

# Role of Law in Business

**BUSINESS LAW 308**

## CLASS INFORMATION & SYLLABUS

Fall, 2009

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### **Contact Information:**

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Office Hours: Wednesday 6:00 – 7:00 p.m.

### **Course Materials:**

Mallor *et al*, *Business Law: The Ethical, Global & E-Commerce Environment 14<sup>th</sup> Ed.*, (2010)  
ISBN: 0073377643

### **Attendance:**

You are expected to attend **every** class meeting.

**Prompt Arrival:** You are expected to be in your seat and ready to begin when class is scheduled to start. It is unprofessional and impolite to arrive at or after the start of class.

**Tardy:** You are tardy if you (1) arrive late, (2) leave early, or (3) leave in the middle of class and return. Three tardies equates to one absence.

**Excessive Absences:** Other than in exceptional circumstances, if you accrue two (2) or more absences, you will be automatically dropped from this course. Notice will be provided after the first absence. You may petition for relief from this rule by submitting a sworn affidavit along with supporting materials to document the reason for your absences. Note that your petition must show a justifiable reason for **all** your absences, not just the first and subsequent absences.

### **Class Preparation:**

**You should check Web CT no less frequently than weekly for changes to Assignments.**

**You must be prepared for every class.**

You must be prepared to discuss the assigned material.

Your final grade is subject to a one level reduction (e.g., from a B to a C+) for being unprepared.

The assignments are listed separately. Normally we complete one assignment each class. Always be one full assignment ahead. If, for instance, we begin but do not finish an assignment, prepare the next full assignment for the next class.

Assignments include reading from the text. In addition, actual court cases and problems will be assigned. These cases and problems must be briefed in writing. You will be called on at random throughout the semester to read your briefs in class.

Briefs: There are cases and problem cases ("PCs") which must be briefed in writing. A "case" is a court case which is contained in the text. A "problem case" is an end-of-chapter case, which, again, must be briefed. These PCs are also actual court cases, but do not include the court's decisions - that will be your job to analyze. When a case problem contains questions, simply ignore them, and instead brief the case.

**You will be called on at random throughout the semester to read your briefs and problem cases ("P&C") in class.** You will not be graded on the briefs or problem cases. These are learning tools, not finished product. **However, if you are unprepared or absent, this will affect your grade as discussed below.** It is your responsibility to be prepared for every class. If you are absent, it is still your responsibility to be prepared. Once during the term you may give me a note at the start of class stating that you are unprepared and no negative mark will be made. You must be present in class to give such a note - it is not available as an excuse for an absence.

### **Technology Etiquette:**

Turn off all mobile communication devices such as cellular telephones and pagers prior to the beginning of class.

Boot up computers before class starts.

Turn off computer audio.

Use an adequately charged battery or a power cord to avoid running out of power and the associated low battery warning noises.

Do not use your computer for purposes that are not related to class. For example, do not write or reply to e-mail or instant messages, surf the Internet, Twitter, work on your Facebook or MySpace page, etc.

You may not record the class without permission.

### **Objectives of the Course:**

This course is an introduction to the role of law in business. The course encompasses: The agency relationship; Employment law; Business organizations including general partnerships, limited partnerships, limited liability limited partnerships, corporations, professional corporations, and limited liability companies; and Securities regulation.

You will analyze how law applies to factual settings. You will read court decisions, prepare written briefs of the decisions, orally defend your interpretations of the cases, and answer hypothetical questions in open class discussion. You will learn to distinguish the application of rules depending on changing circumstances in various cases and hypotheticals. You will learn to argue alternate sides of a dispute regardless of personal belief. You will also learn to identify the functions, policies, and trends in the law, and to consider social, economic and ethical influences on the law.

### **Briefing Cases:**

To brief cases, use the following "IRAC" format:

*Issue:* What question must be answered in order to reach a conclusion in the case? This should be a legal question which, when answered, gives a result in the particular case. Make it specific (e.g. "Has there been a false imprisonment if the plaintiff was asleep at the time of 'confinement'?") rather than general (e.g. "Will the plaintiff be successful?") You may make it referable to the specific case being briefed (e.g. "Did Miller owe a duty of care to Osco, Inc.?" ) or which can apply to all cases which present a similar question, (e.g. "Is a duty owed whenever there is an employment relationship?") Most cases present one issue. If there is more than one issue, list all, and analyze all issues raised.

*Rule:* The rule is the law which applies to the issue. It should be stated as a general principal, (e.g. A duty of care is owed whenever the defendant should anticipate that her conduct could create a risk of harm to the plaintiff) not a conclusion to the particular case being briefed, (e.g. "The plaintiff was negligent.")

*Application:* The application is a discussion of how the rule applies to the facts of a particular case. While the issue and rule are normally only one sentence each, the application is normally paragraphs long. It should be written debate - not simply a statement of the conclusion.

Whenever possible, present both sides of any issue. Do not begin with your conclusion. The application shows how you are able to reason on paper and is the most difficult (and, on exams, the most important) skill you will learn.

*Conclusion:* What was the result of the case?

Most briefs are one page long. They must be brought to class on the day they are to be discussed. Once an assignment has been discussed, you no longer need to bring it to class. Since the briefs are not normally turned in, they may be either handwritten or typed.

### **Tests and Grading:**

There will be a midterm and a final. The final exam is cumulative and will be given on December 16, 2009. The tests may include essay questions. Tests may also include multiple choice and true-false questions. The course will be graded on a + and – basis. This means that in addition to such letter grades as “A” and “C”, grades such as “A-“ and “C+” will also be used. The grade allocation is as follows:

Midterm: 33.33% of course grade

Final: 66.66% of course grade

Your grade is affected by whether you have been prepared when called on for case briefs. As noted above, you may give a note once during the term stating that you are unprepared, and no negative mark will be made. However, if you are called on and have not given an "unprepared" note or are absent you will receive an "unprepared" mark. One such mark will be dropped from consideration in grading. Any unprepared marks beyond that will cause your final grade in the course to be reduced by 0.1 for each such mark.

The grade reached after averaging the exams will be then reduced by any unprepared marks exceeding one and in my sole discretion may be raised based on classroom participation. The result will be your course grade.

### **Missed Tests:**

No make-up tests will be given. If a student is unable to take the first test, he or she must produce documentary evidence establishing a valid excuse for failure to take the test. If this is done the course grade will be determined by the final exam. If no valid excuse is established, the missed test will be counted as an "F". If a student knows in advance that he or she will be absent for good reason on the day that the test is to be given, it may be possible to arrange for an alternative test time. Arrangements must be made in advance. If a student is unable to take the final test, he or she must apply for an Incomplete in accordance with University regulations.

## **Assignments and Course Topics:**

Students should check Web CT no less frequently than weekly for changes to Assignments.

**26 August:** Reading and briefing cases. Formation of the agency relationship. Basic agency concepts. The agent's duties to the principal and the principal's duties to the agent. Termination of the agency relationship.

TEXT: 24-26; 896-910

BRIEF: *Abkco* and *Sanders*.

P & C: 2,3,4,7,10 on pages 910-912

**2 September:** The principal's and the agent's relations with third parties.

TEXT: 913-928

BRIEF: *Opp* and *Milan*

P & C: 4,6,8 on pages 928-929

**9 September:** Employees and Independent Contractors. Worker's Compensation, The Occupational Safety and Health Act, The Family and Medical Leave Act, The Fair Labor Standards Act, The Equal Pay Act.

TEXT: 899; 923-926; 1315-1322

BRIEF: *Eisenberg*, pages 900-901

P & C: 1 on page 1342 and 9 on pages 929-930

**16 September:** Employment discrimination, employee privacy, and common-law suits for wrongful discharge.

TEXT: 1322-1341

BRIEF: *Becknell*, pages 1325-1326

P & C: 5 on page 1342 and 11 on page 1344

READ: *Ricci vs. DeStefano*, attached hereto as Supplement 1.

**23 September:** The forms of business organizations. The creation of partnerships and limited liability partnerships (LLPs).

TEXT: 922-950

BRIEF: *Palmer*, page 944 and *McCormick*, page 946.

P & C: 2,3,6,7 - 10

**30 September:** Midterm examination

**7 October:** Management of partnerships. The rights, duties, and liabilities of partners.

TEXT: 951-964

BRIEF: *Spector*, page 955 and *NBN*, page 959.

P & C: 2,3,5,7,8

**14 October:** The process by which partners leave and enter partnerships.

TEXT: 967 – 983

BRIEF: *Schwartz*, page 970.

P & C: 1,4,6,8

**21 October:** Limited Liability Companies, Limited Partnerships, and Limited Liability Limited Partnerships.

TEXT: 985 - 1004

BRIEF: *Katris*, page 988.

P & C: 2,3,8

**28 October:** History, characteristics, and regulation of corporations.

TEXT: 1007 – 1023

BRIEF: *Hildreth*, page 1019.

P & C: 4,8,9

**4 November:** Organization and financial structure of corporations.

TEXT: 1027 – 1045

BRIEF: *Coyle*, page 1043.

P & C: 3,5,9,10

**11 November:** Veterans' Day Holiday;

**18 November:** Management structures of corporations. Duties and liabilities of those who manage corporations.

TEXT: 1047 – 1079

BRIEF: *Brehm*, page 1058; *Guth*, page 1069; *United States v. Jensen*, page 1075

P & C: 1,3,7

**25 November:** Shareholders' rights and liabilities

TEXT: 1083 – 1111

BRIEF: *Dodge*, page 1097; *Zapata*, page 1101; *Brodie*, page 1105

P & C: 9

**2 December:** Securities regulation. Securities and Exchange Commission. Securities Act of 1933

TEXT: 1114 – 1135

BRIEF: *SEC v. Edwards*, page 1117

P & C: 2,3

**9 December:** Securities Exchange Act of 1934.

TEXT: 1136 - 1153

BRIEF: *Carr*, page 1141; *Dirks*, page 1144; *Stoneridge*, page 1146

P & C: 7,8,10,14

**16 December:** Final Examination