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BUSINESS LAW PRACTICUM
(<http://www.lls.edu/businesslaw/index.html>)

AALS 2009 MID-YEAR MEETING
Conference on Business Associations
June 8, 2009

Transaction Approaches to Business Association Pedagogy

Loyola Law School has implemented a new program, the BUSINESS LAW PRACTICUM, which adopts a new and innovative approach to educating law students so that they will be well-prepared to begin the practice of law in a transactional setting.

The principal emphasis of Loyola's new BUSINESS LAW PRACTICUM is to offer law students the opportunity to study and understand transactions using a simulated deal format that will also include a substantial focus on the ethical considerations that face the modern transactional lawyer. In a manner that is responsive to the criticisms of legal education that were set forth in the CARNEGIE FOUNDATION REPORT (2007), this new, deal-oriented curriculum will integrate the teaching of *both* lawyering skills *and* the fundamental substantive knowledge required for a first-year associate to be successful practicing general corporate law in a transactional setting. Using simulated deal formats that are drawn from the files of real world practicing lawyers, students enrolled in our new BUSINESS LAW PRACTICUM will be expected to analyze both the *legal issues* and the *business considerations* that must be taken into account in planning the structure and negotiating the terms of the deal under study that semester.

The focus of my presentation at the June 2009 AALS Workshop will be to describe the current capstone course of this new curriculum, *Business Planning: Financing the Start-Up Business and Venture Capital Financing*. This course tracks the formation of a new business, including the use of an LLC as the entity organized to obtain financing through a strategic joint venture relationship with a larger established business. The course then proceeds to consider the use of venture capital to grow the start-up business, including a detailed examination of the issues faced by founders in their relationships with the company and with each other, and the terms and documentation of a typical venture capital financing transaction. Together with my co-author, Professor Dana Warren, we have contracted with Aspen Publishers to write a BUSINESS PLANNING casebook (forthcoming 2010). Our casebook is based on the innovative course materials and pedagogical approach that we have developed in our *Business Planning* course.

Use of the simulated deal format in this new course has allowed us to develop weekly homework assignments (completed on an un-graded basis) and three drafting exercises (that form the basis for the student's grade in the class), all of which are representative of the work assignments that junior associates typically are asked to complete as part of working on a financing transaction for a start-up business. In addition, these assignments are designed to reinforce the new concepts and principles that are covered in the reading materials for each class session. Finally, these

assignments have been deliberately crafted to allow the students to see the stages typically involved in the life cycle of a deal and study the business and legal issues typically encountered as the transaction progresses from inception to completion.

Even more importantly, all three of the graded assignments are evaluated by the instructor from the perspective of experienced senior lawyers who are looking to the work product of junior lawyers to provide them with the analysis and recommendations needed in order to give appropriate legal advice to the client in a transactional setting, an approach which is radically different than the analytical approach and writing style typically required to be successful on the traditional form of law school exam. In this way, our innovative approach to teaching the *Business Planning* course is designed to bridge the gap between law school and legal practice as a transactional lawyer.

More information about the *Business Planning* course is available at the BUSINESS LAW PRACTICUM website (<http://www.lls.edu/businesslaw/index.html>).