



SACRAMENTO
STATE

California State University, Sacramento

College of Business Administration

IMBA 217: Business Law & Legal Environment

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COURSE DESCRIPTION

This course is a basic overview of some of the legal issues and principles that are commonly faced by managers and entrepreneurs in the business environment, with an emphasis on emerging legal trends and recent events. By following the life cycle of a typical company from its formation to its eventual sale, the course will cover relevant aspects of corporate, securities, tax, contract, employment and intellectual property law, as well as various aspects of dispute resolution. The course also will focus attention on the interaction between a client and an attorney and how to use and communicate with a lawyer effectively and efficiently.

COURSE OBJECTIVES

The objectives of this course are to (i) provide you with practical knowledge of legal issues and principles that often arise in the business environment with the goal of helping you become more informed, sensitive and effective business leaders, (ii) identify areas where the law is a strategic asset which, if timely and properly applied, can provide you and your business with both immediate and long-term benefits and the ability to avoid costly mistakes, and (iii) help you understand the dynamics of the lawyer-client relationship so that you will have more effective, efficient and beneficial relationships with your attorneys.

All businesses are subject to legal concerns of all sorts ranging from employment law issues, contract disputes, regulatory compliance, environmental investigations, negligence claims, purported violations of fiduciary duties, and securities fraud, to name a few. Legal disputes will arise, and dispute resolution is an inevitable cost of doing business. Acquiring hands-on legal knowledge can prove to be invaluable in your role as a business leader. Having the ability to spot potential legal problems and minimize their risk to your business will enhance your credibility and increase your effectiveness as a manager.

Managers often times fail to appreciate the positive impact the law can have on the risk/reward profile for any given venture and that sometimes the law can be a strategic tool to help their companies achieve core business objectives. Managers who view the law purely as a constraint, or something to react to, or worse yet, manipulate, will miss opportunities to use the law strategically to increase value. Because all of you are or will be called upon to create value, marshal resources and manage risk, understanding fundamental legal issues will lighten your burden and enhance your ability to lead and delegate.



SACRAMENTO
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The class will be divided into teams, or “companies.” Each student will be assigned one of the following roles within his or her company: founder; venture capitalist/investor, CEO, general counsel, or independent board member. The course will follow the life of a company, from founding, through fundraising, hiring employees, developing intellectual property and managing operations, until eventually being acquired by (or acquiring) one of the other company teams. Through each of these steps, we will discuss the relevant legal issues and laws and how they impact a company, its management and its owners. Students will be asked to consider each step in the company’s life cycle and the associated legal issues from not only their personal and professional perspectives, but also from the perspectives of their assigned roles within each company.

COURSE LEARNING OUTCOMES

At the conclusion of the course you should have an understanding of the basic legal principles that commonly arise in the business environment, with some ability to distinguish between issues that require a lawyer’s attention and issues that can be handled without a lawyer. You should have a general understanding of areas where the law can be an asset. You should be able to better understand legal services and relationships to more effectively and efficiently manage your legal requirements. You will not learn how to practice law.

COURSE READINGS

A. Required Text:

Bagley, Constance E., and Craig E. Dauchy. *The Entrepreneur’s Guide to Business Law*.

B. Notes/Cases

As assigned.

COURSE EVALUATION

	PERCENT
There will be multiple assessments both at the individual and group level. All assessments are designed to incorporate readings, creative thinking, and the ability to apply concepts and models. There will be in-class exercises and take-away assignments to challenge students’ understanding of key concepts. There will be one major team project. The grading will be based on the following assessments:	
Team Project-in class and on-line	50%
Take-Home Writing Assignments	10%
Class Participation and Contribution	40%
TOTAL	100%



SACRAMENTO
STATE

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The final grade will be based on the following scale:

93% - 100% A
90% - 92.9% A-
87% - 89.9% B+
83% - 86.9% B
80% - 82.9% B-
77% - 79.9% C+
73% - 76.9% C
70% - 72.9% C-
Etc.

TEAM PROJECT

At the end of class on December 16th, each company team will be designated as either an acquiring company or an acquisition target. Acquiring companies will be paired with acquisition targets, and teams will be required to negotiate the terms of the acquisition and prepare a legally binding contract documenting those terms. Successful teams will be those that are able to work together to create value on both sides while managing the attendant risks, and then be able to express their agreement in writing. Each team will deliver an oral presentation on the process in the final class.

Scoring on the project will include:

Contract: demonstrated application of legal principles; clarity; effectiveness

Content: issues considered; appropriateness of resolution; ability to successfully create value while mitigating risk

Creativity: creative solutions to business problems

Presentation: organization, energy, creativity, preparedness

WRITTEN ASSIGNMENTS

Your first writing assignment is due on December 8th. Your next assignment will be given when we meet in class.

Your on-line assignments should be emailed to me on or before the assigned dates. Unless otherwise noted, each written assignment shall be at least two to three pages long, up to a maximum of **three pages**, and shall contain a general discussion of the legal issue raised, an analysis of the problem and a rationale for your answer. There is no need to restate the facts. I am generally looking for two things: an identification of the legal issues raised by the fact pattern presented and an application of those legal principles to the facts.

CLASS PARTICIPATION

Classroom participation is essential to the enjoyment of this class. Students are encouraged to discuss



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topical legal issues from current news stories and personal experiences, as well as the course material.

COURSE SCHEDULE AND OUTLINE

– ON-LINE SESSION December 1-12

Forming an entity, choice of entity and choice of jurisdiction. Corporate formalities. Management and stockholder rights and duties.

Chapter 1. Taking the Plunge

Chapter 2. Leaving your Employer

Chapter 3. Selecting and Working with an Attorney

Chapter 4. Deciding Whether to Incorporate

Chapter 5. Structuring the Ownership

Chapter 6. Forming and Working with the Board

Written Assignment #1 Assigned. Submit via e-mail on December 8 to Selvi01@comcast.net

– IN-PERSON SESSION December 13-16

We will discuss Chapters 1-6

Lecture and Discussion. Intellectual Property and E-Commerce. Fundraising and working with venture capitalists.

Chapter 10. E-Commerce, Sales, and Consumer Privacy

Chapter 14. Intellectual Property and Cyberlaw

Chapter 13. Venture Capital



SACRAMENTO
STATE

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Lecture and Discussion. Securities laws. Employee-Employer relationship. Deferred compensation and stock options. Contracts.

Chapter 7. Raising Money and Securities Regulation

Chapter 8. Marshalling Human Resources

Chapter 9: Contracts and Leases

Lecture and Discussion. Mergers and acquisitions continued. Alternative Dispute Resolution.

Lecture and Discussion. Contracts continued. Mergers and acquisitions.

Chapter 15. Going Global

Chapter 16. Buying and Selling a Business

Chapter 17. Going Public

Team Project: Buyer and Seller companies paired.

– ON-LINE SESSION December 17-31

We will discuss in class.

I am available by e-mail/WhatsApp/Viber for questions regarding the team project.

Team Project: Work on team project.

Final team projects due on December 31. No restrictions on pages. Power Point presentations required.