

**University of Washington School of Law**  
**Spring, 2019**  
**Business Organizations, A515**  
**(4 credits)**  
**Class meets Mon Wed/8:15 a.m. – 10:20 a.m., Room 117**

Instructor: Matthew Latimer  
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Office: Room 446  
Office Hours: By Appointment

## **SYLLABUS**

### **Class Description**

This introductory course examines the law governing business organizations. It provides an overview of fundamental business law principles and doctrines. We will discuss the key principles of agency law and survey the law of partnerships and limited liability companies. We will then study the law of corporations. Numerous drafting considerations and implementation mechanics of documents related to business organizations will also be discussed. By design, the course is focused more on transactional aspects of business organizations law with a particular emphasis on corporations. However, those interested in litigation will still benefit from this study as potential conflicts animate the relationship between the various constituencies within different forms of business organizations.

### **Learning Objectives**

Students who successfully complete this course will be able to:

- Identify and compare the distinctive features of the fundamental forms of business organizations;
- Interpret and analyze business organizations statutes;
- Develop facility with the major forms of business organizations, including the general partnership and its limited liability variants, the limited liability company, and the corporation;
- Recognize the various sources of legal authority and contractual obligation within business organizations;
- Develop an understanding of the process of coordinating business and legal considerations in a transactional setting;
- Identify and navigate the underlying ethical considerations and policy implications of business entities with respect to their various constituencies and society at large;
- Understand corporate fiduciary duties; and
- Identify planning and problem solving involved in transactional law practice.

### **Textbook and Additional Materials**

The required textbook for this course will be the second edition of *Business Organizations: A Transactional Approach* (2nd ed., 2016) (including Fall 2018 Update Memo posted on Canvas) by William K. Sjostrom, Jr. I also will maintain a website for the course available at <https://canvas.uw.edu/courses/1290626>. PowerPoint presentations used during class will be made available via the website after each class session. Any in-class handouts, writing assignments or supplemental readings also will be made available through the course website.

*Additional Resources:* Please consult the course website for (1) electronic copies of the statutes and rules; (2) a list of optional reference materials; and (3) a list of resources to help you with any unfamiliar business and finance concepts. During the course, I will refer to basic business and finance terms. Many of you will be familiar with these terms from your prior studies. If, however, there is a particular term or concept that is unfamiliar to you, please look it up before class.

I strongly encourage you to regularly read *The New York Times*, *The Wall Street Journal* or some other national newspaper throughout the quarter. If you do, you will see all sorts of connections between our class and the real world.

### **Grading & Final Exam**

Your grade for the course will be determined primarily by your score on the final exam, which will be limited open book and three hours long. Limited open book means you may bring into the exam your textbook, statutory materials, materials posted to Canvas, and any class notes or outlines you have personally prepared or worked with a group to prepare. You may not bring into the exam commercial outlines, treatises, other commercial resources, or anything not listed in this paragraph. If you use a computer, you must have ExamSoft installed. The ExamSoft setting for this course will block access to the internet but permit you to retrieve documents saved to your computer.

The final exam is currently scheduled for **Thursday, May 30<sup>th</sup> at 8:30 a.m.**

You are responsible for reviewing the exam schedule to determine if there are any changes. The exam schedule for this quarter is posted at:

<https://www.law.washington.edu/students/exams/default.aspx>

In addition, the Law School's policy on exams, paper and use of computers on exams is set out here: <https://www.law.washington.edu/students/academics/exams.aspx>

Class participation and completion of in-class exercises could affect your final grade if your grade is at or near the cut-off between two grades. In this circumstance, I may bump your grade up if your class attendance has been excellent and your classroom participation has been exceptionally valuable and thoughtful (where quality, not quantity, of participation is the relevant criterion); conversely, I may bump your grade down if you have frequently declined to attend class or to participate meaningfully in class discussion or class exercises.

### **Class Participation/Expectations**

*Preparation.* It is critical that you come to class prepared. At a minimum, this requires that you have completed the reading, that you have thought about the implicated issues, and that you arrive to each class ready to discuss the materials on a substantive level.

*Class Participation.* I will call on people randomly and without prior notice, and I encourage students to participate voluntarily. Please note that the purpose of calling on persons to participate is to ensure that everyone is included in the discussion, can benefit from peer insights, and engage actively with the material. Class participation may affect your final grade, as discussed below.

*Exercises.* You should complete the exercises for any readings that include them prior to class and be prepared to discuss your answers and analyses.

*Attendance.* I expect you to attend class regularly, to show up on-time, and to come to class prepared to discuss that day's materials. This means that I expect you not only to be present in class but also to be engaged during class sessions. If you will be absent from a single class during the quarter, you do not need to notify me. However, if you will miss

more than one class in the quarter, you must e-mail me to notify me of the absences. An excessive number of missed classes will result in automatic expulsion from the course.

*Electronics.* Please silence your cell phones before class begins and refrain from any use of electronics that is unrelated to your learning in this class. Even if you are a master multitasker, non-class-related activities on your screen can quickly distract students around you. If you use a computer in class, it should be used solely to type your notes or for another class-related purpose. If I see you checking e-mail, texting or surfing the Internet during class time, you will be automatically eligible for a grade bump-down if you are on the cut-off between two grades.

*Recordings.* You are not allowed to make your own video or audio recordings of class sessions. I will authorize Law Media to record the class subject to the following conditions: (1) students who access the recordings agree to use the recordings only for their studies in this class; and (2) students who access the recordings agree not to distribute the recordings to anyone else. Note that you should not rely on these recordings or assume they always will be made available. Technical errors can interfere with the recording process, and listening to the audio is not a substitute for class attendance. If at any point during the quarter I feel that class participation or attendance has been low, I may withdraw my recording authorization for future classes.

### **Office Hours**

I encourage you to come see me when you have questions or issues that you want to discuss relating to the course. Because I am not teaching full-time at the law school, you will need to make an appointment to meet with me. Depending on the day, I may also be able to meet directly after class, but to ensure a meeting time, it is best to make an appointment in advance. Please e-mail me to set up an appointment that works for you. I will be available to meet with you (by appointment) up until Wednesday, May 29<sup>th</sup> at 2:00 p.m. I will not answer any course-related questions from students after 2:00 p.m. on Wednesday, May 29<sup>th</sup>. In order to ensure that information about the nature and content of the final exam is accurate and equally available to all, I will answer questions about the exam only in class.

In addition to discussing course-related matters during office hours, I am happy to talk about other legal or career-related questions. I previously spent many years in private practice as a corporate securities attorney at large law firms in the Puget Sound area. I also worked as a chief legal officer and general counsel for a mid-sized (1,000+ employee) company in Seattle. I'd be happy to offer my perspectives on working at a large law firm or in-house with you.

### **Course Evaluation**

Course evaluations are open online during the last week of classes. Class time will be made available on **May 22, 2019** for filling out your evaluation. Please bring a laptop or mobile device to class on this date to participate in the evaluation.

### **Research Services Librarians**

The Research Services librarians are legal research experts who are dedicated to helping students with research questions, database training, locating academic resources, etc. Visit the library's [UW Law Students page](#) for more information about their services generally. To get help, you can email the Research Services librarians directly at [lawref@uw.edu](mailto:lawref@uw.edu). You are also welcome to visit the Reference Office on L1 to speak with the Research Services

librarian on duty. If you have a detailed research question or would prefer to meet privately with a librarian, you may set up an [individual appointment](#).

### **Law School Attendance Policy**

Under changes to ABA Accreditation Standard 304, adopted in August 2004, a law school shall require regular and punctual class attendance. At any time after the fifth week of a course (halfway through a summer session course), a student who has been determined by the instructor to have attended fewer than 80 percent of the class sessions in any course will be required to drop the course from his or her registration upon the instructor's so indicating to the Academic Services Office.

### **Access and Accommodation**

Your experience in this class is important to me. If you have already established accommodations with Disability Resources for Students (DRS), please communicate your approved accommodations to me at your earliest convenience so we can discuss your needs in this course.

If you have not yet established services through DRS, but have a temporary health condition or permanent disability that requires accommodations (conditions include but not limited to; mental health, attention-related, learning, vision, hearing, physical or health impacts), you are welcome to contact DRS at 206-543-8924 or uwdrs@uw.edu or disability@uw.edu. DRS offers resources and coordinates reasonable accommodations for students with disabilities and/or temporary health conditions.

Reasonable accommodations are established through an interactive process between you, your instructor(s) and DRS. It is the policy and practice of the University of Washington to create inclusive and accessible learning environments consistent with federal and state law.

### **Class Meetings & Reading Assignments**

#### CLASS 1 – Monday, April 1

Topic: Business Forms Overview

Readings / Assignments: Chapter 1

#### **Wednesday, April 3 – NO CLASS (Class will be held on Friday, April 19<sup>th</sup>)**

#### CLASS 2 – Monday, April 8

Topic: Agency Law

Readings / Assignments: Chapter 2

#### CLASS 3 – Wednesday, April 10

Topic: Choice of Form Considerations

Readings / Assignments: Chapter 3 (pp. 73-126)\*

*\*replace pp. 75-79 with relevant text from Update Memorandum (posted on Canvas) and skip Example 1, Example 2, and Exercise 3.1*

*Skip pp. 88-89*

*Add relevant text from the Update Memorandum on p. 107*

#### CLASS 4 – Monday, April 15

Topic: Partnerships and Limited Liability Partnerships

Readings / Assignments: Chapter 4 (skip question 4 in Exercise .7 on p. 157)

#### CLASS 5 – Wednesday, April 17

Topic: Limited Partnerships and Limited Liability Limited Partnerships

Readings / Assignments: Chapter 5

CLASS 6 – Friday, April 19<sup>th</sup>\*

Topic: Limited Liability Companies

Readings / Assignments: Chapter 6 (skip question 4 on p. 214)

*\* This class will serve as a make-up for the 4/3 class. Class will be held in Room TBA*

CLASS 7 – Monday, April 22

Topic: Corporations – The Incorporation Process

Readings / Assignments: Chapter 7

CLASS 8 – Wednesday, April 24

Topic: Corporations – Corporate Finance

Readings / Assignments: Chapter 8 (pp. 283-333)

CLASS 9 – Monday, April 29

Topic: Corporations – Corporate Finance

Readings / Assignments: Chapter 8 (pp. 333-373)\*

*\* See changes to p. 370 in Update Memorandum*

CLASS 10 – Wednesday, May 1

Topic: Corporations – Corporate Governance

Readings / Assignments: Chapter 9\*

*\* Add relevant text from the Update Memorandum on p. 391*

CLASS 11 – Monday, May 6

Topic: Corporations – Corporate Fiduciary Duties

Readings / Assignments: Chapter 10 (pp. 429-477)\*

*\* Add relevant text from the Update Memorandum on p. 434*

CLASS 12 – Wednesday, May 8

Topic: Corporations – Corporate Fiduciary Duties

Readings / Assignments: Chapter 10 (pp. 478-537)

CLASS 13 – Monday, May 13

Topic: Corporations – Return on Investment

Readings / Assignments: Chapter 11

CLASS 14 – Wednesday, May 15

Topic: Corporations – Minority Shareholder Protections

Readings / Assignments: Chapter 12

*\*Note: Exercise 12.2 – read MBCA Section 6.30  
Exercise 12.3: The draft is minority shareholder-friendly. Please propose comments from the perspective of the Majority Shareholder*

CLASS 15 – Monday, May 20

Topic: Corporations – Public Company Regulation

Readings / Assignments: Chapter 13\*

*\*Replace U.S. v. Newman with Salman v United States from Update Memorandum on p. 663*

CLASS 16 – Wednesday, May 22

Topic: Introduction to Financial Statements; Wrap-Up and Review Session

Readings / Assignments: Appendix A; check Canvas for additional readings; Also, come prepared with questions about any topics covered in this course

*\*Add relevant text from Update Memorandum on p. 751*