
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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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:

Open with a legal question and answer session. Lecture, including class discussion concerning the substantive material covered in the text chapters assigned for that date. Later in the semester, time will be allotted for presentations and discussion related to abstract presentations.

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. Grading:

Grades will be assigned in two areas:

Quizzes:

There are 2 Quizzes (one mid-way through the term and one at the end of the course). These will correspond to the chapters covered in class. Both quizzes will consist of multiple-choice or true-false questions. The quizzes will focus on material emphasized in class, but you are also responsible for all required reading, PowerPoint and lecture material. Each of the quizzes is worth twenty percent (20%) of your grade for a TOTAL of **forty percent (40%)** of your course grade.

Abstracts

- Twice during this half-semester course, each student is to find a few published works that relate 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 an abstract of this small collection of publications that you find suitable to share with class members. A suggested format for abstracts is found under the heading "Syllabus". From each of the two sets of submissions, a selection of students (half the class) will be asked to present their abstract to the class for information and discussion purposes. When you present, you will be additionally graded on your presentation and ability to generate class discussion regarding your abstract issue. Overall, your participation in the finding, writing, distributing, and discussing articles/books and abstracts will account for **thirty percent (30%)** of your course grade.

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.

Thirty percent (30%) of your grade will be based on this project.

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

VIII. 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 other 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.

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!