

# Entrepreneur Law

## Spring 2008

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**Course Description:** This course will inform the student of relevant matters in the creation or acquisition of a business. Specific legal theory covering personal and business planning, selection of the right entity at the right time, contractual matters needing to be clarified early on, deciding when and how to rely on others to assist in the start-up or takeover, creating and understanding employment arrangements, and what to do when things go wrong will be covered.

### Objectives:

1. Provide a study of the legal implications involved in the creation or acquisition of a business entity.
2. Examine particular issues related to entrepreneurial endeavors, including but not limited to contractual arrangements, employment agreements, entity selection and the taxation thereof, liability for the owner/operator, and business continuation/termination.
3. The integration of said legal considerations into a business plan.

**Competencies:** The student who successfully completes Entrepreneur Law will have obtained:

Specialized knowledge. This course contains material focusing on the law of entrepreneurship which is a compendium of many different legal theories. A general knowledge of those theories will aid the student in action plans related to business start-ups or takeovers.

Critical thinking. Understanding the theory of law and understanding when and how to apply it requires analytical thought and reasoning abilities to achieve desired goals.

Communication Skills. Verbalizing the intent of any businessperson is critical in today's market. Oral and written skills will be addressed.

**Note: This Syllabus is Subject to Change. Changes will be posted to our class website: [concord-law.net/Entrepreneur](http://concord-law.net/Entrepreneur)**

**Grading:** Your grade for this class will consist of a final examination and will be significantly affected by class participation in the form of weekly assignments and participation in our Westlaw discussion forum.

**Readings:** All readings will be available online. In addition, two copies of required readings will be

placed on reserve in the library. As the readings are taken from numerous Internet sites which I do not maintain, if you should find that any of the links no longer function, please contact me and I will make appropriate adjustments to the syllabus.

**Technology Issues:** All students must have an email account that allows you to send and receive attachments (files attached to the email). You will need to provide me with your email address by the first week of class (send it to toddcheesman@gmail.com). I will assign each of you a username and password so you can access our virtual classroom. There you will be able to access audio files of class lectures, additional reference materials and our online forum. Do not lose your password or username and do not share it with anyone else. This is very important.

**Help:** I will not be maintaining office hours this semester. If you have any questions, issues or comments, you can email me. While I am usually prompt in returning emails, this semester may be an exception. Generally speaking, the more substantive your email the more likely I will respond to it quickly. **Note: this course requires extensive use of the Internet.** A background in computer technology and Internet use is strongly encouraged but not required. However, the technological requirements of accessing and using Internet features are your responsibility as young professionals.

**Meetings:** While the class does not physically meet, you are responsible for (1) listening to lectures; (2) completing readings; (3) submitting your answers online by noon on the date specified and (4) participating in our online discussion threads.

**Academic Honesty:** You are responsible for listening to all classes and reading all materials. In addition, you will be asked to respond to several questions I pose each week and which are contained in this syllabus. Please do all your own work and cite any material you borrow from other sources.

**Disclaimer:** Policies and Procedures are subject to change. Also, because this field is constantly evolving, readings may be modified to reflect current events.

**Examination:** your final exam will be a written exam held online. Sample final exam questions and answers will be posted online prior to the exam.

**Lectures and Podcasts:** All lectures will be in the form of audio files that may be streamed and/or downloaded.

## **Week 1 Introduction to Legal Duties**

January 18

Tort Law Revisited

Wickline v. State (early case on liability of an HMO for poor medical care)

Kozup v. Georgetown University (liability of hospital for HIV-tainted blood infusion)

Articles on Firestone tires

In re Union Carbide (early procedural maneuvering in litigation on Bhopal disaster)

Articles on Board of Director conflicts-of-interest

## **Week 2 Regulation/Contracts**

January 25

Akula. "Business crime: What to do when the law pursues you. "In the matter of John Gutfreund (SEC release on action against Solomon executives)

Bagley, Constance E., and Craig E. Dauchy. "Contracts and Leases." Chap. 8 in Entrepreneur's Guide to Business Law. 2003, pp. 176-191 (THEN SKIP "Electronic Contracts"); 193- 213 (BUT SKIP "Effects of Bankruptcy" at p.205 and THEN SKIP "Leases" at p. 213 and all following material)

Tarbert Trading v. Cometals (public policy)

Filanto v. Chilewich (dispute over inclusion of term)

Transatlantic Financing Corp. v. U.S. (allocating risk)

Delchi Carrier v. Rotorex (damages)

## **Week 3 Leaving a Company**

February 1

Jet Spray Cooler v. Crampton

Chomerics v. Ehrreich

Duane Jones Co. v. Burke

Ability Search, Inc. v. Lawson, et. al.

Articles on Lopez/GM dispute

Whitmyer Bros., Inc. v. Doyle, et. al.

## **Week 4 Forms of Doing Business**

February 8

Hadzima. "Legal Forms of Doing Business and Introduction to the Law of the Corporation."

Bagley, Constance E., and Craig E. Dauchy. "Deciding Whether to Incorporate." Chap. 4 in Entrepreneur's Guide to Business Law. 2003.

## **Week 5 Setting up a New Company**

February 15

Introduction to Limited Liability Companies

SBA, "Selecting the Legal Structure for Your Business"

Bagley, Constance E., and Craig E. Dauchy. "Structuring the Ownership."  
Chap. 5 in Entrepreneur's Guide to Business Law. 2003.

## **Week 6 Employment**

February 22

Bagley, Constance E., and Craig E. Dauchy. "Marshalling Human Resources."  
Chap. 10 in Entrepreneur's Guide to Business Law. 2003.

## **Week 7 Going Public**

February 29

Hadzima Reading Packet. "Going Public." Before the Final: Bagley,

Constance E., and Craig E. Dauchy. "Going Public."  
Chap. 17 in Entrepreneur's Guide to Business Law. 2003.

## **Week 8 To Be Determined**

March 7

## **Week 9 No Class - Spring Break**

March 14

## **Week 10 Bankruptcy and Reorganization**

March 21

Bagley, Constance E., and Craig E. Dauchy. "Creditors' Rights and Bankruptcy."  
Chap. 12 in Entrepreneur's Guide to Business Law. 2003.

## **Week 11 Mergers and Acquisitions**

March 28

Sample documents relating to "Material Adverse Change" dispute

## **Week 12 Going International I: Letters of Credit**

April 4

Folsom, excerpt from International Business Transactions

Courtlaulds North America v. North Carolina National Bank

Banco di Roma v. Fidelity Union Trust Co.

Instituto Nacional de Commercialization Agricola v. Continental Illinois National Bank

Sztejn v. J. Henry Schroder Banking Corp.

American Bell International v. Islamic Republic of Iran

**Week 13 Going International II: Protecting IP**

April 11

Lotus Development v. Borland International

**Week 14 The Law of E-Business**

April 18

Refer to postings on our class web page

**Week 15 Selling a Company**

April 25

Checklist on buying a company