

LEX 220 Corporate Law

COURSE DESCRIPTION:

Prerequisites: ENG 080 AND RED 080, or DRE 097, or satisfactory score on placement test

Corequisites: None

This course covers the legal aspects of forming, operating, and maintaining a business. Emphasis is on the business corporation with additional coverage of sole proprietorships and partnerships. Upon completion, students should be able to draft basic partnership and corporate documents and file these documents as required. Course Hours Per Week: Class, 2. Semester Hours Credit, 2.

LEARNING OUTCOMES:

Upon successful completion of this course, students will be able to:

1. Understand the legal aspects of forming, operating and maintaining a business
2. Distinguish between sole proprietor, general and various types of limited partnerships
3. Categorize a corporation according to its classification
4. Identify shareholder's rights, and duties of officers and directors
5. Demonstrate how to draft and file basic partnership and corporate documents
6. Describe the differences in taxation and owner liability among the various types of business organizations

OUTLINE OF INSTRUCTION:

- I. Noncorporate forms of business organization
 - A. Sole proprietorship
 - i. Creation
 - ii. Business name
 - iii. Personal liability
 - B. General partnership
 - i. Definition
 - ii. Formation
 - iii. Property rights
 - iv. Liability
 - v. Dissolution
 - C. Limited Partnership and limited liability company
 - i. Definition
 - ii. Formation
 - iii. Liability
 - iv. Partners' rights
 - v. Dissolution
- II. Corporations
 - A. Classification
 - i. Profit or nonprofit
 - ii. Public or private
 - iii. Publicly held or closely held
 - iv. Professional
 - v. Domestic, foreign, or alien
 - B. Formation
 - i. Articles of incorporation
 - ii. Bylaws
 - C. Financing

- i. Equity securities
 - a. Common stock
 - b. Preferred stock
 - ii. Debt securities
 - D. Shareholders' Rights
 - i. Voting rights
 - ii. Right to transfer shares
 - iii. Preemptive rights
 - iv. Right to receive information and inspect books and records
 - E. Rights and liability of directors and officers
 - i. Duty of obedience
 - ii. Duty of care
 - a. Business judgment rule
 - iii. Duty of loyalty
 - a. Self-dealing
 - b. Usurping a corporate opportunity
 - c. Competing with the corporation
 - d. Secret profits

REQUIRED TEXTBOOKS AND MATERIAL:

The textbook and other instructional material will be determined by the instructor.