Legal Aspects of Business
C10.0006.05

Professor Glenn A. Okun  
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COURSE DESCRIPTION

This course seeks to provide an understanding of the legal environment within which businesses operate. Students will be introduced to a variety of legal disciplines including contracts, business and transaction structures and torts. The course endeavors to equip students with the information, techniques and perspective that will enhance their effectiveness as business professionals.

Classroom Contributions. The learning experience in a course like this one depends heavily on each student being prepared to actively participate in every class session. We all have expectations that will enrich the topic and direction of discussion in the course. This means that you need to be fully acquainted with the readings and cases for a given session. Students will receive class discussion assignments throughout the semester that will be evaluated as part of the class participation grade. Positive participation includes attendance, active involvement in all in-class exercises and discussions, and maintenance of a classroom demeanor that encourages the participation of others. You will be evaluated on the quantity as well as the quality of your contribution and insights. Quality comments possess one or more of the following attributes: (a) Contribute to moving the discussion forward; (b) Offer a different, unique and relevant perspective on the issue; (c) Build on other comments of others; and (d) Include some evidence or analysis of inherent tradeoffs, i.e., demonstrate reflective thinking.

Written case analyses. Students will be required to prepare three written case-related analyses of “Lawyers & Leases”, “Sheila Mason & Craig Shepherd” and “Return Logic”. These assignments are due by 9 AM on February 26, March 26 and April 23. They should be a maximum of 5 pages, excluding exhibits. The case analysis papers consist of in-depth written analysis and application of the course material. The papers should address the questions assigned in the syllabus for the discussion day for each of the aforementioned cases. The case assignments will be graded for content and format. You are required to turn in papers that conform to professional standards of organization, grammar, punctuation, spelling, and paragraph/sentence structure.

Jessie Jumpshot. See infra.

Delivery. Reports should be sent by email to each of the following two addresses: gokun@stern.nyu.edu and gokun@optonline.net. Students must send two separate emails (not one in
which the other address receives a copy upon delivery). Papers must also be delivered in physical form to KMC 10-66 or faxed to 212 995 4605.

**Required Materials.**


Cases and Readings Packet

**Grading Plan.** The course grade will be based on the following components and weights:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Classroom Contributions</td>
<td>25%</td>
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<tr>
<td>Case Report 1</td>
<td>25%</td>
</tr>
<tr>
<td>Case Report 2</td>
<td>25%</td>
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<tr>
<td>Case Report 3</td>
<td>25%</td>
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**Instructor**

Glenn A. Okun is a Clinical Professor of Management and Entrepreneurship and an Adjunct Professor of Finance at New York University Stern School of Business where he teaches courses in entrepreneurship, private equity, venture capital, corporate finance and investment management. Professor Okun advises corporations on financial and investment matters. He was President of
Mitchum, Jones & Templeton, a merchant bank and broker dealer headquartered in San Francisco, California, from 1998 to 2001. He previously served as a Director of Allen & Company Incorporated in New York. Professor Okun invested in early and later stage financings of private companies in various industries. He also ran a small cap emerging growth stock hedge fund and a special situations portfolio. Professor Okun has advised corporate clients on mergers, acquisitions and restructurings and has underwritten public offerings and private placements of securities. Professor Okun began his investment career at the IBM Retirement Fund where he invested in mezzanine private placements, real estate, public emerging growth equities and oil and gas assets. He holds JD and MBA degrees from Harvard University and a BA degree from Wesleyan University.
SCHEDULE

Introduction

January 17
Reading: Chapter 1

January 19
Reading: Chapter 3

January 24
Reading: Jessie Jumpshot
Questions: Groups must meet, negotiate and structure a deal. Instructions will be provided.

January 26
Reading: Jessie Jumpshot
Questions: Groups must finalize their agreement, memorialize it and email their term sheets to gokun@stern.nyu.edu by the end of class.

January 31 Agreement
Reading: Chapters 9-10

February 2 Consideration
Readings: Chapter 11

February 7 Capacity & Legality
Reading: Chapter 12
February 9  Genuineness of Assent
Readings:  Chapter 13

February 14  The Statute of Frauds
Readings:  Chapter 14

February 16  Third Party Rights
Readings:  Chapter 15

February 21  Performance & Discharge
Reading:  Chapter 16

February 23  Leases
Reading:  Chapter 19

February 28  Breach of Contract & Remedies
Case:  Lawyers & Leases
Reading:  Chapter 17
Questions:  Should Chaudry sign the lease? Which lease provisions must be changed? How? Why? Are there any provisions that in their current form represent deal-breakers?

March 2  Performance of Sales Contracts
Reading:  Chapter 21

March 7  Remedies for Breach of Sales Contracts
Reading:  Chapter 22
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 9</td>
<td>E-Contracts</td>
<td>Chapter 18</td>
</tr>
<tr>
<td>March 21</td>
<td>Employment Law</td>
<td>Chapter 33</td>
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<td>March 23</td>
<td>Torts</td>
<td>Chapter 5</td>
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<td>March 28</td>
<td>Strict Liability &amp; Product Liability</td>
<td>Chapter 6</td>
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<tr>
<td>Case:</td>
<td>Sheila Mason &amp; Craig Shepherd</td>
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<tr>
<td>Questions:</td>
<td>What legal and ethical issues do you perceive? How would you advise the duo to proceed?</td>
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<td>March 30</td>
<td>Agency Formation &amp; Duties</td>
<td>Chapter 31</td>
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<td>April 4</td>
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<td>Chapter 31 continued</td>
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<tr>
<td>April 6</td>
<td>Liability to Third Parties &amp; Termination</td>
<td>Chapter 32</td>
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<td>April 11</td>
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<td>Chapter 32 continued</td>
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<td>April 13</td>
<td>Proprietorships &amp; Partnerships</td>
<td>Chapters 35-36</td>
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</tbody>
</table>
April 18  Corporations
Readings:  Chapter 37

April 20  Directors, Officers & Shareholders
Reading:  Chapter 38

April 25  Merger, Consolidation & Termination
Case:  Return Logic, Inc.
Reading:  Chapter 39
Questions:  Should the entrepreneurs accept the terms of the Series A term sheet? Why? Which terms must be negotiated? What are your specific counterproposals for these terms?

April 27  LLCs & LLPs
Reading:  Chapter 41