



2010

Business Structures

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Recommended Citation

David G. Epstein et. al., *Business Structures* (3rd ed. 2010).

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BUSINESS STRUCTURES

Third Edition



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610 Opperman Drive

St. Paul, MN 55123

1-800-313-9378

Printed in the United States of America

ISBN: 978-0-314-20059-4

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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