

PREFACE

This book was written for an introductory corporations/business organizations course. I teach such a course to about 90 law students each year. For most students, this course is their first significant introduction to business law. For some students, this is the only course dealing with business organizations that they will take during their law school training. My overriding objective in this course is to expose the students to a broad range of fundamental entity, business, and planning concepts that I believe all lawyers should know something about. Plus, the subject matter is ideal for focusing on legal planning challenges and promoting the development of analytical, writing, teamwork and presentation skills.

I identified the following eight objectives when I set out to write this book for the course:

1. To ensure that the book's planning focus promotes the study of core corporate concepts, leading cases (e.g., *Aronson*, *Blasius*, *Van Gorkom*, *Caremark*, *Borak*, *TSC Industries*, *Cady Roberts*, *Weinberger*, *Unocal*, *Revlon*, etc.), and their progenies.

2. To illustrate the dynamics of corporate and business law by focusing on contemporary challenges and developments. Examples include the ever-evolving social, political, and charitable influence of large corporations; Sarbanes, Dodd-Frank, the JOBS Act of 2012; new say-on-pay challenges; the latest shareholder proposal trends; the dot.com boom, the fiscal crisis, and related corporate roles; *Citizens United* and its impact; director nomination developments; round two of advance notice bylaws; and more.

3. To offer mini case study problems throughout the book that provide a mechanism for teamwork and writing exercises and enable students to daily analyze and apply the substance of what they are reading to specific fact situations. There are 66 such case study problems in the book.

4. To include comprehensive discussions on a wide range of important planning challenges: choice-of entity, buy-sell agreements, employee protections, co-owner operational deal solutions, ethical challenges, shareholder debt, securities law exemptions, structuring business sales, director protections, oppression avoidance, corporate transition planning, controlling shareholder risks, hostile takeover bids, executive compensation, risk management, and more.

5. To provide practical, understandable discussions on core business literacy topics: reading financial statements; fundamental financial concepts (e.g., operating ratios, going concern value, leverage, etc.), business entity taxation, capital formation challenges, going public realities, bonds, mutual funds, drafting key organizational documents, business valuation techniques, and more.

6. To sequence topics in the book to strengthen the learning process. For example, an in-depth discussion of director fiduciary duties is helped if students have first studied the derivative litigation materials, which in turn is helped if students have preliminarily studied the basics of the business judgment rule. Similarly, a choice-of-entity planning discussion is helped if it follows the study of the structural basics of partnerships, LLCs and corporations and core business entity tax concepts. There are various sequencing links throughout the book.

7. To keep the book's core reading materials at about 900 pages and to include sufficient court opinions and statutory materials to eliminate the need for supplementary materials. With this subject matter, onerous daily reading assignments end up hurting the learning process for many students. This objective of the book required careful editing and an ongoing effort to be succinct in every discussion.

8. To support the book with a teacher's manual that provides answers to the case study problems, recaps court opinions, and explains how the book is used to develop analytical, writing, presentation, and teamwork skills in a large class. There is also a companion website that provides sample exam questions and a PowerPoint slide library that can help in providing students answers to the case study problems.

A key theme throughout the book is the importance of smart planning. During my decades of practice, I was continually amazed at how frequently a graduate had studied a body of business law without gaining any insights into the strategic challenges that business owners face on a regular basis. These graduates had never been exposed to basic business concepts and the planning process that drives the development of successful businesses.

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Above all, I want to acknowledge a vitally important group that made this effort possible. It is those business owners and executives who I had the privilege of serving for many years. These clients did much more than just give me a means to earn a living and practice my craft. They taught me. They inspired me. The happiest, most energetic, most interesting, most effective, most fun-to-be-with people I have ever known are those who build businesses. Many of them experience the ongoing joy of self-discovery and improvement and, through example and words, inspire all in their midst. I will be forever grateful for the opportunity that I had to play in their league for many years.

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