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Business Structures

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BUSINESS STRUCTURES

Third Edition



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PREFACE

We understand that many of you are taking this course because your law school requires it or because the last bar exam had both a corporation question and a partnership question or because the class meets at 11 on Tuesdays, Wednesdays and Thursdays. Regardless of the reason, we are glad that you are taking the course.

All law students and lawyers need to understand business structures. For law students, business structures are building blocks in other courses. For lawyers, business structures are building blocks in the lives of their clients, in the lives of their communities.

And, like law students, lawyers, clients and communities, business structures have “lives.” This book covers the life cycle of a business, Bubba’s Burritos, from birth to death. We will see how Bubba’s Burritos’ “life” and legal issues change as the business changes from a sole proprietorship to a partnership, to a corporation, to a limited partnership, to a limited liability company. We will also consider how the life and legal issues of Bubba’s Burritos differ from those of a larger, more mature business such as McDonalds.

We will look not only at businesses but also at their owners. Generally, people buy a business or an interest in a business to make money. We will consider how the structure of a business affects the ability of its owners to make money from business operations or from the sale of ownership interests.

While the stuff you will be learning is important, it can’t be that difficult. After all, Kyle and Stan were able to learn about corporations and corporate takeovers from the underwear gnomes in *South Park*, episode 217. [See http://en.wikipedia.org/wiki/Underpants_Gnomes.]

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SUMMARY OF CONTENTS

	Page
PREFACE	v
ACKNOWLEDGEMENTS AND CONVENTIONS	vii
TABLE OF CASES	xxi
Chapter One. What Do Businesses Do and What Do Lawyers for Businesses Do?	1
A. Why Does Someone Own a Business or an Interest in a Business?	1
B. How Does the Owner of a Business Make Money From the Business?	11
C. How Does the Owner of a Business (and Her Lawyer) Know How Much Money the Business Has Made and How Much Money the Business Is Worth?	12
D. The Sarbanes-Oxley Act and Corporate Governance	21
E. What Does a Lawyer for a Business Do?	24
F. What Are the Legal Structures for Businesses?	27
Chapter Two. What Is a Sole Proprietorship and How Does It Work?	31
A. What Is a Sole Proprietorship? What Is Sole Proprietorship Law? What Are the Problems in Starting a Business as a Sole Propri- etorship?	31
B. What Are the Problems in Operating a Business as a Sole Proprietor- ship?	32
C. How Does a Sole Proprietorship Grow?	53
Chapter Three. What Is a Partnership and How Does It Work? ..	62
A. What Is a Partnership?	62
B. What Is Partnership Law?	64
C. What Are the Legal Problems in Starting a Business as a Partner- ship?	65
D. What Are the Problems in Operating a Business as a Partnership?	67
E. How Does a Partnership Business Grow?	78
F. How Do the Owners of a Partnership Make Money?	81
G. Partnership Endgame	93
Chapter Four. What Is a Corporation and How Does a Business Become a Corporation?	109
A. What Is a Corporation and What Is Corporation Law?	110
B. What Are the Legal Problems in Starting a Business as a Corpora- tion?	115

	Page
Chapter Five. How Does a Corporation Operate?	131
A. Who Is Liable to the Corporation's Creditors?	131
B. Who Gets to Make Decisions for the Corporation?	147
C. What Are the Responsibilities of a Corporation's Decisionmakers and to Whom Are They Responsible?	201
D. Who Sues and Who Recovers?	271
E. Who Really Pays?	303
Chapter Six. How Does a Business Structured as a Corporation Grow?	309
A. How a Business Decides How Much Money It Needs and How to Get It	309
B. Borrowing More Money	318
C. Issuing More Stock	319
D. Using Earnings	337
Chapter Seven. How Do the Owners of a Corporation Make Money?	338
A. Receiving Salaries From the Corporation	340
B. Receiving Dividends From the Corporation	362
C. Buying and Selling Stock at a Profit	375
Chapter Eight. What Are the Various "Endgames" for the Cor- poration, Its Shareholders, Its Managers?	480
A. Introduction About Fundamental Corporate Changes	480
B. Dissolution	482
C. Merger	484
D. Sale of Substantially All the Assets	508
E. Hostile Takeover	514
Chapter Nine. What Is a Limited Partnership and How Does It Work?	578
A. What Is a Limited Partnership and What Is Limited Partnership Law?	579
B. What Are the Legal Problems in Starting a Business as a Limited Partnership?	580
C. What Are the Legal Problems in Operating a Business as a Limited Partnership?	582
D. How Do the Owners of a Business Structured as a Limited Partner- ship Make Money?	605
Chapter Ten. What Is a Limited Liability Company and How Does It Work?	608
A. What Is an LLC and What Is LLC Law?	608
B. What Are the Legal Problems in Starting a Business as an LLC?	609
C. What Are the Legal Problems in Operating a Business as an LLC?	611
D. How Do the Owners of a Business Structured as a Limited Liability Company Make Money?	622
E. From Limited Liability Companies to	634
INDEX	635