

## **CORPORATIONS SYLLABUS**

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Spring 2011  
T/W/Th 1:15

### **REQUIRED TEXTS**

Choper, Coffee, Gilson: Cases and Materials on Corporations (7<sup>th</sup> ed), together with statutory supplement

**YOU MUST BRING EACH OF THESE WITH YOU TO EVERY CLASS**

There will also be supplemental materials that I will distribute or ask you to acquire

### **STRONGLY SUGGESTED READING**

The Wall Street Journal

The Race to the Bottom, <http://www.theracetothetbottom.org/>.

### **GRADING**

Your grade for this course will be based on a final examination which will be open book. Class attendance (which is mandatory) and participation in class and in occasional projects and exercises may (at my sole discretion) effect your final grade in either direction (i.e. outstanding class participation may boost your grade; poor participation and/or attendance may lower your grade). If you know that you must miss a class for any reason, you must let me know before that class is held. If you can not do so, please have the courtesy to let me know after the fact. The reason for this is not to penalize you for classes missed for genuine reasons, as I certainly understand greater life demands. Rather it is to enable me to ensure that you are on-track with your classmates and are not missing important information.

## **ASSIGNMENTS**

Assignments will be announced in class. For every assignment, you are responsible for all the material in the assigned pages. If the materials reference a statute, you are responsible for reviewing and understanding that statute. I will try to give you a sense at the start of each week how far I think we will get. However, I can not guarantee exactitude. If we need to slow down for more in-depth discussion of a particular topic, I always reserve the right to do so. If you wish to read ahead you should follow the syllabus, although you must be aware that not all the pages listed in each assignment will necessarily be covered in class. Pay close attention to the assignments, as they may not always track the organization of the casebook. At times, you may need to pick up materials not in your case book. Assignments listings are gross estimates of what will be covered; at times it may be necessary to add or delete material. The precise scope of coverage will be announced as we move forward. If you miss class and are uncertain of the next assignment, find out from a classmate. One class at the end of the semester will be devoted to reviewing for the exam.

### **1. Organizing a Corporation**

CC&G 1-17, 17-34 for general background knowledge, hand outs to be distributed. CC&G 796-824 is also useful. You should read these pages for background—we will not cover the cases in detail, instead focus on the information about the different forms of entities.

### **2. Corporate Behavior and Goals**

CC&G 34-53  
RMBCA § 3.01-3.04

### **3. Forming the Corporation**

CC&G 233-241

### **4. Defective Incorporation/Disregard of the Corporate Entity**

CC&G 241-251, 251-281  
RMBCA 2.03, 2.04

### **5. Pre-Formation Transaction by Promoters**

CC&G 281-298  
MBCA (1984) § 2.04

**6. Corporate Structure, Valuation and Distributions**

CC & G 200-211, 220-225  
Materials to be distributed  
MBCA (1984) § 6.01-6.04, 6.20-6.27, 6.40, 8.33

**7. Transaction of Corporate Business: Agency Concerns**

CC&G 55-73

**8. Managers' Responsibilities and Compensation**

**(a) Duty of Care**

CC&G 73-110  
MBCA (1984) § 8.30, 8.50-8.59

**(b) Duty of Loyalty**

CC&G 110-136

**(c) Compensation**

CC&G 136-161  
Exchange Act Release No. 34-31327  
(to be distributed)

**(d) Corporate Opportunity Doctrine**

CC&G 161-176

**(e) Fiduciary Duty of Controlling Shareholders (Sale of Control)**

CC&G 1050-1076

**9. Voting and Corporate Control by Shareholders**

**(a) Overview: Who Votes and How**

CC&G 541-572, 584-595

**(b) Special Voting Systems: Cumulative, Class and Supermajority Voting**

CC&G 598-605

**(c) Removal and Vacancies**

CC&G 605-610

**(d) Right of Inspection: Common Law**

CC&G 632-644

MBCA (1984) § 7.01-7.20, 16.01-16.22

**(e) Right of Inspection: Federal Proxy Rules**

CC&G 644-667

MBCA (1984) § 7.22-7.23

**(f) Shareholder Proposals**

CC&G 667-689

**10. Control Devices and Special Problems of Close Corporations**

**(a) Restrictions on Transfer of Shares**

CC&G 722-734  
MBCA (1984) § 6.27

**(b) Preemptive Rights**

MBCA (1984) § 6.30

**(c) Allocations of Control**

CC&G 734-751  
MBCA (1984) § 7.30-7.31

**(d) Agreements Concerning Directors**

CC&G 751-773  
MBCA (1984) § 7.32, 2.02(b)

**(e) Dissolution**

CC&G 780-796  
MBCA (1984) § 14.01-14.30

**11. Shareholder Suits**

To be covered by lecture if time permits.

**Depending on the time remaining (if any) the class may either consider corporate disclosure and securities fraud, changes in control (friendly and hostile) or insider trading.**