

## **BUSINESS LAW II (BLAW 308)**

ONLINE

Thursday: 7 p.m. to 9:45 p.m.

Professor Pardau

Spring 2021

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Office Hours: Thursdays 6 p.m. to 7 p.m. and Thursdays 5 p.m. to 6 p.m. or by appointment

Text: *Business Law: The Ethical, Global and E-commerce Environment*, Langvardt et al., 17<sup>th</sup> ed., (2019) [relevant chapters also available via e-edition].

This text is available hardcopy at the campus bookstore, on Amazon and elsewhere or online (at significant savings) at <https://create.mcgraw-hill.com/shop/>

Certain materials will be made available on CANVAS. Listen for announcements in class.

The Langvardt text is required.

Postings to links of relevant articles, videos and other content will be on Canvas.

This is a 100% online class that is both synchronous and asynchronous, meaning some of the scheduled class session will be "live", other class days will have content previously recorded or will direct you to other materials to watch and work on. On those "asynchronous days, you will have the ability to watch and review the assigned material at any time or day you wish that is convenient for you, but obviously you will not want to let things slide too much into subsequent weeks.

The synchronous or "live" sessions will be on ZOOM. Wherever possible, I will try to record the ZOOM lectures and post them a day or two later immediately following that class. I cannot guarantee that I all lectures will be recorded on ZOOM, but I will try.

Also, on those scheduled classes when we do have "live" synchronous lectures, even though 2 hours and 45 minutes are scheduled, we will probably go for less than time with that since close to 3 hours is a lot of time to spend in front of the screen. When we do go for less than the 2 hour and 45 minutes, any additional time will be supplemented with individualized work or other content assigned to you.

Given the dynamic and ever-changing nature of this "new COVID 19 environment", we all need to be flexible and be aware that circumstances may change and may change quickly. Note, I reserve the right, in my sole discretion, to make necessary adjustments to the syllabus which I will announce on CANVAS and in class.

### **Objectives of the Course**

*Learning Goals and Objectives for All Business Law Courses:* In a more "regular" environment (pre COVID 19) classes are taught using, in part, the Socratic method, with its goal of participatory learning and the development of reasoning skills. This active learning process requires students to articulate, develop and defend positions, to think critically and to engage in problem-solving. Students learn to

formulate an effective legal analysis by synthesizing information, identifying legal issues, distinguishing relevant from irrelevant facts, using facts and law to support argument, reasoning by analogy and reaching conclusions based on analysis. In addition, students in all courses study ethical issues in a business context, with actual topics depending on course content. In the online context, that Socratic method will be much harder to achieve, so we will have more lecture style classes but will wherever feasible more interactive methods using such techniques involving polls, group discussions, papers and individual projects.

*BLAW 308: Business Law II (3 units).* Study of the role of law in business including the study of legal institutions and their role in facilitating and regulating business. Includes agency, employment law, business ethics, and the various forms of business organizations and securities law.

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, 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 learn to identify the functions, policies, and trends in the law, and to consider social, economic and ethical influences on the law.

Quizzes are comprised solely of multiple choice.

The timed Midterm and Final Exam are composed of: A) one or more detailed, essay questions which require you to analyze factual situations, identify legal issues and apply the law in determining the outcome of hypothetical cases; and B) multiple-choice questions.

The Quizzes, Midterms and Final Exam are open note, open book, but subject to strict time limits which will be disclosed as the respect Quiz, Midterm and Final dates approach.

### **Course topics**

- I. Introduction
- II. Business Organizations
- III. Partnerships
- IV. Limited Liability Companies, etc.
- V. History and Nature of Corporations
- VI. Organization and Financial Structure of Corporations
- VII. Management of Corporations
- VIII. Shareholders' Rights and Liabilities
- IX. Securities Regulation
- X. Business Ethics, Corporate Social Responsibility, Corporate Governance and Critical Thinking
- XI. Employment Law
- XII. Agency

### **Class Preparation**

As to the Langvardt text, you must read the page numbers specified for each class/assignment in the "Assignments" section located at the of this syllabus. You DO NOT need to read any case or PC, UNLESS it is expressly stated in the Assignments section. (But note, "Figure" and "In Action" sections – which are colored in blue -- must be read in every instance.)

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, there are cases, case problems and questions which must be briefed in writing. **YOU MUST ONLY BRIEF THOSE CASES AND CASE PROBLEMS SPECIFICALLY MENTIONED IN THE SYLLABUS. IF A CASE OR CASE PROBLEM IS NOT SPECIFICALLY MENTIONED, DON'T READ IT; DON'T BRIEF IT. While you must brief the cases on your end, we will do our best to brief the cases together in class, as a group.**

A "case" is a court case which appears throughout each of the chapters. Problem Cases is a "case problem" that is an end-of-chapter question, which, again, must be briefed. These case problems may also be actual court cases, but do not include the court's decisions - that will be your job to analyze. Lastly, imbedded within the text of each chapter you will see excerpted summaries and notes on relevant topics; you must read those as well, but you need not brief them. If you have questions about any of the assigned materials, please ask.

While volunteers will be solicited, I also reserve the right to call on you throughout the semester to read your briefs and problems in class. 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.

**Regular attendance to class is expected however roll will not be taken. Your failure to attend class on a regular basis will likely have an adverse affect on your overall grade.** Likewise your failure to participate in class discussions, while not hurting your grade, can be enhanced (based on the discretion of the Professor) if you participate effectively and consistently.

## **Briefing Cases**

To brief cases, case problems and questions, 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 give rules for 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? With cases, the text gives you a background of the facts along with the judge's reasoning and conclusion. When you brief cases, you are basically summarizing the judge's opinion. With case problems, the editors have given you a summary of the facts of an actual case, but have not given you the judge's opinion. Your job is to act as the judge in reasoning your way to a ruling, again using the IRAC format.

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.

### **Exams, Papers, Quizzes and Grading**

There will be 2 midterms, 4 quizzes, and one final exam. The final exam is cumulative and will be given on the day and time listed in the schedule of classes. The grade allocation is as follows:

- One Midterm (timed): Worth 25% of course grade
- One Graded Essay Question (not timed): Worth 25% of course grade
- Four Quizzes: Each Quiz is worth 5% of the course grade
- Final exam (Cumulative): 30% of course grade

All midterms, quizzes and the final exam are open note, open book.

The grade reached after averaging the exams, the Quizzes, and your preparation in connection with all other assignments, will be the minimum grade you can receive in the course. At the professor's sole discretion, your course grade may be raised based on classroom participation and demonstrable improvement throughout the Semester. Depending on class interest, there can be extra credit opportunities, specifically a written work assignment that would be voluntary.

Also, your grade may be adversely affected by whether you have been prepared when called on for case briefs.

Grading System (taken from "Regulations", CSUN catalog)

GRADE	DEFINITION	GRADE POINTS
A	Outstanding	4.0
A-		3.7
B+		3.3
B	Very Good	3.0
B-		2.7
C+		2.3
C	Average	2.0
C-		1.7
D+		1.3
D	Barely Passing	1.0
D-		0.7
F	Failure	0

## General Instructions on Taking Exams

With regard to essays and short answers, answer each question fully, clearly, and in the order given. Mere conclusions receive no credit. You should:

- Discuss the issue.
- Define and discuss any principles of law, legal theories, etc., relevant to the question.
- Fully apply the given facts to the legal principles on which you rely. Do not ignore any facts, even if they do not support your conclusions. Do not assume that I know that you know something - tell me in your exam what you know, defining every legal term used.
- The actual conclusions you reach could be the least important part of your answer - but you must base your conclusions on complete and intelligent applications of the facts to the legal principles involved.
- If further facts could affect the outcome of the problem, state with particularity what they are, and how they could affect the outcome.
- You may either use the "IRAC" format or write in straight paragraph form. Students earning higher grades tend to use essay format that incorporates the IRAC process. Discuss the issues involved, the applicable legal rules, and an application of the law to the facts to reach your outcome. Discuss all issues - some questions have more than one issue.

## Academic Integrity

Academic integrity is essential. All tests are open book and open note, but you are absolutely prohibited from receiving or giving assistance or cooperation of any kind during the exam or quiz or project itself. There is zero tolerance for cheating. Any evidence of cheating will be thoroughly investigated. If there is credible evidence of cheating, I will refer the matter to the Dean of the College with, if warranted, a referral and recommendation for expulsion from the University. In the Professor's reasonable discretion, you will also be subject to receipt of an automatic "F" in the class.

## No Gifts Policy

Pursuant to University policy and best practices, under no circumstance will the Professor accept any gifts or other items of value, including those of even small or nominal value. In the event of any attempt to deliver such gift or item, it will be declined.

## Assignments (By week)

Date	Class topics	Work due
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1	January 28th	<p>Introduction; Resolution of Private Disputes</p> <p>Business Organization</p> <p>Lecture on Fundamentals of Agency</p>	<p>Read pp.4-28; pp.36-62</p> <p>Read pp. 1032-1048; read PC 1</p> <p>Read pp. 991-1025</p> <p>IRAC/Case Brief Read Mathias Case-- <a href="https://h2o.law.harvard.edu/text_blocks/1142">https://h2o.law.harvard.edu/text_blocks/1142</a></p> <p>Watch Pardau Supplemental Video(s) on YouTube</p>
2	February 4th	<p>Partnerships</p> <p>Limited Liability Companies</p> <p><b>QUIZ # 1</b></p>	<p>IRAC Brief – Go over in class</p> <p>Read pp. 1054-1086 BRIEF McMillian v. McMillian (pp.1054-55)</p> <p>(DO NOT read any other cases in this section)</p> <p>pp.1092-1109;</p> <p>PC #4 (p.1111)</p> <p>Watch Pardau Supplemental Video(s) on YouTube</p>
3	Feb 11th	<p><b>ASYNCHRONOUS CLASS – WATCH PARDAU VIDEO ON CANVAS</b></p> <p>History and Nature of Corporations</p> <p>Corporations continued</p> <p>Organization of Corps</p>	<p>Read pp.1116-1131; LACH p. 1107-1109; (p. 1126-1129);</p> <p>PC #4 (p.1132)</p> <p>Read pp.1135-1154</p> <p>Watch Pardau Supplemental Video(s) on YouTube</p>
4	Feb 18th	<p><b>ASYNCHRONOUS CLASS – WATCH PARDAU VIDEO ON CANVAS</b></p> <p>Management of Corporations</p>	<p>Read pp. 1160-1191</p> <p>Brief Brehm (pp.1171-1175)</p> <p>Watch Pardau Supplemental Video(s) on YouTube</p>

<b>5</b>	Feb. 25th	<b>QUIZ #2</b>  Management of Corps con'd/Shareholder Rights and Liabilities  MIDTERM PREP	Paramount (pp.1178-79);  Read pp. 1195-1223  Watch Pardau Supplemental Video(s) on YouTube re Corporations
<b>6</b>	March 4th	MIDTERM #1 -- TIMED	MIDTERM #1 -- TIIMED
<b>7</b>	March 11th	<b>ASYNCHRONOUS CLASS – WATCH PARDAU VIDEO ON CANVAS</b>  SECURITIES REGULATION;	Read pp. pp. 1228-1273  Brief Mark v. FSC Securities pp.1239-40)
<b>8</b>	March 18th	<b>SPRING BREAK NO CLASS!!</b>	<b>SPRING BREAK NO CLASS!!</b>
<b>9</b>	March 25th	Securities Regulation Con'd;  <b>ASYNCHRONOUS CLASS – WATCH PARDAU VIDEO ON CANVAS</b>  <b>QUIZ #3</b> Ethics	Brief SRM Global v. Countrywide (pp.1258-1261)  Stoneridge Investment Partners (pp.1265-1268); PC 8  Read pp. 114-144
<b>10</b>	April 1st	<b>NO CLASS --- OBSERVANCE OF RELIGIOUS HOLIDAY</b>	<b>NO CLASS --- OBSERVANCE OF RELIGIOUS HOLIDAY</b>
<b>11</b>	April 8th	Watch – ENRON MOVIE ("Smartest Guys in the Room"); QUESTIONS HAND-OUT	Watch – ENRON MOVIE ("Smartest Guys in the Room"); QUESTIONS HAND-OUT
<b>12</b>	April 15th	SECOND MIDTERM (NOT TIMED)	SECOND MIDTERM (NOT TIMED)
<b>13</b>	April 22nd	Ethics con'd; Review ENRON movie Go over Midterm #2	Go over Midterm #2

<b>14</b>	April 29th	Employment law con'd; <b>Quiz 4</b>	Read pp. 1456-1491 <b>Quiz 4</b>
<b>15</b>	May 6th	<b>ASYNCHRONOUS CLASS- WATCH PARDAU VIDEO POSTED ON CANVAS</b>	<b>ASYNCHRONOUS CLASS- WATCH PARDAU VIDEO POSTED ON CANVAS</b>
<b>16</b>	May 13 <sup>th</sup>	Employment Law Con'd	Brief Darco pp. 1459-1460;  (p.1466-1468)  (pp. 1473-1476)  PC's 4, 5, 7 and 9. (pp. 1494-95)
<b>17</b>	May 20th	FINAL EXAM – DETAILS TO FOLLOW	FINAL EXAM – DETAILS TO FOLLOW