What is the class all about?

Having a base understanding of core business law principles is critical to being an effective manager. This class will introduce or re-introduce you to several of these core concepts. The class will be largely discussion based, so the issues or examples you bring to class are welcomed.

Note: I think you will enjoy the material. It’s more fun than it sounds.

Who is the instructor?

I am asst. professor of legal studies & management at Georgia Gwinnett College. My area of research is intersection of entrepreneurship and the law. I provide business and legal counsel to entrepreneurs and serve on multiple entrepreneurship councils and boards. Feel free to connect at www.linkedin.com/in/jmgordonlaw/.

What will we be learning?

The general syllabus for the model is below.

So there is an exam?

There is a multiple-choice exam at the end of the class. The exam will be very straightforward and will test that you have a basic understanding of the major concepts covered during class. The material covered is very broad, so this is the best way to make certain that you need to be a stronger business professional.

Can we talk about legal subjects outside of the syllabus?

Absolutely. In fact, I strongly encourage it. Every question you bring to class is a learning opportunity to everyone.

Why is the class so long?

Bottom line – I want you to get the most out of the course. I scheduled the class period to make certain that we have sufficient time to cover the material. This includes allowing plenty of time to discuss legal issues or questions that students bring to class. I also planned for numerous breaks throughout the class. It is very possible that each class will end early, but it is possible to for the class to last the entire blocked period.
Course Overview & Schedule

Day 1: Class

**Topic:** Business Entities and Governance
- Entity Selection Considerations
- Equity Considerations
- Governance Issues

**Learning Objective:** Understand the aspects of conducting business in or with a particular business entity type.
- *Master Key Concepts* – Forming a particular business entity; internal relationships (ownership structure) within the various types of business entities; authorization and distribution of equity & options; fiduciary duties among owners/managers of business entities; extent of personal and business entity liability; default tax principles for given entity types.

**Assignment:** Read select material to provide a background of topic.

**Specific Information Covered:** (Material added as necessary)
- Selection Considerations:
  - Formation – Administrative startup procedures (how to file & set up your business entity)
  - Continuity – Continuance upon select occurrences (e.g., Member leaving the entity)
  - Ownership/Control – Decision-making Rights; Agency; Fiduciary Duties
  - Liability – Limited liability entity status explained and protections.
  - Taxation – Default tax schemes for each entity. (Pass threw, Basis Consideration, Active/Passive Income Issues)
- Equity Considerations and Agreements
  - Board Formation and Governance: Corporate formalities in Setup.
  - Type of stock, stock issuance plan & option agreements.
  - General considerations in Term Sheet Negotiation (Valuation, Staging, Preferences, etc.)
- Compliance Standards and Piercing the Corporate Veil
  - Dos and Don’ts of entity maintenance.
- Relevance of entity type in contractual business relationships.
  - General discussion and scenarios.
Day 2: Class

Topic: Contract Formation; Contract Interpretation; Security Interests

- Contractual Relationships in Business:
  - Contract Formation & Format
  - Contract Interpretation
  - Security Interests

Learning Objective: Understand the formation, terms, enforceability, and remedies within a business’ contractual relationship.


Assignment: Read select material to provide a background of topic.

Specific Information Covered:
- Elements of a valid contract
  - Offer, Acceptance, Consideration
  - Verbal & Written Contracts; Gap-Fillers
- Types of Contractual Relationships
  - Unilateral and Bilateral
  - Uniform Commercial Code & Restatement of Contracts
- Enforceability considerations:
  - Statute of Frauds; Promissory Estoppel
  - How to deal with non-compliance/breaches
- Anatomy of a Contract
  - Preamble, Recital, Words of Agreement
  - Definitions
  - Action Section (Consideration)
  - Reps & Warranties
  - Covenants & Rights
  - Conditions to Obligations
  - Endgame Provisions & Remedies
  - General Provisions
  - Signatures
- Overview of Security Interests
  - Attachment and Perfection Procedure
  - Priority Issues among competing security interests
Day 3: Class

**Topic:** Securities Disclosure, Fraud, and Liability; Regulations and Small Offering Exemptions

- Securities Issues:
  - Disclosure, Fraud, and Liability
  - Regulations and Small Offering Exemptions

**Learning Objective:** Understand the key Securities law provisions when making an equity investment or selling an ownership interest in a business entity.


**Assignment:** Read select material to provide a background of topic.

**Specific Information:**
- What is a Security Offering: Registration Requirements
- Applicable Laws 1933 & 1934 Act
  - Liability provisions
- Disclosure Requirements:
  - The Prospectus/PPM
- Small Offering Exemptions to Registration
  - Overview of Statutory & Rule-Based Exemptions
  - Insight into JOBS Act changes (General Solicitation Rules)
Day 4: Exam

Exam Format:
  o Covering all material in the notes that we cover in class.
    ▪ Note: If we don’t talk about it in class, it won’t be on the exam.
  o Approx. 50 - 75 Multiple-choice questions (allowed to explain answer)
  o No more than 5 short answer questions.

Exam Tips
  o Study from the notes.
  o Make certain that you understand the big concepts we cover.
  o If there is a slide dedicated to it, then it is probably an important legal concept.
  o Don’t worry - the exam is very straightforward.