
LEGL 7010
LEGAL & REGULATORY ENVIRONMENT OF BUSINESS
Spring, 2008

MBA Program, Athens, Georgia

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Class Periods:	Monday & Wednesday; 9:30 am – 10:45am
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Office Hours:	By Appointment (other hours may be forthcoming)

I. Introduction:

This syllabus describes the purposes of the course and a plan for the course. This will be discussed at the first class meeting. Please be prepared to ask questions about this syllabus at the first class.

II. Importance of Understanding the Legal and Regulatory Environment of Business:

Consider:

1. The law and ethical standards for business are closely related. Frequently, analyzing whether your proposed business activity will run afoul of the law is a critical first step in determining whether that activity is ethical. This makes knowledge of the law an essential tool in the ethical decision-making process. However, recognize that the law often provides a floor rather than a ceiling in this process. In other words, a conclusion that your proposal is legal does not necessarily mean that it is ethical;

2. The process of resolving disputes is often expensive – even if you prevail. We will discuss the process of litigation and ways to avoid the costly expenditures associated with utilizing the court system as a means of resolving disputes;

3. The law often provides serious civil remedies (e.g., the award of punitive damages to an injured party). Since these penalties may reduce the profitability of your business, it is critical to create a legal compliance plan focused on prevention rather than one that merely reacts to legal problems after the fact;

4. The law often provides serious criminal penalties (e.g., imprisonment and forfeiture of assets). In recent years, prosecutors have more aggressively prosecuted white collar crime and courts have been more willing to impose stiff criminal penalties;

5. The law often limits proposed business activity (e.g., antitrust law limiting mergers and other business combinations). On the other side of the coin, the law often creates business opportunities (e.g., recent expansion of the available forms of business enterprise). This makes legal considerations an essential component of the long term planning process;

6. Compliance with the law is frequently expensive and complex making it necessary that the compliance program be managed in a cost effective manner;

7. The cost of defending against private lawsuits and government enforcement actions is frequently expensive and often results in bad publicity and reduced worker morale, making preventive legal strategies advisable.

My goal in this course is to foster an understanding of the many sources of "law" in our complex legal system and the relationships among the many resulting "laws." Put another way, it is not my goal to develop "expertise" in any particular area of law. Instead, the goal is to provide an analytical framework which will enable you to anticipate legal problems, initiate preventive strategies and manage the delivery of legal services. Some specific examples may help you understand this approach:

1. In years past, many business schools focused on contract law in law courses. This course will introduce contract law as one of the many areas of law which must be understood by a sophisticated business person. However, we will emphasize the relationship of contract law to other areas of law rather emphasizing the specific rules of contract law;

2. In recent years, the role of government regulation of business has increased dramatically. Many of the areas of law studied in this course grant the government regulatory power in addition to giving remedies to private parties. This course will stress the relationship between government regulation and private remedies (e.g., consider that one act will often result in a private lawsuit, a criminal prosecution and a civil enforcement action by a government agency);

3. In my personal experience, many business people view legal analysis as a search for one specific rule of law to answer the question "Can I do that?" In fact, virtually every such question is governed by a series of "laws." For example, assume that you were to ask your lawyer whether your planned termination of an employee would violate federal laws prohibiting employment discrimination. Even if the answer is "no," you have barely scratched the surface. Have you considered the breach of contract liability, federal laws protecting union members, the tort of "wrongful discharge," state statutes and...? It is your ability to identify and analyze the relationships among these many areas of law that is critical. Further, these laws may well be ambiguous or even contradictory. Therefore, I will encourage development of your analytical skills;

4. Legal questions facing the business person almost always involve a mixture of legal and business judgments. The sophisticated business person must be able to separate the two. In most cases, the business person should reserve the business judgments for themselves while delegating legal questions to their legal counsel. In delegating those legal judgments, however, the business person should have enough legal knowledge to evaluate the resulting legal advice.

III. Expectations:

My basic expectations are that you will take the responsibility for your own learning; and do all that is possible to facilitate learning by others in the class.

My intention is that you will achieve the following learning outcomes in this class:

- Develop a sophisticated business person's knowledge of the substantive law in each of the areas we study;
- Develop a working vocabulary of legal language which enables you to communicate about the law in an appropriate manner;
- Develop the ability to determine which legal issues require advice from legal counsel, how to be a smart consumer of legal services and develop the ability to critically analyze legal advice you obtain;
- Develop knowledge of the multiple sources of law applicable to most business situations and an understanding of the analytical framework for applying those multiple laws to those situations;
- Develop an appreciation of the relationship between law and ethics;
- Develop an understanding of the benefits and detriments of the US common law legal system and how that system compares with other legal systems in other parts of the world.
- Develop the ability to discern the appropriate times to resolve disputes via the legal system and when to attempt to resolve disputes via some alternative dispute resolution technique.

IV. Required Reading:

- A. *The Legal and Regulatory Environment of Business* (14th Ed.), Reed, Shedd, Morehead and Pagnattaro.
- B. Our Blackboard (Bb) Site

V. Tentative Course Schedule:

Each class will typically* include the following components:

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| 20 min. | Current Event Presentation by Students - Distribution of and presentation of a recent news item, court case or legal current event followed by directed class discussion of that news report. During the last days of class this time will be used for presentation of research projects; |
| 1 hr. 10 min. | Lecture, including class discussion concerning the substantive material covered in the text chapters assigned for that date. During the last days of class this time will be used for presentation of research projects;; |
| 1.5 hours | Total class time. |

<u>Date</u>	<u>Scheduled Activity</u>
Jan 7	<p>Chap. 1 - Law as the Foundation of Business - What is “Law?” No, really, what the heck is it!</p> <p><i>Agenda: Introductions, Discussion of the syllabus, Lecture/Discussion</i></p> <p><i>Homework: Prepare for Ch2; Consider topic for Individual Research Project</i></p>
Jan 9	<p>Conclude Chap. 1</p> <p>Chap. 2 - The Ethical Basis of Law and Business Management - Handling disputes without litigation and dealing with those pesky issues of morality and ethics in the world of cold hard business.</p> <p><i>Homework: Prepare for Chap3; Research topic for Individual Research Project</i></p>
Jan 14	<p>Conclude Chap. 2, Lecture/Discussion</p> <p><i>Homework: Prepare for Chap3; Research topic for Individual Research Project</i></p>
Jan 16	<p>Chap. 3 - The Court System – A look at our sometimes baffling Court System. I hope you never have to navigate it!</p> <p><u>Submit a description of the issue to be addressed by your project and the reasons you consider that issue is important (about 2 pages)</u></p> <p><i>Homework: Prepare for Chap. 4; Work on project as needed</i></p>
Jan 21	<p>No Class: Martin Luther King Remembrance</p>
Jan 23	<p>Conclude Chap. 3, Lecture/Discussion</p> <p>Chap. 4 - Litigation – OK, what does this monster look like and how do you do this ‘litigation’ thing?</p> <p><i>Homework: Prepare for Chap. 4; Work on project as needed</i></p>
Jan 28	<p>Conclude Chap. 4, Lecture/Discussion</p> <p><i>Homework: Study for Midterm Exam; Prepare for Chap. 6; Work on project as needed</i></p>
Jan 30	<p>Midterm Exam</p> <p>Chap. 6 - The Constitution and Business – Can you believe that the document they wrote over 200 years ago is still in effect today and practically unchanged?</p> <p><i>Homework: Prepare for Chap. 6; Work on project as needed</i></p>
Feb 4	<p>Conclude Chap. 6, Lecture/Discussion</p> <p><i>Homework: Prepare for Chap. 7; Work on project as needed</i></p>
Feb 6	<p>Chap. 7 - Principles of Contract Law – Contracts are at the heart of Every Deal and All of business. Am I legally bound even when it’s not signed, sealed and notarized?</p> <p><i>Homework: Prepare for Chap. 8; Work on project as needed</i></p>

- Feb 17 Conclude Chap. 7
Chap. 8 - Torts in the Business Environment - Your Company can be liable for civil wrongs against others! Also: Can we be held liable for product defects even when we were not negligent?
Homework: Prepare for Week #7; Work on project as needed
- Feb 19 Conclude Chap. 8, Lecture/Discussion
Homework: Prepare for Chap. 11; **Complete Project and Turn in Work on project by Feb. 24 at 11:00 p.m.**
- Feb 24 **Chap. 11 - Agency Law and Business Organizations** - Should I incorporate my business and in what form should I so incorporate?
Homework: Prepare for Chap. 11; Begin studying for **Final Exam**
- Feb 26 Conclude Chap. 11, Lecture/Discussion
This is the last day of class
Homework: Study for **Final Exam**

VI. Attendance/Class Participation:

Your attendance and active participation are essential to the successful attainment of the course objectives. Additionally, your regular attendance is one of the basic responsibilities of each student to the University community (even when that attendance is not separately graded). When you are absent, all other students are deprived of the learning which comes from the questions which you would have raised and the observations which you would have shared with the class. **

VII. Computer Misuse:

You do not need a computer in this class, however, you have the right to use one if you so prefer. However, there may be a lot of movement in and out of class and a significant portion of the course is interactive. If you use a computer, please keep the following in mind: The use of the internet (surfing) and decision to do office work, including emailing, during class has become a problem and threatens to pry students from the classroom experience. Therefore students should refrain from using their computers in these ways during class. **

** If I feel it is necessary, I do reserve the right to lower a student's grade if he/she fails to meet the attendance/computer use standards set forth in the sections above.

VIII. Grading:

Grades will be assigned in four areas:

Individual Research Project:

- Your individual research project should be completed in the following stages (see dates above):
 - Topic or Hypothetical business entity: If applicable, you will first prepare a description of your hypothetical entity to provide a context for the project; Topic: Next, you will prepare a brief summary of the issue you have decided to study (about 2 pages) (All projects must be unique and are subject to approval). Your project must address a legal issue having significant policy and financial implications for your hypothetical entity or based on a legal issue that you personally have great interest. The reason for your interest must be provided. Also, it must require the application of business judgment, ethical judgment and legal advice. Finally, it must be an issue currently creating concern for many businesses in the US. Ideally, your chosen topic will contribute to some other course in your MBA curriculum by allowing you to examine the legal aspects of issues you are examining from another perspective in other courses;
 - Final written report: The written report must clearly articulate the issue, the reasons that the issue is important, the strategy you employed in conducting your research and the references you consulted, and your analysis and recommendations. In listing references, it is not necessary that the research be exhaustive (i.e., it is not necessary to include a comprehensive list of all laws and secondary sources bearing on the issue). However, the references should include illustrative texts, state and federal cases, administrative regulations, statutes and constitutional provisions; and illustrative secondary sources, including articles that survey the issue.
 - Brief class presentation (if course time permits): This will be a brief (3-5 minute) summary which clearly conveys the issues, its importance and your recommended action.

Forty percent (40%) of your grade will be based on this project.

Exams:

- There are 2 Exams (one Mid-term and one Final Exam). These will correspond to the chapters covered in class. Both exams will consist of multiple-choice questions presenting two, three, or four choices. There is only one correct answer to each question. All questions on each exam will be equally weighted. The exams will focus on material emphasized in class but you are also responsible for all required reading, PowerPoint and lecture material.

Each of the exams is worth twenty-five percent (25%) of your grade for a TOTAL of fifty percent (50%).

Current Event Presentation:

- Periodically, each student is to find one or more published works that report on or analyze a current event that relates to a particular area of interest related to this course. These publications, which can be articles, books, or web sites, may be in popular outlets or may involve a more scholarly perspective. You are expected to prepare a brief presentation based on the current event you have chosen, describe the issue to the class, provide some history of the matter and reflect on the likely future regarding the issue. You are also to supply an abstract for my review. For full credit, you must provide a professional and polished presentation, presented in an engaging and creative manner, which fosters class discussion on both sides of the well-chosen issue.

The Current Event Presentation will account for fifteen percent (10%) of your course grade.

(In this course, there are no opportunities for extra credit.)

IX. A Culture of Honesty:

- It is your responsibility to inform yourself concerning the rules of the University of Georgia concerning academic honesty (see the University of Georgia Student Handbook). Failure to have actual knowledge that a particular act violates these rules is no defense. It is suggested that you obtain and read a copy of the brochure entitled "A Culture of Honesty."

The course syllabus provides a general plan for the course. Deviations may be necessary.

*HAVE A GREAT SEMESTER!