UNINCORPORATED BUSINESS ENTITIES
Spring Semester 2014

Instructor: James B. McNeill, Jr.
Wed. 3:30 – 5:20 p.m.
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Course Description: This course covers the fundamentals of the law of agency and the law of unincorporated business organizations, including partnerships, limited partnerships (LPs), limited liability partnerships (LLPs), and limited liability companies (LLCs). Agency law is important because it is used in many types of business and other relationships and is the basis for how most organizations conduct business and incur liability through the acts of their employees and contracts.

We will also look at the law governing partnerships and its variants, as these entities are found in our own profession as well as many other industries, including oil and gas, real estate, and venture capital. LLCs, which have been around for less than two decades, have become an extremely popular form of business entity, and it is important to know the advantages and disadvantages of this form in order to advise your clients effectively. In addition to the casebook and some relevant articles, we will introduce some of the practical aspects of these topics by looking at sample agreements and other transactional documents.

Course Objectives: To gain an understanding of the basic legal framework governing agency relations, as well as the legal environment applicable to the various forms of partnerships and LLCs. You will also be able to further develop your legal reasoning skills and gain exposure to some of the practical and ethical concerns you will face as an attorney.

Texts:

1. *Agency, Partnerships, and Limited Liability Entities: Cases and Materials on Unincorporated Business Associations,* 3rd edition, by Klein, Ramseyer and Bainbridge (Foundation Press 2012) The 3rd edition also offers an online version of the text, which some of you may prefer to hard copy.

2. I will provide additional articles and materials on topics that we shall cover that the casebook does not, such as the Alabama statutes, and recent developments in our subject matter. We will also look at sample partnerships and LLC operating agreements

Class Participation: I expect everyone to participate in class discussions. To ensure as much opportunity as possible, I will call on students randomly and expect you to volunteer. Also, I expect you to be prepared--if you are not, say so when called upon. Being prepared means having done the reading (including the notes, problems, and analysis sections), and having made an effort to understand it sufficiently to engage in a professional discussion about it. (Don't wait until the last weeks of class to begin participating, since the opportunities will be limited by then.) Class participation is not based simply on the number of times you speak, but on the quality and substance of your participation. Look at this as an opportunity to practice--in a safe environment--the verbal skills that you will need once you leave law school and begin your professional career.

Attendance: Class attendance is important to developing an understanding of this subject matter, and the law school is required by the ABA to guarantee that you have attended class. Excessive unexcused absences could result in exclusion from the final exam.

Final Exam: There will be one open-book, no-collaboration final exam. It will be either an in-class exam or an online exam available on the Registrar's Office's on-line exam site and returned there. It will consist of legal problems based on actual professional practice, will be anonymously graded, and will comprise 90% of the course grade. It will rely solely on the class readings and discussions and not on any library, internet, or other outside research. The no-collaboration rule will be in effect throughout the 24 hours of the exam, so study groups are advised to complete all their work together and finalize all contacts by the end of the last day of reading period.

Seating Chart: By the third class (January 23), please select a seat and sign for it on the seating chart. This will help me to learn your names more quickly. Also, given the participation format of the class, my copy of the seating chart is controlling--a person not on it (or on it, but repeatedly not in that exact seat) will not have his or her final exam graded and will receive a final course grade of F. If you wish to change your seat during the semester, be sure to advise me so that I can change my copy of the seating chart.

Honor Code: The Honor Code applies to all aspects of this course.

Assignments: For the most part, we will follow the casebook, as it is laid out in a logical order. We will look at the Alabama statutes to see how an actual statute differs from the uniform act. For this reason, I may add some material later in the course in these areas. Also, since the pace of the class may vary with the material, some tinkering with the syllabus is likely, but I will always keep you informed in advance of any changes.

Class	Readings
1	**Who is an Agent?** Casebook pp. 1-22
2	**Liability of Principals to Third Parties in Contract: Types of Authority** Casebook pp. 23-50
3	**Other Means of Binding Principals: Ratification, Estoppel; Liability of Agents on Contracts** Casebook pp. 51-69
4	**Liability of Principals in Tort: Servant vs. Independent Contractor; Apparent Agency; Scope of Employment** Casebook pp. 70-83; 83-99
5	**Liability of Independent Contractors; Fiduciary Obligations of Agents; Duties during and after Termination of Agency; Non-competes** Casebook pp. 105-127; 127-147
6	**Partnerships: what is a partner and who are the partners?** Casebook pp. 176-194
7	**Partners compared to Lenders; Fiduciary Obligations of Partners** Casebook pp. 195-252
8	**Partnership property; Rights of Partners in Management** Casebook pp. 253-272
9	**Dissolution of Partnerships: right to dissolve, consequences of dissolutions; Dissolution continued: buyout agreements, sharing of losses, dissolution of law partnerships** Casebook pp. 273-283, 289-306, 307-322
10	**Limited Partnerships: management and operation; control issues; entities as general partner; Limited Partnerships: Fiduciary duties of general and limited partners** Casebook pp. 359-367; 367-376; additional cases to be distributed
11	**Limited Liability Companies (LLCs): Introduction, Formation, Operating Agreement** Casebook pp. 377-393
12	**LLCs: piercing the LLC veil; fiduciary obligations; addition of capital; Expulsion and dissolution** Casebook pp. 394-416, 417-449