



CRESTPOINT UNIVERSITY

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PLG-105 Business Law and Bankruptcy Syllabus and Course Guide

The Business Law and Bankruptcy course meets 15 times over the course of the 8- week term in the Crestpoint Interactive classroom. Each session consists of about 60 minutes of online lecture by the course instructor. After the lecture, students may ask questions and make comments on the material being studied.

Classes for this course occur on Mondays and Wednesdays at 8:00 PM Eastern time, in accordance with the lecture schedule on this syllabus. The first class is on Monday, May 4, 2026.

All class sessions are recorded and may be viewed by students at any time.

Unless an extension has been taken pursuant to the Crestpoint Extensions Policy (see the end of this syllabus), all course assessments must be submitted by the course deadline which appears later in this syllabus. The deadline can also be found at the end of the syllabus or by clicking on the Course Name, then Progress Report. Generally, the course deadline is approximately 4 weeks after the last day of the course.

No extensions may be taken or granted unless the student has submitted one or more assignments or exams in advance of the original deadline. In addition, extensions are subject to grade penalties and are limited to no more than 15 days from the date of the original deadline.

Please note that students are strongly encouraged to do their work as the course progresses rather than waiting for the days or weeks before the deadline to do all of their work. It is also critically important that students realize that:

1. A grade of "Incomplete" is the same as an "F" and is a failing grade.
2. A grade of "Incomplete" will result in a reduction in the student's grade point average.
3. Student may have to pay to re-take or replace a course for which a grade of Incomplete is assigned.
4. Two consecutive Incompletes may subject the student to dismissal from the college under Crestpoint's chronic incomplete policy.

5. Students with a GPA of under 2.0 are not eligible to receive federal financial aid and cannot graduate until their GPA is at or above 2.0.

If you are having trouble completing the course, the student is strongly encouraged to contact his or her academic advisor or [Academic Support](#).

Please note also that:

- A student who receives an incomplete on his or her first course may be dismissed from Crestpoint.
- A student who fails to complete at least one weekly interaction during the first 14 days of the course will automatically be withdrawn from the course per Crestpoint policy. The student may re-join the class by prompt notification to Crestpoint and by prompt completion of an interaction shortly thereafter.

Course Instructors:

Instructor: Robert Greenberg (robert.greenberg@gmail.com)

Grader: Michael Dubitsky (michael.law.npc@gmail.com)

Course Description:

This course is designed to provide our students with a basic understanding of the principles of the most significant laws pertaining to business organizations.

The business organization law component of the course will deal with the individual characteristics of various business organizations, including publicly held and closely held corporations, general partnerships, sole proprietorships, limited liability partnerships and limited liability companies. These various forms of business will be compared and contrasted to determine the advantages and disadvantages of creating and maintaining each form.

Students will become familiar with the laws governing the creation and operation of these various business entities, their dissolutions and liquidations, and their relationships to various categories of creditors and shareholders.

The bankruptcy component of the course will acquaint our students with an understanding of the three most common forms of bankruptcy under Chapters 7, 11 and 13 of the United States Bankruptcy Code. Although bankruptcy law is primarily relevant to businesses, we will explore the entire spectrum of bankruptcy law, including individual bankruptcies under Chapters 7 and 13, in addition to an overview of the complexities of business bankruptcies under Chapters 7 and 11 of the Bankruptcy Code.

Certain practical matters to be covered will include the filing of bankruptcy petitions, motion practice in bankruptcy, the role and powers of the bankruptcy trustee, dischargeability of debts, reorganization of businesses, and the analysis and preparations of statements and schedules.

Course Objectives:

Upon completion of this course, students will be able to:

- Describe the various documents that must be filed with government agencies in order to create various types of businesses.
- Explain the characteristics of various business formations, especially as they relate to tax and liability issues.
- Describe the formation of a corporation, including the certificate of incorporation and corporate bylaws.
- Determine which form of business is most appropriate in a particular situation.
- Describe the various remedies available to shareholders in claims of mismanagement against key personnel of the corporation.
- Describe the basics of mergers, acquisitions and hostile takeovers.
- Describe the procedures through which mergers and hostile takeovers are accomplished and apply some of the laws surrounding those events to hypothetical situations.
- Describe the functioning of the major stock exchanges, such as, the NY Stock Exchange and NASDAQ.
- Explain the various types of bankruptcy protection available under federal law.
- Identify the most appropriate type of bankruptcy protection to seek, given an individual's financial situation.
- Differentiate between the different types of bankruptcy filings, including liquidation bankruptcy under Chapter 7 of the Bankruptcy Code and reorganization under Chapters 11 and 13.
- Describe the bankruptcy process, including the various timetables involved.
- Describe and apply the rule of priority of creditors, and determine which debts will most likely have priority over others.

Textbook:

All reading assignments refer to the Crestpoint courseware, Cases and/or statutes that are specifically mentioned in the syllabus are required reading. The texts of these cases and/or statutes may be accessed directly from the courseware. In addition to the assigned courseware and cases, students should familiarize themselves with the various legal documents listed for each lecture. These documents can be found on the Course Materials, under this course's materials, on the Crestpoint student website. Some, but not all, of these documents will be discussed in class. Reading assignments for each class should be completed prior to the class.

In addition to the courseware's electronic form, you may also view/print out a PDF version of the courseware that includes:

- 1) The courseware**
- 2) All lecture slides**

See the course materials page for the link.

Weekly Interaction Requirement

To ensure that all students are involved, participating, and in compliance within the course, each student should complete one assessment each week. This requirement may also be met by attending a live session during a given week. Students who do not fulfill the requirement within a given week will be sent reminder emails. Students who fail to interact in multiple weeks may be subject to academic and financial aid consequences, in accordance with Crestpoint's Satisfactory Academic Policy and other school policies.

Course Structure

After logging into your Crestpoint student account, locate your enrolled course by scrolling down and clicking on the course name. Your course will expand, and you will find eight modules, each corresponding to one week of the course. Slides and documents, assignments, discussions, and exams for each week are organized within the respective module. Recorded lectures will be posted as the course goes along.

Assessments

Assessments may be in the form of discussion questions, assignments, and/or exams.

Exams are graded on a scale of 0-100 and must be done in 2-4 hours, depending on the exam. The start exam page indicates the length of time for each exam. Discussions and assignments should be completed in accordance with the assignment instructions. Assignment information can be found at the end of the course syllabus.

Please see the Grading Policy under School Links for specific details regarding the grading of assessments.

Crestpoint Academic Advisor

Each Crestpoint student is assigned an academic advisor upon enrollment. Your academic advisor is a resource that can and should be drawn on if you need academic assistance. This includes advice on studying, help with assignments, general academic questions, etc. You should have received an email from your academic advisor upon enrollment. If you have not received such an email or do not know who your academic advisor is, please contact Anne Lewis at anne@crestpoint.edu.

Crestpoint Plagiarism Policy

All work done by Crestpoint students is expected to be their own work. In addition, Crestpoint students may not share their completed work, answer keys, or sample answers which they have obtained by any method with any other student. Students may NOT upload any sample answer (whether written by themselves or any other person) to any publicly available website or database.

Students are requested and encouraged to please review the [Academic Integrity and AI Use Policy](#).

Students are responsible for complying with its terms.

Course Grades

Grades are issued on a classical A through F scale based on the grades scored on the assessments, per this syllabus.

Lesson Schedule

Module 1

Lecture 1: Monday, May 4

This class serves as an introduction to the corporate form and will provide an in depth look at the nature, formation, and role of the corporate form in American law and business. We will start by considering what it means to incorporate and the process of incorporation. We will discuss open and closed corporations and the various formalities that must be undertaken to legally form a corporation.

Courseware Reading:

Chapter 1: The Corporation; Form and Features

- A. Introduction to the Corporate Form
- B. Open versus Closed – Ownership of the Corporation
- C. Formation: People
- D. Formation: Paper
- E. Formation: Acts

Cases and Statutes:

8 Del C. § 342

This Delaware statute defines close corporation and should be read to be able to compare and contrast the close corporation from the open corporation

8 Del C. § 102

This statute sets forth the Delaware law regarding the requirements for the contents of certificates of incorporation. This statute will be helpful in completing the assignment that will call for you to draft a certificate of incorporation.

Lecture 2: Monday, May 4, following Class 1

To start this class, we will examine some of the documentation involved in forming a corporation. We will look at articles of incorporation for a standard and for a nonprofit corporation as well as at corporate bylaws. We will then turn to some of the important rules that govern corporations in general, including a

look at corporate taxation and the liability shield generally afforded by corporations (and, of course, the times that it doesn't work).

Courseware Reading:

Chapter 1: The Corporation; Form and Features

F: Liability and the Corporation

G: Taxing the Corporate Form

Cases and Statutes:

Greenfield v. Colonial Stores

This Georgia court of appeals case discusses the extent of the liability of a corporation for the torts committed by its employees. In discussing this case and others like it, we will analyze the extent to which the traditional tort *respondet superior* rules apply to corporations

Documents for Review:

- Certificate of Incorporation
- Corporate Bylaws
- Articles of Incorporation for a Not-for-profit Corporation

Complete Weekly Discussion 1

Complete Assignment 1

NOTE: NO CLASS ON WEDNESDAY, MAY 6

Module 2

Lecture 3: Monday, May 11

This class will consist of a Lexis tutorial/ assignment walkthrough. The instructor will use a research assignment from a past or current course to demonstrate the way an assignment should be researched and composed.

The instructor will walk the students through the various Lexis databases and explain to students how to most efficiently use the Lexis system to complete research assignments. Various general aspects of navigating Lexis, including Shepardizing, seeking and finding appropriate search databases, getting a document by citation, etc., may be explored.

The instructor will also discuss how to most effectively plan, outline, organize and draft research assignments. Model answers and/or past student submissions may be used to illustrate what a “4” assignment looks like and how to compose one.

Lecture 4: Monday, May 11, following Class 3

In this class, we will begin our discussion of the various forms that a client may choose when deciding on which business entity under which to operate a business. We will start by discussing sole proprietorships and the basic (general) partnerships. We will look at the Uniform Partnership Act and discuss some default rules that apply to general partnerships. We will also look at the limited partnership as a form of business under which investors in a business can maintain a liability shield from debts of the partnership itself.

Courseware Reading:

Chapter 2: Other Business Forms

- A. Introduction
- B. Sole Proprietorship
- C. Partnerships
- D. The Limited Liability Partnership

Cases and Statutes:

Uniform Partnership Act of 1997 § 402

This section deals with the rights and duties of partners. In most states, you can assume that these rules mirror the default rules for partnerships if something different is not decided by the partners.

Delaware Revised Uniform Partnership Act § 15-1001

This statute sets out the general requirements for the formation of a Limited Liability Partnership under Delaware law.

Documents for Review:

- General Partnership Agreement

Complete Weekly Discussion 2

NOTE: NO CLASS ON WEDNESDAY, MAY 13

Module 3

Lecture 5: Monday, May 18

In this class, we will continue with our discussion of business organizations with a discussion of the Limited Liability Company, the Professional Corporation (P.C.) and the Subchapter S corporation. We will discuss

the requirements and strengths and weaknesses of these business forms and the facts that may lead to a client choosing one business form over another.

Courseware Reading:

Chapter 2: Other Business Forms

- E. The Limited Liability Companies
- F. The Professional Company
- G. The S-Corp

Cases and Statutes:

§ 805 ILCS 180/5-5

This represents a typical statute setting forth the requirements for the formation of a Limited Liability Company (LLC), which is the fastest growing form of business in today's world.

Documents for Review:

- LLC Articles of Organization
- S-Corporation Status – Kit
- Operating Agreement for a Limited Liability Company

Lecture 6: Wednesday, May 20

This class will begin our discussion of the various individuals charged with running a corporation. In this class, we will look at directors and officers and focus specifically on the duties and responsibilities that they owe to the corporate shareholders.

Courseware Reading:

Chapter 3: Directors and Officers

- A. Introduction to Directors and Officers
- B. The Duty of Loyalty
- C. The Duty of Care

Cases and Statutes:

Broz v. Cellular Information Systems, Inc.

In this case, the Delaware Supreme Court dealt with the question of what constitutes a “corporate opportunity.” This case demonstrates how a court must analyze when a director may take an opportunity for him or herself and when doing so would be a breach of the fiduciary duty of loyalty. Specifically, when can a corporate director or officer assume that his or her corporation would have no interest in an opportunity and thus be allowed to take advantage of it without presenting the opportunity to the corporation?

Complete Weekly Discussion 3

Module 4

NOTE: NO CLASS ON WEDNESDAY, MAY 25

Lecture 7: Wednesday, May 27

Next, we will continue our discussion of officers and directors. We will look at the all-important “business judgment rule” and discuss its application in today’s business world. Next, we will discuss when a court will “pierce the corporate veil,” namely, when the court can and will hold the corporate directors liable for corporate debts. Finally, we will discuss to what extent a corporation may indemnify its directors for lawsuits brought against the directors by shareholders.

Courseware Reading:

- Chapter 3: Directors and Officers
 - D. The Business Judgment Rule
 - E. Piercing the Corporate Veil
 - F. Indemnity

Cases and Statutes:

Smith v. Van Gorkum

This Delaware Supreme Court case threw the business community for a loop. Here, the highest court in one of the most corporation-friendly states said that a board of directors can be held liable for making a hasty decision, even if there were sound business reasons for that decision. This is based on the duty on the corporate director to perform “due diligence” before entering into a corporate transaction. Van Gorkum must be included in any discussion of the business judgment rule.

Complete Weekly Discussion 4

The Midterm Exam can be taken at this point

Module 5

Lecture 8: Monday, June 1

This class will consider the role of the shareholder in the various functions of the corporation. The shareholder also has a variety of rights with regard to the corporate form and needs to be aware of these rights and how they are exercised. We will also discuss corporate dividends, and when and how they are declared.

Courseware Reading:

Chapter 4: Rights and Roles of Shareholders

- A. Shareholder Voting
- B. Voting by Proxy
- C. Dividends
- D. Appraisal Rights

Cases and Statutes:8 Del. C. § 170

This Delaware statute describes when corporate dividends can be declared and the procedure for declaring them.

Documents for Review:

- Shareholder Proxy Agreement Form

Lecture 9: Wednesday, June 3

In this class, we will continue to discuss the role of the shareholder of a corporation. We will discuss the debts shareholders are personally liable for and the major remedies that shareholders enjoy when aggrieved by actions of the directors or officers. We will look at the shareholder derivative action, when it is appropriate and its process.

Courseware Reading:

Chapter 4: Rights and Roles of Shareholders

- E. Liability of Shareholders
- F. The Derivative Suit

Cases and Statutes:*Dumas v. InfoSafe Corp.*

In this case, the South Carolina Supreme Court discusses when a court should pierce the corporate veil to hold shareholders liable for employees' wages. This is an important read because it shows nicely how courts strike a balance between the interest of making sure that employees get their wages and the interest in encouraging commerce by protecting the corporate entity. Also, the court discusses the "fault" factors on behalf of the shareholders that will make courts more likely to pierce the corporate veil.

Federal Rules of Civil Procedure: Rule 23.1

This federal rule sets forth the procedure that must be followed when a shareholder sues the directors of a corporation on behalf of the corporation for violating a fiduciary duty owed to the corporation.

Complete Weekly Discussion 5

Module 6

Lecture 10: Monday, June 8

This class will consider changes to the corporate form via merger, sale, and other combinations. In addition, we will also consider several means of defense that can be used by the corporation to defend from hostile takeover.

Courseware Reading:

Chapter 5: Mergers and Acquisitions

- A. Mergers and Acquisitions
- B. Share Exchanges and Combinations
- C. Purchase of All Assets
- D. The Hostile Takeover
- E. Poison Pills

Cases and Statutes:

8 Del. C. § 251

This is the Delaware statute on the requirements of and procedures for mergers and acquisitions.

Bank of New York Co. v. Irving Bank Corp.

How far may a corporation go in adopting a “poison pill”? Not as far as restricting the actions of future boards (a “dead hand” poison bill), says the New York County Supreme Court. Pay attention, while reading this case, to the manner in which the court justifies its decision by pointing out that the “greater evil” of tying the hands of future directors outweighs the rights of the current directors to act freely in adopting their own plans.

Lecture 11: Wednesday, June 10

This class will provide an introduction to how the corporation raises funds for its operation along with an overview of the various securities laws and markets. We will also look at the SEC Acts, their background and how they apply today. We will especially focus on the insider trading rules and how they operate.

Courseware Reading:

Chapter 6: Securities Laws

- A. Financing the Corporation
- B. Introduction to the Securities Laws
- C. The Offering Process
- D. The Securities Markets and their Governance
- E. Insider Trading

Cases and Statutes:

15 USCS § 78b

This section of the United States Code (which was originally promulgated as part of the SEC Act of 1934) sets forth the reasons for the necessity of regulating the trading of securities both on the exchanged and “over the counter.”

15 USCS § 78f

This statute sets forth the rules for Securities Exchanges. Don’t try to read this whole thing; it’s very long. But, notice the stringency of the requirements and how the law is designed to protect the investor to the highest degree that it practical.

Securities and Exchange Commission v. Texas Gulf Sulphur Co.

This important Second Circuit Court of Appeals case analyzes “insider trading” as it relates to information obtained by employees in the course of their employment (as opposed to directors and officers). When skimming this case, think about whether the insider trading rules are fair with regard to restricting the freedom of action of employees of a company who are not charged with fiduciary duties to the company.

Documents for Review:

- Corporate Stock Certificates – Kit
- Stock Purchase Agreement

Complete Weekly Discussion 6

Complete Assignment 2

Module 7

Lecture 12: Monday, June 15

This class will begin the bankruptcy component of this course. We will look at the background of the bankruptcy rules and will focus on the structure of the bankruptcy code (Title 11 of the United States Code). We will also discuss general bankruptcy law issues, such as federal court jurisdiction, automatic stays and adequate protection. Then, we will focus on “liquidation” bankruptcy under Chapter 7 of the Bankruptcy Code.

Courseware Reading:

Chapter 7: Bankruptcy

- A. Introduction to the Bankruptcy Laws
- B. The Chapter 7 Filing

Cases and Statutes:

11 USCS § 507

This statute in the Bankruptcy Code lists the priority of creditors. This is one of the most important statutes in the code because the main point of contention in any bankruptcy proceeding is which creditors get what from the bankruptcy estate. This statute provides many of the answers.

11 USCS § 362

This, the “automatic stay” provision, allows the bankrupt debtor relief from creditor harassment from the time that the bankruptcy petition is filed until the proceeding is completed. Since relief from creditor harassment is usually the reason that people file for bankruptcy in the first place, this is a key provision.

11 USCS § 727

Here is put forth the all-important provision for the bankruptcy “discharge.” This section determine when and under what circumstances the debtor can obtain what is the purpose of the bankruptcy proceeding- the elimination of the debtor’s debts.

Documents for Review:

- Power of Attorney to Act as Representative in Bankruptcy Negotiations
- Chapter 7 Discharge Order
- United States Bankruptcy Court Involuntary Petition
- United States Bankruptcy Court Voluntary Petition
- Instructions for Completing Official Form 1 - Voluntary Petition
- List of Creditors for Bankruptcy Petition

Lecture 13: Wednesday, June 17

In this class, we will focus on “reorganization” bankruptcy proceedings. Specifically, we will focus on business reorganization bankruptcy (Chapter 11) and non-liquidation personal bankruptcy (Chapter 13).

Courseware Reading:

Chapter 7: Bankruptcy

- C. The Chapter 11 Filing
- D. The Chapter 13 Filing

Cases and Statutes

11 USCS § 1121

This statute discusses the preparation of a bankruptcy plan so a debtor (almost always an organization) can get bankruptcy protection and still stay in business by working with the creditors to develop a plan that is satisfactory to all parties.

Documents for Review:

- Ballot for Voting on Chapter 11 Plan

- Notice of Creditors in a Chapter 11 Bankruptcy Case
 - Notice of Creditors in a Chapter 13 Bankruptcy Case
-

Module 8

Lecture 14: Monday, June 22

We will next turn to a discussion of the general rules regarding the creditor-debtor relationship and their competing rights. We will discuss the rights of creditors in the collection of debts, especially as they relate to collateral and secured transactions. We will look at the federal Fair Debt Collections Practices Act. Finally, we will look at the priority rules between creditors who are attempting to collect the same collateral or assets from the same debtor.

Courseware Reading:

Chapter 7: Bankruptcy
E. Creditors' Rights and Secured Transactions
F. Priority in Foreclosure and Debt Collection

Cases and Statutes:

U.C.C. § 9-304

This statute sets forth the parameters for perfection of a security interest. Perfection is critical for a creditor because those creditors that perfect their interests have priority over those creditors who do not perfect their interests. Of course, even those who do not perfect their interests often have priority over those creditors who are unsecured.

U.C.C. § 9-402

This statute explains the procedure (and even gives an example) for the preparation and execution of the all-important financing statement which must be used to secure the interests of the secured creditor.

Lecture 15: Wednesday, June 24

The final class will review several specialized areas within a corporate legal practice in addition to providing an introduction to other major players in the business world – specifically accountants and investment bankers.

Courseware Reading:

Chapter 8: Special Issues in Business Law
A. Introduction to Special Topics
B. Venture Capital
C. Leveraged Buyouts
D. The Role of Accountants
E. Investment Bankers

Cases and Statutes:

SEC v. General Refractories Co.

This case discusses the standard that the SEC must meet in asking for injunctive relief against a corporation to stop them from engaging in questionable practices regarding its disclosure of information and/or accounting practices. In light of the recent corporate and accounting scandals, such as the Enron and Arthur Anderson debacles, this case becomes especially relevant and important to analyze.

Documents for Review:

- Joint Venture Agreement
- Debtor's Statement of Financial Affairs

The Final Exam can be taken at this point

All course assessments are due no later than Sunday, July 26, 2026, at 11:59 PM EASTERN TIME; that's EASTERN time. That means 8:59 PM Pacific time, 9:59 PM Mountain time, 10:59 PM Central time, etc.

CRESTPOINT EXTENSIONS POLICY

- 1) Extensions that conform to the rules below may be requested from the course materials page on the student website.
- 2) The maximum possible extension allowed is 15 days, save for truly exceptional circumstances.
- 3) Students must complete one or more legitimate assignments or exams to be eligible for any extension at all.
- 4) Requested extensions are granted automatically. It is not necessary to give any reason for the request. However, for each day of extension you request, you may be penalized 0.6% of your course grade, per day of extension. This is necessary to compensate for the advantage that students who take more time to do their work enjoy over those who complete their work on time. This also means that a short extension (e.g., a day or two) is unlikely to affect your grade, but a long extension (e.g., two weeks) is guaranteed to affect your grade.
- 5) The penalty referenced in Paragraph 4 may be waived by the Director of Education in extreme cases only. Extreme cases include circumstances beyond the control of the student that caused the student to be unable to complete work for *a significant period of time*. Circumstances such as being busy at work or at home, vacations, family occasions or power or internet outages lasting a few days, are foreseeable life circumstances. Extensions may be taken for these reasons (or, for that matter, for any reason at all), but the grade penalty

discussed above applies. However, please note that the course deadline cannot be extended more than 15 days for any reason at all except in the most extreme cases.

Course Assignments

Assignment 1:

Sara Seller wants to form a corporation. She has a thriving business in which she buys cheap baking and cooking equipment and then re-sells it at her store at a substantial profit. She needs some extra cash right now to buy a new store, and she does not want to risk her personal assets by taking out a loan. Therefore, Sara has decided to form a corporation. Sara would like to sell shares of her business to anybody who is willing to invest in her company, but she wants to limit the total number of shares issued to 100 shares, as she doesn't want too many people to own the company or to make ownership of her corporation overly complex. Sara's residence is 333 North St., Westerville, Old Hampshire. Her store is located in downtown Westerville, in the county of White Rock. She would like this corporation to be formed as early as possible.

First, please draft Sara's articles of incorporation. You may use a form from any state you choose, though we recommend using the form from your home state. Make sure you use a legitimate state form and not a generic certificate. Articles of Incorporation can typically be found at the Secretary of State website for each state—avoid websites that are selling forms or want you to pay for them to create them. Free forms are available from each state's official government site.

Second, please draft a letter to Sara advising her of the key aspects of a c-corporation before going through with her plan to form a corporation. You do not need to advise her about other business forms, she has already decided on a corporation. Provide info to her on the types of c-corps so she knows which is best and the important features of and managing a corporation along with explaining which documents need to be prepared and filed, the applicable fees, etc. Indicate that the draft of her articles is enclosed for her review.

Information regarding fees and the like will be found online and vary depending on which state is being utilized.

Please submit both documents in one file as the system will not allow you to submit two separate files for one assignment. The following tutorial video shows how to merge certain types of files: <https://www.youtube.com/watch?v=rdfTsf-Eg0g>. If you need help, contact your Crestpoint academic advisor.

Assignment 2:

Aquaman is president of a marine research company called "Underwater Leagues, Inc." On April 1, the research director of Underwater Leagues tells Aquaman that they've come up with "Oxygum," a means of breathing underwater by chewing a special kind of gum. Aquaman knows a great product when he hears it.

He delays announcing the invention to the public so that he can buy all the stock he can get his hands on. He buys 50,000 shares of Underwater Leagues, at \$10 a share. After the announcement, the share price skyrockets to \$50 per share.

a) If the shareholders bring a derivative action against Aquaman, what federal law should they accuse Aquaman of violating? Provide the properly cited statute and its relevant content for your answer.

b) Did Aquaman actually violate that statute? Find at least one relevant federal case that includes the statute and apply it to discuss if Aquaman violated the statute. **An IRAC-style essay is appropriate for this answer.**

c) Using at least one cited case reference, determine what remedy the shareholders would be able to seek for such a violation. Identify what the remedy is called, what it allows for and why, and how much money Aquaman would be liable for under such remedy. **This answer should be at least three paragraphs.** If the case you use for question (b) also discusses remedies, it may be used for both questions.

For this assignment, be sure to use federal case and statutory law since the issues are SEC (federal) issues.