

SUMMARY OF CONTENTS

DEDICATION	iii
PREFACE	v.
TABLE OF CASES	xxi
CHAPTER 1. AGENCY: RISKS AND PLANNING CHALLENGES	1
A. Scope of Vicarious Liability	1
B. Protecting an Enterprise from Acts of Its Employees	10
C. Agency Law Nuts and Bolts	18
D. Corporate Authority Challenges	33
CHAPTER 2. PARTNERSHIP AND LLC BASICS	41
A. The Challenge	41
B. Entity Statutory Provisions	42
C. Entity Formation Challenges	66
D. Third Party Claims	78
E. Fiduciary Duties and Risks	92
F. Authority and Management Disputes	107
G. Dissolution Challenges	113
H. Operating Agreement Design	122
I. Family Partnerships and LLCs	130
CHAPTER 3. CORPORATION BASICS	136
A. Popularity and Benefits	136
B. Good or Bad Citizen?	137
C. Last Two Decades	146
D. The Corporate Players	153
E. The Internal Affairs Doctrine	159
F. The Business Judgment Rule	166
G. Limited Liability Limitations	175
H. Dividend Limitations	191
I. Corporate and Personal Wealth Planning	197
CHAPTER 4. THE SCORECARDS AND NUMBERS OF BUSINESS	206
A. The ABCs of Financial Statements	206
B. Core Business Concepts	215
C. Business Valuation Basics	233

CHAPTER 5. ENTITY TAXATION AND CHOICE-OF-ENTITY PLANNING	228
A. Entity Taxation Concepts	228
B. Selecting the Best Entity Form	244
CHAPTER 6. CORPORATE FORMATION CHALLENGES	259
A. Selecting the State of Incorporation.....	259
B. Organizational Process and Documents	265
C. Defective Incorporation Challenges	276
D. Shareholder Operational Deal Points	283
E. Common Ethical Challenges	293
CHAPTER 7. CAPITAL STRUCTURE AND SOURCING CHALLENGES	309
A. Capital Structure Q&As	309
B. Corporate Debt	315
C. Sources of Capital	320
D. Securities Law Registration Exemptions	326
CHAPTER 8. SHAREHOLDER VOTING AND PROPOSAL CHALLENGES	338
A. Shareholder Voting	338
B. Shareholder Proposals	359
CHAPTER 9. CORE SHAREHOLDER RIGHTS	389
A. Inspection Rights	389
B. Major Transaction Approval Rights	403
C. The Right to Sue	419
D. Say-On-Pay Rights	457
CHAPTER 10. DIRECTORS' DUTIES AND LIABILITIES	469
A. Puppets of Protectors?	469
B. The Duty of Care	475
C. The Duty of Loyalty	522
D. Director Protections	565
CHAPTER 11. SECURITIES LAW RISKS	572
A. Disclosure Liability Risks	572
B. Insider Trading Risks	602
C. Short-Swing Profit Claims	625
CHAPTER 12. CONTROLLING SHAREHOLDER TRANSACTION RISKS	627
A. Cash Merger Minority Squeeze-Outs	627
B. Short- Form Squeeze-Outs	645
C. Tender Offer - Merger Squeeze-Outs	651
D. Controlled Group Sales	662
E. Sale of Controlling Interest	667
F. Oppression in Closely Held Corporations	678

CHAPTER 13. OWNER PROTECTIONS IN CLOSE CORPORATIONS	691
A. Challenges and Objectives,	691
B. Pooled Voting Arrangements	695
C. Buy-Sell Agreement Planning	697
CHAPTER 14. FIGHTS FOR CORPORATE CONTROL AND OWNERSHIP	720
A. High Stakes, Inherent Conflicts	720
B. Federal Regulation	722
C. State Antitakeover Statutes	724
D. Corporate Defenses to Hostile Bids	729
CHAPTER 15. BUYING AND SELLING A BUSINESS	798
A. Structuring the Deal	798
B. Documenting the Deal	817
CHAPTER 16. EXECUTIVE COMPENSATION PLANNING	838
A. The Evolution of Executive Compensation	838
B. The Executive Employment Agreement	844
C. Deferred Compensation: SERPs	852
D. Compensating with Stock and Stock Rights	866
CHAPTER 17. SELECT FORMS	882
A. Smart Use or Misuse?	882
B. Form: Limited Liability Company Operating Agreement	883
C. Form: Corporate Articles of Incorporation	903
D. Form: Board of Directors Organizational Consent Resolutions	910
E. Form: Corporate Bylaws	913
F. Form: Corporate Shareholder Agreement	932
G. Form: Asset Purchase Agreement	947
INDEX	965