

SYLLABUS

BUSINESS ASSOCIATIONS (Fall 2025)

- PROFESSOR: Robert J. Rhee
- CONTACT: Holland Hall # 312C, 352-273-0958, rhee@law.ufl.edu
- If you want to contact me by email, please use the school email address, and **not** the email through Canvass. Please use **my school email**. I do not check Canvass on a daily basis, whereas I always get school email on my phone.
- CLASSROOM: Holland 355C
- CLASS TIME: Monday & Wednesday: 10am to 12pm (2 hours)
- OFFICE HOURS: Monday & Wednesday: 9am to 10am, and 1pm to 2pm office Holland 312C (up to October 22)
- Due to unavoidable personal circumstances, starting from October 27 to the end of the semester, office hours must be through Zoom, and **my office hours for the three weeks October 27 through November 14 will be Tuesday, 9am to 11am on Zoom**. To compensate for this loss of in-face office hour time, I allotted additional office hour time from August 18 to October 22.
 - I am always available for individualized appointments outside of these regular office hours.
- FINAL EXAM: December 3, Wednesday (4.5 hours)

TEXTBOOKS

Robert J. Rhee, LLCs, Partnerships, and Corporations (West 2021)

COURSE DESCRIPTION

This course provides comprehensive coverage of the major business organizations, including general partnerships, limited partnerships, limited liability companies, and corporations. It emphasizes the major differences among these entities and the role of contracting for the rules of internal affairs. Topics include rules dealing with formation, agency, management structures, admissions and dissociations, fiduciary duties, corporate governance, shareholder litigation, and fundamental transactions.

STUDENT LEARNING OUTCOMES

An understanding of business associations is required to practice business law. Modern business law practice broadly uses the corporate form and noncorporate entities,

including the limited liability company. This course teaches the major business organizations, including general partnerships, limited partnerships, limited liability companies, and corporations.

After completing this course, students should be able to:

1. Know and analyze the legal rules of internal affairs, including the distinction between default and mandatory rules, for all major business organizations.
2. Consider issues related to advising business organizers and managers with respect to formation and maintenance of business organizations.
3. Know the rules and principles of fiduciary duties applicable in different settings and business organizations.
4. Know the differences between the corporate form and noncorporate business entities.

REQUIRED READING MATERIALS

Please be sure to register for the Canvas course and have any required materials with you in print or easily accessible electronic form in class. You are responsible for checking your Canvas page and the e-mail connected to the page on a regular basis for any class announcements or adjustments.

COURSE EXPECTATIONS AND GRADING EVALUATIONS

Students will be evaluated based upon on a final exam. Grading will be consistent with College of Law policy. **Your grade will be based on a final exam (90% of the final grade).** Exam grades are done on a blind basis. All grades are final. There will be no regrading or revisions from me, except to correct any mathematical or clerical errors in computing the final score.

In addition to the final exam, you will have at least 16 unannounced quizzes. **Each quiz will have 1 multiple choice question, and may cover past materials or the assigned reading for the day of the quiz. Only the top 10 quiz scores will be counted for a total grade contribution of 10% (1% for each counted quiz).** There will be no makeup in light of the fact that only the top 10 quizzes are counted. The lenient grading policy accounts for the fact that you may not be able to attend any given class session due to very good reasons. The reasons for these unannounced quizzes are two: (1) to ensure that students regularly attend class, and (2) to ensure that students are regularly doing the assigned readings. My expectation is that most students will receive a high grade in the quiz component of their grades. If at least 16 quizzes are not given, students will receive full credit for the difference between 16 quizzes and the actual number of quizzes given (e.g., if only 14 quizzes are given, students will receive full credit of 2% for the difference between 16 quizzes and 14 quizzes).

If there are recognized religious holidays on a scheduled class day (Mondays and Wednesdays), please email me by the end of the first week of class (by August 22), and I will make sure that quizzes will not be held during these recognized religious holidays. Otherwise, I cannot guarantee dates on which quizzes will not be held.

FINAL EXAM FORMAT

The final exam will follow UF's "online open-book" policy (remote exam). Your professor has chosen the "Fixed (Pre-scheduled Set Date and/or Time)" option (scheduled for December 3, Wednesday). This is an open book online exam. Students can use their textbooks and any other source including the internet and AI resources such as ChatGTP, with one exception: students **may not** contact any natural person for assistance during this exam (contact means asking a person via phone, text, chat, or any other communication means). This exam must be a solo effort by the student without the assistance from any persons. The final exam may have essay, short answer, and multiple choice questions. Essay questions will be an issue-spotting, analysis, or problem-solving format typically seen in most law school exams. The issues and topics for exam questions will come from the course readings and class discussions. The exam will fairly reflect the work that is done in the course. This means that the best way to prepare for the exam is to do the class readings and to attend class.

Makeup Exam Policy: see <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/forms-applications/exam-delays-accommodations-form>.

ACADEMIC HONESTY

Academic honesty and integrity are fundamental values of the University community. Students should be sure that they understand the UF Student Honor Code at <http://www.dso.ufl.edu/students.php>.

ABA OUT-OF-CLASS HOURS REQUIREMENTS

ABA Standard 310 requires that students devote 120 minutes to out-of-class preparation for every "classroom hour" of in-class instruction. It is anticipated that you will spend approximately 2 hours out of class reading and/or preparing for in class assignments for every 1 hour in class. Outside of class including reading the assigned materials and developing your critical analyses of the materials.

CLASS ATTENDANCE POLICY

Attendance in class is required by both the ABA and the Law School. Attendance will be taken at each class meeting. Students are allowed six (6) absences during the course of the semester. Students are responsible for ensuring that they are not recorded as absent if they come in late. A student who fails to meet the attendance requirement will be dropped from the course. The law school's policy on attendance can be found [here](#).

UF LEVIN COLLEGE OF LAW STANDARD SYLLABUS POLICIES

Other information about UF Levin College of Law policies, including compliance with the UF Honor Code, Grading, Accommodations, Class Recordings, and Course Evaluations can be found at this link: <https://ufl.instructure.com/courses/427635/files?preview=98226140>.

COURSE SCHEDULE OF TOPICS AND ASSIGNMENTS

This syllabus is offered as a guide to the direction of the course. Our pace will depend in part on the levels of interest and difficulty of each section and is subject to change.

CLASS CANCELATIONS, MAKEUP, AND ONLINE (ZOOM) CLASS SESSIONS

Our last class session is scheduled to be Monday, November 17. This class session is CANCELLED. This class session was necessary because Monday, September 1, is Labor Day holiday. Instead, we will MAKE UP Monday's (Labor Day's) class on FRIDAY, SEPTEMBER 5, at 10am to 12pm on Zoom (this Zoom class will be recorded in the event of a schedule conflict for the students). The operative effect of this cancellation and earlier makeup is that the course ends 5 days earlier for students, which leaves students this additional time to prepare for final exams. In the past, students have appreciated this sort of scheduling change. Other classes may be held on Zoom as announced. All Zoom class sessions will be recorded.

ASSIGNMENTS

IMPORTANT NOTE TO STUDENTS: The syllabus will be continuously updated throughout the course. The average class reading (2-hour class time) is approximately 33 pages (a total of about 870 pages over 26 class sessions). Please read about 15 pages ahead of the current assignment for the class session in the event that a particular class moves faster than anticipated.

Class #	Topics, Issues, and Cases	Text pages
1	<p>CHAPTER 1: OVERVIEW OF BUSINESS ENTITIES</p> <ul style="list-style-type: none"> • Relevance of business entities • Differences between corporations and NBEs <ul style="list-style-type: none"> ◦ <i>Fraser v. Major League Soccer, LLC</i> • Taxonomy of corporations • Taxonomy of NBEs • Sources of law and internal affairs <ul style="list-style-type: none"> ◦ <i>Azure Dolphin, LLC v. Barton</i> ◦ <i>Heaps v. Nuriche, LLC</i> • Problem: Friends Consider a Startup 	1-36
2	<p>CHAPTER 2: FORMING THE ENTITY</p> <ul style="list-style-type: none"> • Nature and essential attributes of business entities <ul style="list-style-type: none"> ◦ <i>Reynolds v. Lyman</i> ◦ <i>State v. Brelvis Consulting LLC</i> ◦ <i>Gould v. City of Stamford</i> • Attorney engagement <ul style="list-style-type: none"> ◦ <i>In re Murrin Brothers 1885, Ltd.</i> • Forming general partnerships <ul style="list-style-type: none"> ◦ <i>Martin v. Peyton</i> ◦ <i>Minuit Maid Corp. v. United Foods, Inc.</i> 	37-75
3	<ul style="list-style-type: none"> • Forming general partnerships <ul style="list-style-type: none"> ◦ <i>Energy Transfer Partners, L.P. v. Enterprise Prod. Partners, L.P.</i> • Forming limited liability entities <ul style="list-style-type: none"> ◦ <i>McDonough v. McDonough</i> ◦ <i>In re Delaware Sports Complex, LLC</i> ◦ <i>Guy Named Moe, LLC v. Chipotle Mexican Grill of Colo., LLC</i> • Partnership and operating agreements <ul style="list-style-type: none"> ◦ <i>In re Nantucket Island Assoc. L.P. Unitholders Litig.</i> 	76-111
4	<ul style="list-style-type: none"> • Contract interpretation principles • Issues to consider for NBEs <p>CHAPTER 3: LIABILITY TO THIRD PARTIES</p> <ul style="list-style-type: none"> • Rule of limited liability in corporations <ul style="list-style-type: none"> ◦ <i>Walkovszky v. Carlton</i> ◦ <i>ORT Associates v. IBC Services, Inc.</i> ◦ <i>Freeman v. Complex Computing Co., Inc.</i> • Rule of limited liability in NBEs <ul style="list-style-type: none"> ◦ <i>Gateway Potato Sales v. G.B. Investment Co.</i> 	111-124 125-145

[illegible]

9	<ul style="list-style-type: none"> • Agency and limited liability • Problem: Entrepreneurs Begin Managing <p>CHAPTER 6: MANAGEMENT STRUCTURE</p> <ul style="list-style-type: none"> • Three basic forms of management • Centralized management and corporations • Management structures of NBEs <ul style="list-style-type: none"> ◦ <i>Florida R & D Fund Investors, LLC v. Florida BOCA/Deerfield R & D Investors, LLC</i> • Voting rights • Insurance and indemnification <ul style="list-style-type: none"> ◦ <i>Sandt v. Energy Maintenance Servs. Group I, LLC</i> 	<p>288-292</p> <p>293-328</p>
10	<p>CHAPTER 6: MANAGEMENT STRUCTURE</p> <ul style="list-style-type: none"> • Insurance and indemnification <ul style="list-style-type: none"> ◦ <i>Trascent Management Consulting, LLC v. Bouri</i> • Information rights • Issues to consider for NBEs • Problem: Entrepreneurs Think Seriously about Governance <p>CHAPTER 7: FIDUCIARY DUTY</p> <ul style="list-style-type: none"> • Introduction to fiduciary duties • Traditional approach to NBEs <ul style="list-style-type: none"> ◦ <i>Meinhard v. Salmon</i> ◦ <i>In re USACafes, L.P. Litigation</i> ◦ <i>Red River Wings, Inc. v. Hoot, Inc.</i> ◦ <i>In re Sky Harbor Hotel Properties, LLC</i> 	<p>328-340</p> <p>341-368</p>
11	<ul style="list-style-type: none"> • Traditional approach to NBEs <ul style="list-style-type: none"> ◦ <i>Acorn v. Moncecchi</i> ◦ <i>Wilson v. Gandis</i> ◦ <i>McConnell v. Hunt Sports Enterprises</i> • Delaware approach to contracting for fiduciary duty <ul style="list-style-type: none"> ◦ <i>Bay Center Apartments Owner, LLC v. Emery Bay PKI, LLC</i> ◦ <i>Norton v. K-Sea Transp. Partners L.P.</i> 	368-403
12	<ul style="list-style-type: none"> • Obligation of good faith and fair dealing <ul style="list-style-type: none"> ◦ <i>Gerber v. Enterprise Prods. Hldgs., LLC</i> ◦ <i>Dieckman v. Regency General Partner LP</i> • Fiduciary duty to creditors <ul style="list-style-type: none"> ◦ <i>CML V, LLC v. Bax</i> • Actions by partners and members <ul style="list-style-type: none"> ◦ <i>Fritchel v. White</i> ◦ <i>Anglo American Security Funds, L.P. v. S.R. Global International Fund, L.P.</i> 	403-438

13	<ul style="list-style-type: none"> • Actions by partners and members <ul style="list-style-type: none"> ◦ <i>Saunders v. Briner</i> ◦ <i>Marx v. Morris</i> ◦ <i>Woodside Properties, LLC v. MKR Development, LLC</i> • Issues to consider for NBEs • Problem: Entrepreneurs Find a Deal and a Problem <p>CHAPTER 8: TRANSFER OF INTEREST AND DISSOCIATION</p>	438-468
	<ul style="list-style-type: none"> • Transfers of interest in corporation • Transfers of interest in NBEs <ul style="list-style-type: none"> ◦ <i>SP Investment Fund III, LLC v. Zell</i> ◦ <i>Bauer v. Blomfield Co./Holden Joint Venture</i> ◦ <i>Northeast Communications of Wisc., Inc. v. CenturyTel, Inc.</i> 	469-482
14	<p>CHAPTER 8: TRANSFER OF INTEREST AND DISSOCIATION</p> <ul style="list-style-type: none"> • Transfers of interest in NBEs <ul style="list-style-type: none"> ◦ <i>Weddell v. H2O, Inc.</i> ◦ <i>Law v. Zemp</i> ◦ <i>JPMorgan Chase Bank, N.A. v. McClure</i> • Dissociation <ul style="list-style-type: none"> ◦ <i>United States v. Sanofi-Aventis U.S. LLC</i> ◦ <i>Gelman v. Buehler</i> ◦ <i>Fredericks Peebles & Morgan LLP v. Assam</i> 	482-522
15	<ul style="list-style-type: none"> • Dissociation <ul style="list-style-type: none"> ◦ <i>Congel v. Malfitano</i> ◦ <i>IE Test, LLC v. Carroll</i> • Buy-sell agreements • Issues to consider for NBEs • Problem: Entrepreneurs Learn that Ownership Is Not Permanent <p>CHAPTER 9: DISSOLUTION AND MERGERS</p>	522-552
	<ul style="list-style-type: none"> • Dissolution <ul style="list-style-type: none"> ◦ <i>Dysart v. Dragpipe Saloon, LLC</i> ◦ <i>Haley v. Talcott</i> 	553-565
16	<p>CHAPTER 9: DISSOLUTION AND MERGERS</p> <ul style="list-style-type: none"> • Dissolution <ul style="list-style-type: none"> ◦ <i>Styslinger v. Brewster Park, LLC</i> ◦ <i>In re Carlisle Etcetera LLC</i> ◦ <i>Beaudry v. Harding</i> ◦ <i>Guenther v. Ryerson</i> • Mergers and conversions <ul style="list-style-type: none"> ◦ <i>Corwin v. KKR Financial Holdings LLC</i> ◦ <i>Allison v. Eriksson</i> 	565-599

17	<ul style="list-style-type: none"> • Issues to consider for NBEs • Problem: Entrepreneurs Go Bigtime, Maybe <p>CHAPTER 10: INTRODUCTION TO CORPORATIONS</p> <ul style="list-style-type: none"> • Corporations in society <ul style="list-style-type: none"> ◦ <i>Citizens United v. Federal Election Commission</i> • Major differences between NBEs and corporations • Why corporations • Delaware corporation law <p>CHAPTER 11: CORPORATE GOVERNANCE</p> <ul style="list-style-type: none"> • Board of directors <ul style="list-style-type: none"> ◦ <i>Cinerama, Inc. v. Technicolor, Inc.</i> ◦ <i>Joy v. North</i> 	<p>599-604</p> <p>605-632</p> <p>633-640</p>
18	<ul style="list-style-type: none"> • Board of directors <ul style="list-style-type: none"> ◦ <i>Shlensky v. Wrigley</i> • Board of directors <ul style="list-style-type: none"> ◦ <i>Kamin v. American Express Co.</i> • Officers • Shareholders • Corporate governance <ul style="list-style-type: none"> ◦ <i>Bayer v. Beran</i> 	640-664
19	<p>CHAPTER 12: DUTY OF CARE</p> <ul style="list-style-type: none"> • Care, risk-taking and business judgment <ul style="list-style-type: none"> ◦ <i>In re Citigroup Inc. Shareholder Derivative Litigation</i> • Duty to be informed <ul style="list-style-type: none"> ◦ <i>Smith v. Van Gorkom</i> • Exculpation • Aiding and abetting breach of duties <ul style="list-style-type: none"> ◦ <i>RBC Capital Markets, LLC v. Jervis</i> 	665-694
20	<p>CHAPTER 13: DUTY OF LOYALTY</p> <ul style="list-style-type: none"> • Self-dealing and conflict of interest transactions <ul style="list-style-type: none"> ◦ <i>Benihana of Tokyo, Inc. v. Benihana, Inc.</i> ◦ <i>Gantler v. Stephens</i> • Self-dealing and conflict of interest transactions <ul style="list-style-type: none"> ◦ <i>Broz v. Cellular Information Systems, Inc.</i> • Bad faith <ul style="list-style-type: none"> ◦ <i>In re Walt Disney Co. Derivative Litigation</i> ◦ <i>In re Caremark International Inc. Derivative Litigation</i> ◦ <i>Stone v. Ritter</i> 	695-731

21	<ul style="list-style-type: none"> • Bad faith <ul style="list-style-type: none"> ◦ <i>In re Citigroup International Inc. Derivative Litigation</i> ◦ <i>Marchand v. Barnhill</i> ◦ <i>In re Massey Energy Co. Derivative Litigation</i> • Controlling shareholders <ul style="list-style-type: none"> ◦ <i>Sinclair Oil Corp. v. Levien</i> ◦ <i>Weinberger v. UOP Inc.</i> ◦ <i>Solomon v. Pathe Communications Corp.</i> 	731-762
22	<ul style="list-style-type: none"> • Controlling shareholders <ul style="list-style-type: none"> ◦ <i>Kahn v. Lynch Communications System, Inc.</i> ◦ <i>Kahn v. M & F Worldwide Corp.</i> <p>CHAPTER 14: SHAREHOLDER LITIGATION</p> <ul style="list-style-type: none"> • Information rights <ul style="list-style-type: none"> ◦ <i>Seinfeld v. Verizon Communications, Inc.</i> • Direct and derivative suits <ul style="list-style-type: none"> ◦ <i>Tooley v. Donaldson, Lufkin & Jenrette, Inc.</i> • Plaintiff standing in derivative actions <ul style="list-style-type: none"> ◦ <i>In re Fuqua Industries, Inc. Shareholder Litigation</i> ◦ <i>Lambrech v. O'Neal</i> 	762-793
23	<ul style="list-style-type: none"> • Demand and demand futility in derivative actions <ul style="list-style-type: none"> ◦ Do not read <i>Aronson v. Lewis</i> on pages 796-802 (this case will be covered by professor's lecture) ◦ Read instead <i>United Food and Commercial Workers Union v. Zuckerberg</i> (provided on Canvass) ◦ <i>Cede & Co. v. Technicolor, Inc.</i> ◦ <i>In re eBay, Inc. Shareholder Litigation</i> 	793-795 802-812
24	<ul style="list-style-type: none"> • Demand and demand futility in derivative actions <ul style="list-style-type: none"> ◦ <i>Beam ex rel. Martha Stewart Living Omnimedia v. Stewart</i> ◦ <i>Kahn v. M & F Worldwide Corp.</i> <p>CHAPTER 15: ISSUES IN MERGERS & ACQUISITIONS</p> <ul style="list-style-type: none"> • M&A basics <ul style="list-style-type: none"> ◦ <i>Bove v. Community Hotel Corp. v. Newport, R.I.</i> 	812-822 823-837
25	<ul style="list-style-type: none"> • Entrenchment and defenses <ul style="list-style-type: none"> ◦ <i>Unocal Corp. v. Mesa Petroleum Co.</i> • Revlon and its progeny <ul style="list-style-type: none"> ◦ <i>Revlon, Inc. v. MacAndrews & Forbes Holdings, Inc.</i> ◦ <i>Paramount Communications, Inc. v. Time Inc.</i> ◦ <i>Paramount Communications, Inc. v. QVC Network</i> 	837-865
26	<ul style="list-style-type: none"> • Revlon and its progeny <ul style="list-style-type: none"> ◦ <i>Air Products and Chemicals, Inc. v. Airgas, Inc.</i> 	865-873

	FINAL EXAM: December 3, Wed., 4.5 hours	
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