**Corporate Governance – Law 7930 § 3**

**Jon Klick**

**Class Details**

MT: 9:30-10:25
Room 308

**Office Hours**

MT: 10:30-11:30
Room 315 (644-5714)

**Description:** The purpose of a corporation is to maximize shareholder wealth which requires controlling both transactions costs and agency costs. In this seminar, we will read and discuss theoretical and empirical research examining the efficacy of various internal and external mechanisms that are meant to improve shareholder wealth.

**Attendance:** Most of the articles covered in this seminar will be more technical than the median law student is used to. Thus, for most of you, regular attendance will be necessary to get any value out of the seminar, and it will give you an idea of what kind of analysis I will be expecting in your seminar paper. Further, I expect significant participation from everyone in the course of class discussions.

**Course Grade:** Your grade for the course will be determined entirely by the quality of your seminar paper. Paper grades will be determined according to the class profile curve provided to me by the Law School. Papers should be more analytical than descriptive. Keep in mind, an ambitious topic tackled well will generally score better than a humdrum topic executed perfectly. Please arrange a meeting to discuss your topic with me by October 4, 2005 and provide me with a draft before October 31, 2005. Arrange a second meeting with me to discuss your draft. Final drafts are due on the last class day, November 22, 2005.

**Course Schedule:**

**Theory of the Firm**

- **August 29:** No Class
- **August 30:** No Class

**Executive Compensation**


**Market for Corporate Control**


Corporate Boards


Litigation & Regulation


Case Study: Enron

For this section you need to read McLean and Elkind (2004). The Smartest Guys in the Room: The Amazing Rise and Scandalous Fall of Enron.

November 7: McLean and Elkind
November 8: McLean and Elkind
November 14: McLean and Elkind
November 15: McLean and Elkind
November 22: Papers Due; Wrap Up.