Duty of Loyalty

**Week 12:** pp. 820-885  
Executive Compensation and Cash-Out Mergers (Weinberger )

**Week 13:** pp. 885-941  
More on Cash-Out Mergers – Sale of Controlling Interest

**Week 14:** pp. 942-1003  
Derivative suits

**Week 15:** pp. 1004-1056  
Insider Trading, Rule 10b-5 + Texas Gulf Sulphur handout

**Week 16:** pp. 1056-1107  
Insider trading and takeover defenses

**Week 17:** pp. 1107-1161(end)  
Takeover Defenses

*Then back to:*

**Week 18:** pp. 332-393  
Close Corporations + Rodd Electrotpe handout

**Week 19:** pp. 393-419 and 164-207  
Close Corps and Corporate finance

**Week 20:** pp. 208-254  
Corporate Finance - & Review.

**Standard of Evaluation/ Exam:**

Expect an exam with two essay questions and a series of “one liners” which I will explain, covering topics which will be emphasized in class. There will be no trick questions; student success will depend on mastery of the main themes of corporate law. The exam will not contain questions not addressed in the assigned readings.

**Grading:**

Class grade will depend on class preparation and on this exam. Students will not be graded on a “curve”; rather, a minimum level of competency will be expected.

**Assistance:**

Call 858 453 6961 after 10 AM if assistance outside class is desired. Office hours are to be arranged, but I will be available most days at Montgomery Field Airport, Hangar 3-J, for informal meetings. Hangar 3-J is across the street. Pass through the gate, turn right at the second alley. Second hangar on right. *Always* yield to aircraft when entering the airport. The airport is locked for security purposes; arrange with me for access.

Also, I have a special e-mail account for students: [wsprofbob@hotmail.com](mailto:wsprofbob@hotmail.com). I check it infrequently, but try to check before each class. I do not need advance notice when you are going to miss a class or show up late – that is up to you. I caution you that missing several classes in a row can seriously handicap you at exam time, since I discuss answers to my exams in class!

**Spring Quarter – Corporation Law II – 2010**

**Week 11:** pp. 768 -819  
Duty of Loyalty

**Week 12:** pp. 820-885  
Executive Compensation and Cash-Out Mergers (Weinberger )

**Week 13:** pp. 885-941  
More on Cash-Out Mergers – Sale of Controlling Interest

**Week 14:** pp. 942-1003  
Derivative suits

**Week 15:** pp. 1004-1056  
Insider Trading, Rule 10b-5 + Texas Gulf Sulphur handout

**Week 16:** pp. 1056-1107  
Insider trading and takeover defenses

**Week 17:** pp. 1107-1161(end)  
Takeover Defenses

***Then back to:***

**Week 18:** pp. 332-393  
Close Corporations + Rodd Electrotype handout

**Week 19:** pp. 393-419 and 164-207  
Close Corps and Corporate finance

**Week 20:** pp. 208-254  
Corporate Finance - & Review.