

Preface

This book is dedicated to the proposition that law school should prepare students for the practice of law. The systems approach it employs has proven highly successful in teaching several other fields of law. This book brings it to business associations.

The approach prepares students for practice by teaching them to solve the kinds of problems that lawyers encounter in practice. Students learn by representing hypothetical clients in realistic settings. The clients include entities, partners, shareholders, boards of directors, governments, and others. Students advise not just on what the law is, but on what the client should do. To provide the advice, students work with the Delaware General Corporation Law, the Model Business Corporation Act, the Revised Uniform Partnership Act, the Uniform Limited Liability Company Act, the Uniform Limited Partnership Act, Meta Platforms, Inc.'s Certificate of Incorporation and Bylaws, BKG Catalina LLC's Operating Agreement, a Directors' and Officers' Insurance Policy, and provisions excerpted from dozens of other documents.

Lawyers need tremendous amounts of information to advise clients. In this book we provide all the information needed to understand how the systems work and to solve the problems. That information includes citations to the applicable statutes and Model Rules of Professional Conduct. We explain and illustrate the physical systems, from the formation of entities to the registration of shares on the stock ledger, the voting of securities entitlements, the financing of shareholder litigation, and the dissolution of entities, among others. We use tables, diagrams, a few pictures, and one cartoon to enhance the efficiency of presentation. For more about our approach, see Lynn M. LoPucki & Andrew Verstein, *The Systems Approach to Teaching Business Associations*, 2020 MICH. ST. L. REV. 703 (2020).

We assume that students come to this course with no business background. We explain everything from the beginning, as clearly and directly as we can. We have not hidden the ball or held back surprises for teachers to spring on students. Even so, business associations law remains challenging and inevitably yields surprises in its application.

The volume of information we provide left insufficient space for rambling cases that are no longer good law and that explain business practices that are no longer in use. We omitted the "old chestnuts." Instead, we chose recent cases that explained the law clearly and credibly. Every case remains good law. We edited the cases ruthlessly; they are rarely more than three-and-a-half pages.

Competing case books teach partnerships, corporations, and LLCs in separate sections. As a result, they teach each entity law topic (limited liability, voting, fiduciary duties, etc.) three times. Teachers run out of time a few days into LLCs and well before they get to limited partnerships. Instead of

organizing this book by entity types, we organized it by functions. That saves time, avoids repetition, and enables us to provide full coverage of all four major entity types—both publicly and closely held. To our knowledge, this casebook is the first to do so.

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