



## Sofaer Global MBA

### 1238.3220.01 – Legal Aspects of Entrepreneurship

#### Module 5 – 2022

#### Course Section Details

Day	Hour
03/07/2022	14:30-18:00
04/07/2022	14:30-18:00
05/07/2022	14:30-18:00
06/07/2022	14:30-18:00
07/07/2022	14:30-18:00

Lecturers: Professor Justin Levinson, [justinL@hawaii.edu](mailto:justinL@hawaii.edu)

TA: TBD

#### Course Description

This course introduces students to the fundamental concepts of entrepreneurship law, contextualized in a global business world, with a particular focus on the United States and Israel. Whether students are interested primarily in start-ups, big business, technology generation, international relations, or law, this course will provide a core understanding of how to start and build businesses in global context. It will introduce students to the basics of entrepreneurship and related laws in the United States, and then will compare concepts to the global marketplace. It will pay particular attention to connecting concepts to on-the-ground examples, and students will develop practical skill sets that will have real world importance (e.g. venture capital term sheet negotiation, contract drafting). Furthermore, it will situate entrepreneurship law within the context of current investment trends, and will therefore provide a legal perspective with which to analyze emerging cryptocurrency-based start-ups (including DAOs).

#### Course Objectives

Upon completion of the course, the student will:

\* obtain working knowledge of the core principles of law relevant to high growth entrepreneurial industries including: starting a business, corporate fundraising, venture capital, preferred stock, fiduciary duties, intellectual property protection, debt, and more.



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- \* develop and expand legal problem-solving capabilities, and especially to enhance the ability to apply legal doctrine under a variety of conditions.
- \* begin to establish an identity as a businessperson with legal competencies, and to develop a sense of the ethical and professional responsibilities that come along with legal knowledge.
- \* understand the ethical responsibilities of lawyers and corporate leaders; the effect of legal institutions on society; the development of problem solving, research, written and oral communication skills; critical thinking designed to serve life-long learning, and the connectedness of a diverse and cross-cultural world.

### Assessment and Grade Distribution

Grade weight	Assignment	Requirements
50%	Written Reports- groups	2-3 members per group.
25%	Presentation- groups	10 minute video presentation.
25%	Class Participation	Participate actively during class.

### Course Assignments

- **Written Reports- groups:** You will prepare Reports based upon either (1) a technology list and profile that I will provide to you during the semester (you will have the opportunity to choose your favorite new business technology among several options), or (2) your own technology-based start up idea. Your Reports will consist of your novel legal strategy and detailed analysis that apply what you have learned during the semester to real-world technology. For this project, you will be working in small groups comprised of two or three students. **Your final reports are due on [July 21 at 11:59 pm.]**
- **Presentations:** Each team will record and turn in a video presentation of your reports. I encourage you to think of the presentations as a client meeting, during which you will be advising your client on the major legal topics you have identified and analyzed. Your presentation shall consist of a 10 minute presentation of the report. These reports will be shared with the class so that the class can learn from each other.
- **Attendance, Preparation, and Participation:** Class attendance is required. This class is designed to be an engaging participatory space with comfortable dialogue, collaborative work, and participation. I expect that you will be prepared for class and ready to participate.
- **Participation self-evaluation:** No later than July 12th, all students must complete a participation self-assessment where you will be asked to evaluate your class participation



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### Course Site (Moodle)

according to the guidelines listed below. Students that do not complete the participation self-assessment on time will receive no credit for the class participation component of their own grade. To qualify for a participation grade you must satisfy or exceed ALL of the listed characteristics for the given grade.

Participation Grade	Characteristics
A	Regularly volunteered comments or asked questions that other students found valuable. In response to being called upon, always demonstrated preparedness.
B	Often volunteered comments or asked questions that other students found valuable. In response to being called upon, generally demonstrated preparedness.
B-	Infrequently volunteered comments or asked questions that other students found valuable. In response to being called upon, sometimes demonstrated lack of preparedness.
C	Never volunteered comments or asked questions that other students found valuable. In response to being called upon, demonstrated lack of preparedness.
F	In response to being called upon, demonstrated lack of preparedness. Occasionally disruptive to the learning environment of others.

### Grading Policy

As of the 2008/9 academic year the Faculty has implemented a grading policy for all graduate level courses. This policy applies to all graduate courses in the Faculty, and will be reflected in the final course grade. Accordingly, the final average of the class for this course (which is a core course) will fall between 83-87%. Additional information regarding this policy can be found on the Faculty website.

### Evaluation of the Course by Student

Following completion of the course students will participate in a teaching survey in order to evaluate the instructor and the course for the benefit of the students and the university.



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The course Moodle site will be the primary tool used to communicate messages and material to students. It is, therefore recommended to periodically check the course site in general, periodically, before each lesson, at end of the course as well. Course slides will be available on the course site.



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Subject number	Subject	Required Reading
1	<i>Forming a New Company</i> - Common errors and mistakes made during the first months. Discussion topics will include failing to properly account for claims of prior companies, "splitting the pie," employee stock option plans and employment agreements, entity selection, and forming the Board of Directors	Chapter 2
2	<i>Raising Capital</i> - Focus on raising equity, including valuation calculation, and understanding Preferred Stock in the venture context. First half of class: we will focus on understanding the nuts and bolts of fundraising. Second half of class: we will begin the negotiation of a Series A Term Sheet.	Chapter 13
3	<i>Raising Capital (part II) &amp; Intellectual Property</i> - First half of class: complete venture capital negotiations and debrief. Second half of class: What to protect, when, why. What are the risks companies should know about; how do companies identify and make the right IP choices.	Chapter 14
4	<i>Sales Contracts &amp; Cryptocurrency</i> - Startups often aren't prepared to turn their new product excitement into strategic and smart contract terms. Here, we will look at the ways that monetizing new technologies can go right (and wrong). We will also discuss new trends in business contracts, such as "influencer contracts" and cryptocurrency-based "smart contracts".	Chapter 9
5	<i>Fiduciary Duties of Board of Directors &amp; Raising Additional Capital (Debt)</i> Fiduciary Duties: What do entrepreneurs really need to know about these core business law concepts? When do they arise, how can trouble be avoided, and how can entrepreneurs protect themselves? Raising Debt: Companies often can't use much debt financing (other than convertible notes, which we will cover) in the earliest stages, but as soon as companies grow a bit, they need to know how Debt deals, loans, and bonds work. Second half of class: Negotiate in-class Loan Agreements	



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### Required Reading

The primary course material is the course book (The Entrepreneurs Guide to Law & Strategy, Bagley & Dauchy, 5<sup>th</sup> edition). There may also be handouts. See the course outline for when you are responsible for your readings.