SYLLABUS & Related Materials

FORDHAM UNIVERSITY
GABELLI SCHOOL OF BUSINESS

Syllabus for BLBU 2234
Legal Framework Of Business
Summer Session, 2017

Prof. Greene
*Office Hour:
   Wednesdays: 3:15-4:15
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*PLEASE SEE ITEM # 5 in GENERAL INSTRUCTIONS & INFORMATION with respect to policies concerning Class Attendance, Office Hour, Phone, e-mail, and Communications generally.

COURSE DESCRIPTION: Covers the fundamental legal concepts and principles applicable to the American business community, while addressing some legal aspects of international commerce. Topics include: sources of the modern legal system; governmental regulation; creation and discharge of contractual rights and liabilities; characteristics of agencies, partnerships and corporations, including the rights and liabilities of agents, partners and corporate management. Students analyze cases and solve problems.

COURSE OBJECTIVE: This course is designed to familiarize the student with the basic legal concepts and problems encountered in business: court procedures, torts, contracts, agencies and forms of business organization.


GENERAL INSTRUCTIONS & INFORMATION

To help you enjoy the course, get the most out of it, and assure yourselves of the best marks within your abilities and resources, please note the following:

1. Preparation for Class, and Student Review of Notes Taken

   It is strongly recommended that you read over (rather than study) the material to be covered in each class before the class meeting at which it is to be covered. Note-taking is easier, and the material is more interesting, if you attend class with some advance sense of what is to be discussed.
To aid preparation for class, please note that a Schedule specifying the reading or other assignment due for each week is attached.

Students are also advised to consider reviewing notes taken during class promptly after the class in which the notes are taken. Thoughts are more easily completed and confirmed, and questions more readily identified, while recollections are fresh.

2. Marking System

(a) Midterm (essays & objectives) 35%
(b) Final (essays & objectives) 50%*
(c) Participation (Attendance primarily) 10%
(d) Hand-in Essay Homework (collaboration permissible, but individual submissions are required and are important) 5%*

* If it is to the student’s advantage, the Final will be counted at 45%, and the homework at 10%.

3. Written Homework Problems and Essay Questions generally

(a) Homeworks handed in on time will receive full credit. Homeworks are generally graded and returned a week following the submission date with an informative grade. In fairness to the rest of the class, and to the student involved, homework assignments submitted late will receive a deduction from full credit.

Students who are unable to attend a class at which a homework assignment is due should mail the homework, on or before the due date, to:

Professor William Greene
Fordham University
Gabelli School Of Business
East Fordham Road
Bronx NY 10458

or deliver it to my mailbox, during business hours, at the Faculty Center, Gabelli School, Hughes Hall, 5th Floor, on or before the due date. Homeworks attached to e-mails are often subject to technical problems, and will only be credited if and when actually received. Any confirmation of receipt (or deficiency) will only be given when other matters involving the general interests of the rest of the class have been attended to.
(b) In preparing answers to homework problems, and to essay questions generally,

(i) First and foremost, respond to the question asked.
(ii) Note also that most questions should be answered by giving your conclusion, and then supporting it: stating and explaining the rule (and related elements, if any), and choosing and mentioning facts from the problem which you demonstrate are relevant to the points of the rule. (PLEASE ALSO CONSULT ANY MODEL ANSWER(S) ATTACHED TO THE SYLLABUS OR DISTRIBUTED BY THE PROFESSOR AS TO STRUCTURE OR SUBSTANCE).
(iii) Problems and essays should be handled by using materials from the class lectures, and from the required text (as further explained, discussed and integrated in class).
(iv) Please observe rules of grammar and spelling.
(v) Please complete your thoughts. Material in an essay can only be credited if appears on the paper. It is the responsibility of a writer to prove his or her points, rather than that of a reader to disprove unsupported assertions, or to resolve ambiguities.

4. Class assignments. due dates and subject matter for each week of class:

Please consult the attached Schedule.

5. Information & Policies concerning Attendance, Office Hours, Phone, e-mail and Communications generally:

Please note that students’ regular attendance, and students’ timely identification of their academic needs are essential. The University is an academic community; student participation is welcome, needed and expected.

In the infrequent situation where a student is required to miss a class session, it is expected that the student will obtain notes from a classmate, and will supplement any such effort by coming to the Office Hour to confirm materials, or to rectify any apparent shortcomings.

A regular weekly Office Hour is provided.

Other opportunities, including message facilities, are also available, for use consistent with the interests of the particular student, with fairness to the interests of the class as a group, and with maintenance of the University Community. Some guidelines are therefore mentioned or indicated in the following material.
The instructor is present at an Office Hour conducted on Wednesdays from 3:15 to 4:15 at the Gabelli School, Hughes Hall, 5th Floor. This period is provided for student academic inquiries concerning the Course, and for general student matters. Special appointments may be made after consultation with the instructor concerning the circumstances.

Message facilities are provided at (718) 817-1004 (Faculty Secretaries), and at wgreene@fordham.edu (e-mail). Please note that the Faculty Secretaries and e-mail are message facilities, rather than alternate resources for conducting education. Students are asked to set a priority on preparation for class, on class attendance, and on prompt resolution of questions at class meetings.

6. Academic Integrity

Honesty in academic matters benefits the student, the University, and the true advancement of the frontiers of knowledge. The University therefore has policies in the area of Academic Integrity to which all are subject without discrimination or exception. Violations would include, but not be limited to, plagiarism, cheating on exams, false authorship, copying assignments from other students or participating in such copying, collaboration (unless authorized), signing attendance sheets on behalf of another student, and destruction of library materials. Penalties may range from losing points on an assignment, to and including expulsion from the University.

7. ODS (Office of Disability Services) Information:

If you are a student with a documented disability and require academic accommodation, you need to register with the Office of Disability Services (ODS) in order to request academic accommodations for your courses. Please contact the main ODS Office at Rose Hill at 718-817-0655 to arrange services. Staff at ODS can walk you through the process and arrange appointments depending on which campus you take courses at. Accommodations are not retroactive, so you need to register with ODS prior to receiving your accommodations. Please see me after class or during my office hour if you have questions or would like to submit your accommodations letter to me if you are already registered for accommodations with Fordham.

8. Other Matters

Any further information and suggestions will be shared in the first class session, and as classes progress.

GOOD LUCK!
PLAN OF STUDY & Abbreviated Lecture outlines

I. Legal Environment (Basic System)

A. Introduction (Chap. 1) & Civil Dispute Resolution (Chap. 3)
   2. Definition
   3. Sources
   4. Classifications (Broad)
   5. Enforcement (Court System)
   6. Steps in Civil Lawsuit
   7. Cases - structure, analysis
   Case, pg. 61, Parker, etc. - Summary Judgment

II. Legal Environment (Broader Issues)

A. Constitutional Law - Federal (Chap. 4)
   1. Definition; Relinquishment of State Sovereignty
   2. Relation to Dual Court System
   3. Commerce Power (Interstate Commerce)
   Case, pg. 81 - Dept. of Revenue, etc. - Commerce Power
   Taking Sides, pg. 89 - Commerce Power

B. Administrative Law - Agencies (Chap. 5)
   1. Definition
   2. Creation & Powers
   3. Court Review of Agency Actions
   Case, pg. 97, Mayo Foundation, etc. - Court deference to agency
   Case Problem 9, pg. 105

C. Torts - Chap. 7 (Intentional); Chap. 8 (Unintentional - Negligence)
   1. Intentional - Punitive Damages potential
      a. Fraud - DO NOT use elements pg. 213
      b. Conversion
      c. Defamation
      Case, pg. 224 - Reed v. King - Fraud
      Questions 5 & 6, pg. 227

   2. Unintentional (Negligence) - Punitive Damages rare
      a. Elements (5) - MODEL ANSWER (Enhanced Outlines/Highlights - Booklet)
      b. Cautions re: Text - Stay with MODEL ANSWER
      c. Comparative Negligence
      Case Problem 19, pg. 169 - Kinsman Transit, etc.
III. Contracts

A. Introduction (Chap. 9)
   1. Definition
   2. Necessary Elements
   3. Terminology
   4. NOT “Code”
   5. Misc. - Quasi-Contract: IF qualified, but NO “officious intermeddlers”

Case, pg. 185 - Jas dip, etc. - Quasi-contract
Case Problem 12, pg. 187 - Quasi-contract

B. Mutual Assent - Contractual Intent, etc. (Chap. 10)
   1. Definitions
   2. Illustrations - typical disputed situations
   3. Offer & Acceptance

Case Problem 12, pg. 187 - “Acceptance” Issue
Case, pg. 200, Catamount, etc. - extended negotiations
Case Problem 16, pg. 208 - Joke?

C. Genuine Assent - and lack thereof (Chap. 11)
   1. General Rule re: Disclosure
   2. Fraud - general considerations and elements
   3. Election of Remedies (new item)

Case pg. 224, Reed v. King - Fraud
Questions 5 & 6, pg. 227

D. Consideration (Chap. 12)
   1. Definition
   2. Problem Scenarios - gifts, etc.
   3. Exceptions - Good Faith Modification; Promissory Estoppel

Question 6, pg. 247
Taking Sides, pg. 249

E. Illegal Bargains (Chap. 13)
   1. Legality & Public Policy
   2. Remedies

Case, pg. 258, Payroll Advance, etc. - non-compete agreement/term
Question 4, pg. 265

F. Contractual Capacity - Competence, etc. (Chap. 14)
   1. Definition
   2. Minors Contracts

Case, pg. 275, In re: Scoreboard, etc. - ratification
Taking Sides, pg. 283
G. Form - Writing (Chap. 15)
   1. Statute of Frauds - When/What writing required?
   2. Parole Evidence Rule
   Case, pg. 302 - Jenkins v. Eckerd - Parole Evidence Rule
   Question 5, pg. 304

H. Third Parties & Contracts (Chap. 16)
   1. Assignment of Rights/Delegation of Duties
   2. Intended (“Third Party”) Beneficiaries; Incidental Beneficiaries
   Question 9, pg. 323
   Case Problem 21, pg. 325

I. Performance, Breach, Discharge (Chap. 17)
   1. General Contract Law & UCC (Commercial Transactions)
   2. General Requirement: Perform
   3. Discharge?
      a. “Hardship”/“Unprofitability”/“Impossibility”
      b. Material vs. Immaterial Breach
   4. No “gotchas”
   5. Misc. - Statute of Limitations; Notice & Cure
   Case, pg. 337, Hochster v. De La Tour - Repudiation (material breach)
   Taking Sides, pg. 344

J. Remedies (Chap. 18)
   1. Usual - Money Damages (Compensatory)
   2. Specific Performance
   3. Liquidated Damages
   4. Mitigation

IV. Agency (& Employment)

A. Principal & Agent; Third Parties (Chap. 19 & 20)
   1. Definition
   2. 2-Party and 3-Party situations
   3. Duties between Principal & Agent (2-Party)
   4. Misc. - Independent Contractor, Degree of Control (“Post Office“)
   5. Rights of Third Parties (3-Party) - actual and apparent authority
   Taking Sides, pg. 388 - Western Fly Fishers - Independent Contractor?
   Case Problem 11, pg. 386
   Case Problem 17, pg. 412
V. Business Organizations in General & Partnerships

A. Partnerships - Existence? (Chapter 30)
   1. Definition (& Elements)
   2. Interpretation of the Elements
   Question 8, pg. 641
   Taking Sides, pg. 643

B. Business Organizations in General - LECTURE
   1. Comparison/Distinctions - Various
   2. Special Business Organizations

VI. Corporations

A. Nature (Chap 33)
   1. Establishment
   2. Publicly-held & “Close” Corporations
   3. Generally, limited stockholder liability, except
   4. “Piercing Corporate Veil” - elements
   Case Problem 19, pg. 720 - Green & Freedman Baking - “Piercing”
   Case, pg. 715 - Intertel, etc. - Parent & Subsidiary - “Piercing”

B. Financial Structure - Lecture
   1. Basic Securities - stock (equity), bonds (debt)
   Material on pgs. 723 & 724

C. Management (Chap. 35)
   1. Board of Directors
   2. Director duty/liability - “Business Judgment Rule” - elements
   Case, pg. 768 - Brehm v. Eisner - “Business Judgment Rule”

[D. Securities Laws (Chap. 43)
   1. 1933 & 1934 Acts (Federal Statutes)
   2. State “Blue-Sky” laws
   Case, pg. 989 - SEC v. Edwards - definition of a “security”]
FORDHAM UNIVERSITY
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SCHEDULE

BLBU 2234
Legal Framework of Business

Tues., Weds., Thurs. 6:00 – 9:00

Prof. W. Greene
Summer Session, 2017

BEGINNING WEEK
CLASS DATES

5/30, 5/31 & 6/1

CHAPTErs/WORK

Introduct. Matter,
Chapters 1,3,4 & 5

ASSIGNMENTS DUE

Torts ... contracts

5/6, 6/7 & 6/8

Chapters 7,8,9 & 10

Read over Chapters
1,3,4 & 5 noting, in
particular, Cases and
matters in PLAN OF STUDY

HAND IN (6/8) Assigned
Homework Problem
(attached to Syllabus)

6/13, 6/14 & 6/15

... Contracts

Chapters 11-16

Read over Chapters
7,8,9 &10 noting, in
particular, Cases and
matters in PLAN OF STUDY

STUDY for Midterm Exam
(Chaps. 1-10) to be administered
6/15

... contracts, Agency, Business
Organizations, Partnerships,
Corporations

6/20, 6/21 & 6/22

Chapters 17, 18, 19, 20
& 30

Read over Chapters 17,18,19,20
& 30 noting in particular, Cases
and matters in PLAN OF STUDY
6/27, 6/28, 6/29

Chapters 30 (concl.), 33, 34
pgs. (723-724) & 35

STUDY for Final Exam
(only material since midterm)
to be administered 6/29

Read over Chapters 30, 33,
34 (pgs. 723-724) & 35 noting,
in particular, Cases and matters in
PLAN OF STUDY
Bamboozled Inc. sued two of its competitors, Flim-Flam Inc. and Devious Enterprises Inc. for violation of the Sherman Act, which forbids contracts, combinations and conspiracies to restrain interstate commerce. Among other things, The Sherman Act forbids competitors to get together and fix prices.

The Plaintiff, Bamboozled, alleged in its complaint that the Presidents of the two Defendant corporations, Flim Flam and Devious, had a luncheon meeting at the Hotel Pierre restaurant in New York City on June 15, 2006. At that meeting, the Complaint also alleged, the two Presidents agreed between themselves to cut their prices in half on a product which all three corporations made and sold, in order to drive Plaintiff out of business, and split the market between themselves once Bamboozled was out of the way.

After service of the summons and complaint by Plaintiff, and completion of some other pre-trial steps, the lawyer for the defendant corporations made a motion for **Summary Judgment** to dismiss the Plaintiff’s lawsuit.

In support of the Defendants’ motion, their attorney submitted an affidavit from a friend of the President of Flim Flam which stated that the friend had lunch in Iowa with the Flim Flam President on June 15, 2006.

In opposition to the motion, Plaintiff’s attorney submitted an affidavit from a waiter at the Hotel Pierre restaurant saying he recognized both Presidents, and that he had waited on them and served them lunch at the Pierre restaurant on June 15, 2006.

The lower court granted the Defendants’ motion for Summary Judgment.

The Plaintiff then appealed to the appeals court, alleging that the lower court’s granting of the motion was incorrect.

Please answer the following questions about this case, paying particular attention to the questions asked, and to the additional INSTRUCTIONS/CAUTIONS ON THE NEXT PAGE:

1. Who is the Plaintiff, and who is (are) the Defendant(s)? (2 Points)
2. Tell why you decided question #1 the way you did – mention relevant facts from the problem (2 Points)
3. Give your conclusion about whether the lower court was correct (or incorrect) in granting the motion (2 Points). In doing so, mention and explain the rules which a lower court should follow or apply in deciding whether to grant or deny Summary Judgment (6 Points), and then choose and mention facts or material from the problem which show how applying each and every one of the rules supports your conclusion (6 Points). Be sure you handle each rule and its related facts separately, in order to make it clear you know what each rule means, and the differences among them.

(Continued – Next Page)
INSTRUCTIONS/CAUTIONS REGARDING QUESTION # 3:

a. Please refer to the MODEL ANSWER (even though it's a Negligence Case – another subject) in the Enhanced Lecture Outlines & Highlights Booklet for some guidance on how to set up and present a response to an essay question like # 3.

b. Considering each element or rule separately (as in the Model Answer) aids clarity. Attempting to cover multiple elements or rules in one or a couple of dense paragraphs should be avoided, as likely to present ambiguity and gaps (and point loss).

c. This is a Summary Judgment problem. Please be sure to handle that subject, and avoid researching or commenting on "insurable interest" or other insurance issues. Insurance is NOT covered in this class.