

TRANSACTIONS WORKSHOP
UNIVERSITY OF BALTIMORE SCHOOL OF LAW
FALL 2106

Course: Transactions Workshop
LAW 842

Days/Time: Wednesdays 6:00 – 9:00

Instructor: Professor Cassandra Jones Havard
ALB 1113
OFFICE HOURS T: 2:00 p.m. - 4:00 p.m.
W: 4:30 p.m. - 5:30 p.m.

Location: Room assignments are available through MyUB.

Course Description:

This course teaches students the principles of drafting commercial agreements by studying the documents necessary to structure a corporate transaction and applying the relevant law. Students will learn how transactional lawyers translate a business deal into contract provisions, as well as techniques for minimizing ambiguity and drafting with clarity. Students will have the opportunity to analyze the documents that comprise a corporate transaction from the letter of intent to closing documents such as the legal opinion. The course is taught through a combination of lecture and hands-on drafting exercises. Final grades will be based on class participation and the preparation of model documents reflecting a hypothetical corporate transaction. Prerequisites: Business Organizations.

Course Materials:

Maynard and Warren,
Business Planning: Financing the Start-Up Business and Venture Capital Financing, 2E,
ISBN-10: 1454837683
ISBN-13: 978-1454837688

Student Learning Outcomes:

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1. Develop knowledge of the law of prospective start-up business creation throughout the development of the enterprise.
 2. Develop knowledge of the various legal and business considerations involved in advising entrepreneurs in forming and operating an emerging growth business.
 3. Develop knowledge of the theories of entrepreneurship, assess entrepreneurial characteristics, and learn about the phases of the entrepreneurial process.
 4. Understand and develop knowledge of entrepreneurship ethics and social responsibility
 5. Develop skills to work effectively as a team member through team projects, case studies and problem analysis.
 - 6.

Grading:

- 20% for attendance, class participation and weekly preparation (including timely completion of the Homework Assignments, discussed below);
- 80% for Graded Writing Assignments, as follows:
 - Graded Writing Assignment #1 – 20%
 - Graded Writing Assignment #2 – 30%
 - Graded Writing Assignment #3 – 30%

Homework Assignments: Homework Assignments are not graded. They are reviewed to ensure that appropriate effort was made as part of each student's class preparation and such effort is taken into account in arriving at the preparation and class participation score described above. The substance of each Homework Assignment is reviewed in the next class session. Any student following a class session who is not comfortable with his or her command of the issues raised in the homework discussed in that session should meet with the instructor to review that subject matter.

Graded Writing Assignments and Rules: There will be three major "Graded Writing Assignments" to be completed during the course of the semester, as set forth on the Syllabus below. This class satisfies the Upper Division Writing Requirement.

Students are expected to complete each of the three Graded Writing Assignments independently. No collaboration or discussion is permitted. The Graded Writing Assignments do not call for research beyond the reading materials provided in the casebook and applicable corporations code statutes.

- **The stated maximum page lengths for the Graded Writing Assignments are not to be seen as expectations – many very good papers are shorter.** Papers should have margins of no less than one inch on each side and should be presented in Times New Roman 12 point, or a font of equivalent size. Footnotes are prohibited. Papers may be single spaced, but grading includes an assessment of the value of the paper to the reader, which includes the ease of use by the reader. Single spaced papers without frequent paragraph breaks or section divisions are difficult to read and will be graded accordingly.
- **Graded Writing Assignments are due at the beginning of class on the due date.** Consistent with UB's anonymous grading policy, the Graded Writing Assignments when turned in should show *only* the student's identification number. Students are to keep time sheets, just as in a law practice, showing their time spent on each Graded Writing Assignment and turn them in with their papers. So that the time sheets are outside the anonymous information used to grade the Writing Assignments, they are to be turned in separately from the Graded Writing Assignment materials and are to show the student's name.
- **Questions on the Graded Writing Assignments may be asked by email, during office hours, or in class.** Answers will be provided only in class, so that all students have access to the questions and the answers and any follow-up issues can be discussed with the group as a whole. Thus, the last opportunity for questions is the class session preceding the due date for that particular Graded Writing Assignment. After that class, no further questions will be addressed. As a consequence, it is very much in the students' best interests to begin working on the assignments early so that they may discover their questions before the last opportunity for the Instructor to answer their inquiries has passed. The Graded Writing Assignments are handed out at least three weeks before they are due. The time allowed is intended to give students the ability to complete the Graded Writing Assignments while managing their study schedules and other commitments without undue inconvenience. Unfortunately, some students leave the project to the last few days before the due date; thus, they lose the opportunity to raise questions and often don't perform as well as they would like.

- **There is no final examination for this course.**

Course Expectations:

American Bar Association Standards for Law Schools establish guidelines for the amount of work students should expect to complete for each credit earned. Students should expect approximately one hour of classroom instruction and two hours of out-of-class work each week for each credit earned in a class, or an equivalent amount of work for other academic activities, such as simulations, externships, clinical supervision, co-curricular activities, and other academic work leading to the award of credit hours.

Students will be expected to attend class and complete the weekly Homework Assignments (which are presented in [Appendix A](#) of the casebook). With respect to each Homework Assignment, students are expected to bring **two** copies of the homework to class and turn in one copy at the start of the class period when the assignment is due. Students are to retain the second copy for their use during class discussion of the homework. Students are encouraged to collaborate regarding weekly Homework Assignments and class preparation.

Attendance:

Class attendance is a primary obligation of each student whose right to continued enrollment in the course and to take the examination is conditioned upon a record of attendance satisfactory to the professor. A student who exceeds the maximum allowed absences (generally 20% of class sessions) as illustrated below may be compelled to withdraw from the course, or may be barred from sitting for the final exam. Students who are forced to withdraw for exceeding the allowed absences may receive a grade of FA (failure due to excessive absence). This policy is consistent with American Bar Association Standards for Law Schools.

Regular Semester Hours		
Credit Hours	Meetings Per Week	
	1	2
2	2 absences	5 absences
3	2 absences	5 absences
4	--	5 absences

Course Website:

This course has a TWEN page that links to this syllabus, announcements, the class assignments, and other class materials. You are responsible for self-enrolling in the TWEN page and for checking it regularly for course information.)

Computers:

Students may/may not use laptop computers for class related purposes.

Class Cancellation:

If the instructor must cancel a class, notices will be sent to students via email and posted on the classroom door. If there is inclement weather, students should visit the University of Baltimore web site or call the University's Snow Closing Line at (410) 837-4201. If the University is open, students should presume that classes are running on the normal schedule.

Academic Integrity:

Students are obligated to refrain from acts that they know or, under the circumstances, have reason to know will impair the academic integrity of the University and/or School of Law. Violations of academic integrity include, but are not limited to: cheating, plagiarism, misuse of materials, inappropriate communication about exams, use of unauthorized materials and technology, misrepresentation of any academic matter, including attendance, and impeding the Honor Code process. The School of Law Honor Code and information about the process is available at http://law.ubalt.edu/academics/policiesandprocedures/honor_code/.

Title IX Sexual Misconduct and Nondiscrimination Policy:

The University of Baltimore's Sexual Misconduct and Nondiscrimination policy is compliant with Federal laws prohibiting discrimination. Title IX requires that faculty, student employees and staff members report to the university any known, learned or rumored incidents of sex discrimination, including sexual harassment, sexual misconduct, stalking on the basis of sex, dating/intimate partner violence or sexual exploitation and/or related experiences or incidents. Policies and procedures related to Title IX and UB's nondiscrimination policies can be found at: <http://www.ubalt.edu/titleix>.

Disability Policy:

If you are a student with a documented disability who requires an academic accommodation, please contact Leslie Metzger, Director of Student Services, at 410-837-5623 or lmetzger@ubalt.edu.

Format, Approach and Expectations of Students

This course will be an intellectually rigorous exploration of topics, but the law is a practical discipline, and this course is designed to provide frameworks and tools that will be of practical use to students involved in business ventures or research relating to cutting-edge technologies. The class will meet for three hours with a break in the middle.

Assignments

This course introduces students to the various legal and business considerations involved in forming and operating an emerging growth business. The course uses a hypothetical start-up business as well as supplemental readings, sample agreements, and class discussions to help students identify and deal effectively with the numerous issues presented to legal counsel in the start-up and operation of a growth oriented business, including selecting and forming a business entity, structuring the economic benefits and management control among various owners, protecting intellectual property assets, and raising capital. The course begins with an analysis of some of the issues confronting a start-up company in its earliest stages, and examines the use of an LLC, both as an operating entity and as a vehicle for a joint venture, then addresses issues faced by

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company founders in contemplation of a subsequent venture financing. The course presents an overview of the venture capital industry and the significant legal and business issues involved in a venture financing from both the company and investor perspective. The course combines theory and practice in order to prepare students for the types of projects and challenges they will confront in the first year of a transactional practice.

Assigned Readings are from Maynard and Warren, *Business Planning: Financing the Start-Up Business and Venture Capital Financing*, 2E, unless otherwise noted.

Week	Topic	Reading Assignment
1 8/24	Introduction to Business Planning	<ul style="list-style-type: none"> ○ Read Chapter 1 ○ Read Chapter 10 – Documenting the Transaction – Pages 617 to 638 (Part A., regarding use of Term Sheets and Letters of Intent) ○ Review Sample Confidentiality/Nondisclosure Agreement – Appendix B – Pages 722 to 725 ○ Review Sample Term Sheets for Employment Agreements –Appendix B – Pages 726 to 730
2 8/31	Choice of Entity: Introduction to LLCs	<p>Read Chapter 2 Read Chapter 10- Documenting the Transaction – pages 617 to 637 (regarding use of Term Sheets and Letters of Intent) <u>Homework Assignment #1 DUE</u></p> <p><i>Case Study: Frank Addante, Serial Entrepreneur (TWEN)</i></p>
3 9/7	Formation of the LLC and the LLC Operating Agreement	<p>Read Chapter 3 – Pages 133 to 168 (regarding the development of the LLC entity and key provisions of Operating Agreement) Review relevant provisions of Sample LLC Operating Agreements</p> <p>Appendix B – Pages 731 to 777:</p> <ul style="list-style-type: none"> • California Form • Generic Form <p><u>Homework Assignment #2 DUE</u></p> <p><i>Case Study: Sheila Mason & Craig Shepherd (TWEN)</i></p>
4 9/16	LLC Operating Agreement (continued); Fiduciary Duties in the Context of an LLC	<p>Read Chapter 3 – Pages 166-208 (regarding scope of Fiduciary Duty Obligations of managers and members) the development of the LLC entity and key provisions of Operating Agreement) Review relevant provisions of Sample LLC Operating Agreements –</p> <p>Appendix B – Pages 731 to 777:</p> <ul style="list-style-type: none"> • California Form • Generic Form <u>Homework Assignment #3 DUE</u>
5 9/21	Selected Issues under the Federal Securities Laws	<p>Read Chapter 4 MEMO ASSIGNMENT # 1 DUE</p>
6 9/28	Formation of a Corporation: California v. Delaware	<p>Read Chapter 5 <u>Homework Assignment #4 DUE</u></p>

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<p>12 11/9</p>	<p>Characteristics of Preferred Stock – Voting Rights; Redemption</p> <p>Investors’ Rights – Preemptive Rights; Board Rights; Registration Rights; Information and Audit Rights</p> <p>Founders’ Issues – Rights of First Refusal and Co-Sale Rights</p>	<p>Read Chapter 9 – Pages 577 to 616 (regarding Redemption and Voting Rights) Read Chapter 10 – Page 683 to 686 (regarding the Voting Agreement) Review Sample Voting Agreement – Appendix B – Pages 821 to 834</p> <p>Homework Assignment # 9 DUE</p> <p>Read Chapter 10 – Page 652 to 661 (regarding the Investors Rights Agreement and Right of First Refusal and Co-Sale Agreement) Review Sample Investors Rights Agreement – Appendix B - Pages 836 to 857 Review Sample Right of First Refusal and Co-Sale Agreement - Appendix B – Pages 858 to 867</p>
<p>13 11/16</p>	<p style="text-align: center;">Aerospace Simulation No Class Wednesday November 23 Note: Last Class is Mon December 5</p>	
<p>14 12/5</p> <p>Final Class</p>	<p>Closing the Financing Transaction</p> <p>Memo Assignment #3 Due</p>	<p>Read Chapter 10 – Page 690 to 694 (regarding the mechanics of closing a financing transaction) Review Sample Closing Document Checklist - Appendix B – Pages 868 to 870</p>