



ACE Business Law (3 Semester Credits) – Course Syllabus

Description:

Business Law examines the stages of starting a business while highlighting legal and strategic decisions. Students increase their legal literacy as they learn to choose the form of business entity, structure ownership, raise money, handle operational liabilities, practice strategic compliance, protect intellectual property, deal with creditors, go global, and go public. Students also examine such current issues as classifying workers as independent contractors or employees, cybersecurity, and provisions for "mini-IPOs."

Textbook: *The Entrepreneur's Guide to Law and Strategy*, 5th Ed. – Bagley, Dauchy – ISBN: 9781305972643 (This text is provided to students as part of their enrollment.)

Prerequisites: No prerequisites

Course objectives:

Throughout the course, you will meet the following goals:

- Understand the legal aspects to becoming an entrepreneur.
- Explain the importance of legal representation when operating a business.
- Understand the basics of incorporating, founders' stock, and buy-sell agreements.
- Explain the major employment and civil rights legislation that affect businesses.
- Understand the complex legal implications of business contracts and leases.
- Learn about business operational liabilities, insurance, and compliance.
- Understand the implications of creditors' rights and bankruptcy.

Course Evaluation Criteria

A passing percentage is **70%** or higher.

Grading Scale

A = 95-100%

B = 88-94.9%

C = 80-87.9%

D = 70-79.9%

F = Below 70%

ACE Course Retake Policy

2 (two) attempts are allowed on every quiz, and 2 (two) attempts are allowed on every final exam.

***Proctorio* – Video Proctoring**

All Final Exams are video proctored with Proctorio. (www.proctorio.com)

(Continued)

ADA Policy

Excel Education Systems is committed to maintaining an inclusive and accessible environment to all students, across all of its schools, in accordance with the 1990 Federal Americans with Disabilities Act (ADA).

There is a **total of 220 points** in this course:

Grade Weighting

Chapter Quizzes	70%
<u>Final Exam</u>	<u>30%</u>
	100%

Assessment	Points Available	Percentage of Final Grade
Chapter 1 Quiz	10	4.11
Chapter 2 Quiz	10	4.11
Chapter 3 Quiz	10	4.11
Chapter 4 Quiz	10	4.11
Chapter 5 Quiz	10	4.11
Chapter 6 Quiz	10	4.11
Chapter 7 Quiz	10	4.11
Chapter 8 Quiz	10	4.11
Chapter 9 Quiz	10	4.11
Chapter 10 Quiz	10	4.11
Chapter 11 Quiz	10	4.11
Chapter 12 Quiz	10	4.11
Chapter 13 Quiz	10	4.11
Chapter 14 Quiz	10	4.11
Chapter 15 Quiz	10	4.11
Chapter 16 Quiz	10	4.11
Chapter 17 Quiz	10	4.11
Final Exam	50	30
Total	220	100

Course Contents and Objectives

Chapter 1 – Taking the Plunge	
Lessons	1.1 Becoming an Entrepreneur 1.2 Determining Which Ideas Can Become Successful Businesses 1.3 Law, Entrepreneurship, and the Value of Legal Astuteness
Objectives	<ul style="list-style-type: none">• Explain the basics of becoming an entrepreneur.• Determine which ideas can become successful businesses.• Describe the basic relationship between the law and entrepreneurship.

Chapter 2 – Leaving Your Employer

Lessons	2.1 Restrictions while Still Employed 2.2 Postemployment Restrictions and the Covenant Not to Compete 2.3 Trade Secrets 2.4 Invention Assignment Agreements and Works for Hire 2.5 Strategies for Leaving on Good Terms
Objectives	<ul style="list-style-type: none"> • Explain the restrictions while still employed. • Describe the potential postemployment restrictions when leaving a job. • Explain what a trade secret is. • Explain what strategies to use for leaving your current employer on good terms.

Chapter 3 – Selecting and Working with an Attorney	
Lessons	3.1 The Need for an Attorney 3.2 Choosing an Attorney 3.3 The Structure of Billing Costs 3.4 Working Cost Effectively with an Attorney 3.5 Preserving Attorney-Client Privilege
Objectives	<ul style="list-style-type: none"> • Explain why an entrepreneur may have the need to work with an attorney. • Describe the many factors to consider when choosing an attorney. • Understand the structure of billing when working with an attorney. • Explain the attorney-client privilege and its importance.

Chapter 4 – Deciding Whether to Incorporate	
Lessons	4.1 Forms of Business Entity 4.2 Sole Proprietorships 4.3 Corporations 4.4 Partnerships 4.5 Limited Liability Companies 4.6 Selecting the Most Appropriate Form of Organization 4.7 Choosing and Protecting a Name for a Business 4.8 Registering to Do Business in Other States and Obtaining Local Licenses
Objectives	<ul style="list-style-type: none"> • List the different forms of business entity. • Describe the unique characteristics, advantages, and disadvantages of sole proprietorships. • Describe the unique characteristics, advantages, and disadvantages of corporations. • Describe the unique characteristics, advantages, and disadvantages of partnerships. • Describe the unique characteristics, advantages, and disadvantages of limited liability companies. • Explain how to best choose the most appropriate form of

	<p>organization.</p> <ul style="list-style-type: none"> • Describe how to choose and protect a name for a business. • Explain how to register to do business in a state and obtain local licenses.
--	--

Chapter 5 – Structuring the Ownership	
Lessons	5.1 Incorporation 5.2 Splitting the Pie 5.3 Issuing Founders’ Stock 5.4 Employee Stock Options 5.5 Tax Treatment of Employee Stock Options 5.6 Repurchase Rights, Rights of First Refusal, and Other Restrictions on the Transfer of Stock 5.7 Shareholder Voting Agreements 5.8 Proprietary Information and Inventions, Employment, and Noncompete Agreements
Objectives	<ul style="list-style-type: none"> • Describe the mechanics of incorporating a business. • Explain the process of issuing founders’ stock, and its implications. • Describe employee stock options and its tax treatment. • Explain repurchase rights, rights of refusal, and shareholder voting agreements. • Describe why proprietary information and inventions, and noncompete agreements are important.

Chapter 6 – Forming and Working with the Board	
Lessons	6.1 The Benefits of Having an Independent Board 6.2 Size of the Board and Frequency and Duration of Board Meetings 6.3 Type of Representation Desired 6.4 The Responsibilities of the Board 6.5 Compensation of Board Members 6.6 Types of Information Directors Need 6.7 How to Make the Most Effective Use of the Board
Objectives	<ul style="list-style-type: none"> • Understand the benefits of having an Independent Board of Directors. • Explain the responsibilities, frequency, and duration of Board meetings. • Describe the compensation for Board members, the types of information Directors need for Board meetings, and how to most effectively use a Board of Directors.

Chapter 7 – Raising Money and Securities	
Lessons	7.1 Sources of Funds 7.2 Using Online “Crowdfunding” Platforms and Placement Agents 7.3 Pitching to Investors

	<p>7.4 Types of Investment Securities</p> <p>7.5 Federal and State Securities Registration and Qualification Requirements</p> <p>7.6 Exemptions From Federal Registration Requirements</p> <p>7.7 Blue Sky Exemptions and Federal Preemption</p>
Objectives	<ul style="list-style-type: none"> • Describe the different types of funding entrepreneurs acquire to start businesses. • Explain how entrepreneurs use crowdfunding platforms and placement agents to raise funds for a business. • Describe the process of making pitches to investors when seeking business funding. • List and describe the different types of investment securities. • Explain the federal and states registration and qualification requirements when acquiring business funding. • Describe the various exemptions related to the federal registration requirements. • Explain the importance of “Blue Sky” exemptions.

Chapter 8 – Marshaling Human Resources	
Lessons	<p>8.1 Employees versus Independent Contractors</p> <p>8.2 Major Employment Civil Rights Legislation</p> <p>8.3 Prehiring Practices</p> <p>8.4 Other Employment Legislation</p> <p>8.5 Employee Privacy, Monitoring of Employee Email, and Limitations on the Use of Employee Health Information</p> <p>8.6 Employment at Will and Wrongful Discharge</p> <p>8.7 The Employment Document</p> <p>8.8 Mandatory Arbitration of Employment Disputes</p> <p>8.9 Foreign Nationals Working inside the United States and U.S. Citizens Working Outside the United States</p> <p>8.10 Cash and Equity Compensation</p> <p>8.11 Other Employment Benefits</p> <p>8.12 Employer Liability for Employees’ Acts</p> <p>8.13 Reducing Employee-Related Litigation Risk</p> <p>8.14 Preventing Employee Fraud</p>
Objectives	<ul style="list-style-type: none"> • Compare and contrast the difference between employees and independent contractors. • List and explain the significance of major United States employment civil rights legislation. • Describe the importance of quality Prehiring practices when adding employees. • Explain common employee privacy measures that are in place in the United States. • Explain what At-Will Employment means along with wrongful discharge. • Describe the components of a well-structured employment

	<p>document.</p> <ul style="list-style-type: none"> • Explain the process of arbitration in relation to employment disputes. • Describe the legal implications considerations of foreign nationals working inside the United States, and U.S. Citizens working outside U.S. • Explain the difference between offering employees cash and/or equity compensation. • Describe the legal implications of offering other types of employee benefits, such as health and retirement benefits. • Explain how employers can reduce their employee-related litigation risk. • Describe how employers can reduce or prevent employee fraud.
--	--

Chapter 9 – Contracts and Leases	
Lessons	<p>9.1 Sources of Law 9.2 Negotiating Term Sheets and Other Preliminary Agreements 9.3 Types of Contracts 9.4 Choice of Law 9.5 Elements of a Contract 9.6 Oral Agreements and the Statute of Frauds 9.7 Preparing Written Contracts 9.8 Electronic Contracts 9.9 General Contract Terms to Consider 9.10 Checklist for Analyzing a Possible Contract Dispute 9.11 Effect of Bankruptcy 9.12 Remedies 9.13 Promissory Estoppel 9.14 <i>Quantum Meruit</i> 9.15 Leases 9.16 Contracts for the Purchase of Real Property 9.17 Loan Agreements</p>
Objectives	<ul style="list-style-type: none"> • Explain the two primary sources of contract law in the United States. • Describe how to negotiate terms sheets and other preliminary agreements. • List and explain the differences between the various types of contracts. • Explain which state’s law will govern a contract. • Describe the various elements of a contract. • Explain the legal advantages of putting a contract in writing. • Describe the process preparing written contracts. • Discuss the implications of electronic contracts and the legislation that protects each side. • Understand the basic general contract terms used when

	<p>securing a contract.</p> <ul style="list-style-type: none"> • Explain the kinds of possible disputes that might arise when dealing with contracts. • Describe the effect bankruptcy might have on the parties involved with a contract. • Define and describe a promissory estoppel. • Explain the legal considerations with contracts for the purchase of real property.
--	--

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

Lessons	<p>10.1 Sales of Goods under Article 2 of the UCC 10.2 Electronic Contracts 10.3 UCC Article 2 Warranties 10.4 Magnuson-Moss Warranty Act 10.5 International Sales of Goods and the Convention on Contracts for the International Sale of Goods 10.6 Strict Liability in Tort for Defective Products 10.7 The Consumer Product Safety Commission and Other Administrative Agencies 10.8 Consumer Privacy and Identity Theft 10.9 Advertising 10.10 Unfair Competition 10.11 Resolving E-Commerce Disputes: Jurisdiction, Choice of Law, and Enforcement of Foreign Judgments</p>
----------------	--

Objectives	<ul style="list-style-type: none"> • Explain the importance of the Sales of Goods under Article 2 of the UCC. • Discuss the various legislation related to electronic contracts. • List and explain the various warranties included in the UCC Article 2. • Explain the Magnuson-Moss Warranty Act. • Describe the Convention on Contracts for the International Sale of Goods. • Explain the strict liability in Tort for defective products. • Describe the purpose of the Consumer Product Safety Commission. • Describe the efforts made to improve consumer privacy and identity theft in the United States. • Explain the regulations and legal considerations when planning advertising. • Discuss the various types of unfair competition and their remedies. • Explain the jurisdiction, laws, and enforcement when resolving e-commerce disputes.
-------------------	--

Chapter 11 – Operational Liabilities, Insurance, and Compliance	
--	--

Lessons	11.1 Negligence
----------------	-----------------

	11.2 Defenses to Negligence 11.3 Intentional Torts 11.4 Strict Liability 11.5 Toxic Torts 11.6 Vicarious Tort Liability and <i>Respondeat Superior</i> 11.7 Tort Remedies 11.8 Tort Liability of Multiple Defendants 11.9 Antitrust Violations 11.10 Environmental Liabilities 11.11 Bribery and the Foreign Corrupt Practices Act 11.12 Tax Liability 11.13 Wire and Mail Fraud 11.14 Obstruction of Justice and Retaliation against Whistle-Blowers 11.15 Computer Crime and Misappropriation of Intellectual Property 11.16 Insurance 11.17 Strategic Compliance Management
Objectives	<ul style="list-style-type: none"> • Define negligence and explain why its important for a business owner to be knowledgeable of the many way to protect their employees. • Describe the different types of torts and their legal implications for a business. • List the various ultrahazardous activities and explain the liability associated for a business. • Define toxic torts and the implications for businesses. • Explain tort liability and <i>Respondeat Superior</i>. • Describe what a Scope of Employment covers and its importance for a business’s liability. • Explain what a “Aided-in-the-Agency-Relation Doctrine” is and its implication for an employer. • Describe the various tort remedies used by employers. • Explain what antitrust legislation exists and how it is designed to protect industries and businesses. • Describe the many environmental pieces of legislation that are currently on the books and their impact on business operations. • Describe other pitfalls for businesses, including bribery, taxes, wire and mail fraud, obstruction of justice, cybercrimes, and misappropriation of intellectual property. • Explain the importance of a strategic compliance management plan.

Chapter 12 – Creditors’ Rights and Bankruptcy	
Lessons	12.1 Types of Loans 12.2 Loan Agreements 12.3 Secured Transactions under the UCC

	<p>12.4 Security Agreements</p> <p>12.5 Perfecting a Security Interest</p> <p>12.6 UCC Filing Procedure</p> <p>12.7 Types of Creditors and Their Rights</p> <p>12.8 Personal Guarantees and Liability of Individual General Partners</p> <p>12.9 Strategies for Responding to a Financial Crisis Outside of Bankruptcy</p> <p>12.10 Fiduciary Duties of the Officers and Directors of an Insolvent or Bankrupt Corporation or a Corporation in the Zone of Insolvency</p> <p>12.11 Types of Bankruptcy</p> <p>12.12 The Chapter 11 Bankruptcy Process</p> <p>12.13 Effect of Bankruptcy on Director and Officer Litigation and Indemnification</p> <p>12.14 Operating a Business in Bankruptcy</p> <p>12.15 Chapter 11 Plan of Reorganization</p> <p>12.16 Prepackaged Bankruptcies and Plans of Reorganization</p> <p>12.17 Business Combinations through Chapter 11 Bankruptcy</p> <p>12.18 Loss of Control and Other Risks in Bankruptcy</p> <p>12.19 Bankruptcy Pros and Cons</p>
Objectives	<ul style="list-style-type: none"> • List and explain the many different types of loans. • Describe how transactions are secured under the UCC. • Explain the various parties involved in the signing of security agreements. • Describe the process involved with perfecting a security interest. • Explain the UCC filing process. • List and explain the types of creditors and their rights. • Describe the personal guarantees and liability of individual general partners. • Discuss the strategies for responding to a financial crisis outside of bankruptcy. • Explain the fiduciary duties of the officers and directors of an insolvent or bankrupt corporation or a corporation in the zone of insolvency. • List the various types of bankruptcy and the discuss the legal implications for the various stakeholders.

Chapter 13 – Venture Capital	
Lessons	<p>13.1 Deciding Whether to Seek Venture Capital</p> <p>13.2 Finding Venture Capital Investors</p> <p>13.3 Pitching to a Venture Capitalist</p> <p>13.4 Determining the Valuation</p> <p>13.5 Rights of Preferred Stock</p> <p>13.6 Other Protective Arrangements</p>
Objectives	<ul style="list-style-type: none"> • Explain the process and pros and cons of seeking financing

	<p>with venture capital.</p> <ul style="list-style-type: none"> • Describe the process of pitching an idea to a venture capitalist. • Explain how the valuation of a business is determined. • List and explain the many rights associated with holding preferred stock in a company. • Describe other protective arrangements dealing with stock, such as: founder vesting, creation of employee stock option pools, and no-shop provisions.
--	---

Chapter 14 – Intellectual Property and Licensing	
Lessons	14.1 Trade Secret Protection 14.2 Copyrights 14.3 Patents 14.4 Trademarks 14.5 Domain Names and Cybersquatting 14.6 Employee Proprietary Information and Assignment of Inventions Agreements 14.7 Comparison of Types of Protection 14.8 Licensing Agreements and Other Transfers of Intellectual Property 14.9 Special Issues Associated with Software Licenses, Open-Source Software, and Online Terms of Use
Objectives	<ul style="list-style-type: none"> • Define <i>trade secret</i>, and explain how to enforce trade secret rights. • Explain what a copyright is, what can be protected by a copyright, and how copyrights are protected. • Describe the challenges of copyrights in cyberspace. • List and explain the various types of patents and how patents are protected and enforced. • Explain what a trademark is. • Discuss how trademark is infringed upon and diluted. • Explain what is meant by <i>cybersquatting</i>. • Explain the importance for a business to have nondisclosure and nonuse agreements in place. • Describe how licensing agreements and transfers of intellectual property are used to protect a business. • Explain legal considerations around topics such as: software licenses, open-source software, and online terms of use.

Chapter 15 – Going Global	
Lessons	15.1 Selecting the Best Overseas Presence: Representative Office, Branch, Subsidiary, or a Hybrid Approach 15.2 International Tax Planning 15.3 Establishing a Foreign Business Presence 15.4 Owning and Operating an Overseas Subsidiary

	<p>15.5 Hiring Workers Overseas 15.6 Distributors, Value-Added Resellers, and Sales Agents 15.7 International Intellectual Property Issues 15.8 Funding Foreign Operations 15.9 Leasing Property, Acquiring Equipment, and Setting Up Operations 15.10 U.S. Support for Overseas Offices and Facilities</p>
Objectives	<ul style="list-style-type: none"> • Describe how to select the best overseas presence for a business going international. • Compare and contrast international tax planning and planning for United States taxes. • Describe the process for establishing a foreign business entity. • Explain the legal considerations of owning and operating an overseas subsidiary. • Discuss the legal considerations when hiring workers overseas. • Describe the items to consider related to international intellectual property issues. • Explain the legal implications when funding foreign operations, leasing property in a foreign country, and setting up operations.

Chapter 16 – Buying and Selling a Business	
Lessons	<p>16.1 Business Combinations versus Initial Public Offerings 16.2 Types of Acquirers 16.3 Forms of Business Combinations 16.4 Pricing Issues and Types of Considerations 16.5 Effect of a Business Combination on Preferred Stock Rights and Stock Options 16.6 Tax Treatment of Business Combinations 16.7 Shareholder Approval and Dissenters’ Rights 16.8 Fiduciary Duties of the Board and Controlling Shareholders 16.9 Securities Law Requirements 16.10 Accounting Treatment 16.11 Antitrust Compliance 16.12 The Merger Process 16.13 The Merger Agreement 16.14 The Closing and Postclosing Integration</p>
Objectives	<ul style="list-style-type: none"> • Compare and contrast the advantages and disadvantages of business combinations compared with IPOs. • Describe the different types of acquirers that seek out businesses to acquire. • Explain the various forms of business combinations that exist when acquiring another business. • Describe the pricing issues and types of consideration

	<p>involved with business acquisitions.</p> <ul style="list-style-type: none"> • Discuss the effect of a business combination on preferred stock rights and stock options. • Explain the tax treatment considerations involved with various business combinations. • Explain the roles and rights of the various types of shareholders and the dissenters' rights. • Describe the fiduciary duties of the board and controlling shareholders. • List and explain the legislation that pertains to securities. • Discuss the pertinent accounting treatments and antitrust compliance when buying or selling a business. • Explain the steps of the merger process.
--	---

Chapter 17 – Going Public	
Lessons	<p>17.1 A Brief History of Modern IPO Market Conditions 17.2 IPO versus Sale of the Company 17.3 Advantages and Disadvantages of Going Public 17.4 When Is the Company a Viable IPO Candidate? 17.5 Participants in the IPO Process 17.6 Preparing for the IPO 17.7 The IPO Process 17.8 Restrictions on Resales of Shares after an IPO 17.9 Ban on Insider Trading 17.10 Liability for Short-Swing Profits 17.11 Ongoing Responsibilities of a Public Company and Its Directors and Officers</p>
Objectives	<ul style="list-style-type: none"> • Discuss the history of modern IPO market conditions. • Explain the difference between IPO and the sale of a company. • List the advantages and disadvantages of going public. • Explain what determines when a company is a viable IPO candidate. • List and explain the participants in the IPO process. • List and explain the steps in the IPO process. • Describe the restrictions on resales of shares after an IPO. • Explain the many legal implications of insider trading. • List and explain the ongoing responsibilities of a public company and its directors and officers.

ACE Business Law (3 Semester Credits)

