

Business Organizations Resources on Practical Law

Below is a list of essential Practical Law resources to help you get up to speed on the basics. These helpful resources include:

- Practice Notes: Plain language, how-to-guides.
- Standard Documents: Sample templates of pleadings, motions, and other documents that include helpful drafting notes which provide guidance and direction.
- Checklists and Flowcharts: Process oriented guides to give you a quick overview of required steps for various issues.

Asset Acquisitions: Overview – Practice Note

Understand the relevant criteria for determining whether a particular security is classified as debt or equity for US federal income tax purposes.

Choosing an Entity Comparison Chart – Practice Note

A comparison chart that highlights the various structure, liability, tax and management differences among C-corporations, S-corporations, limited liability companies, and partnerships.

Debt v. Equity: US Tax Classification of Securities – Practice Note

Understand the relevant criteria for determining whether a particular security is classified as debt or equity for US federal income tax purposes.

Defending Against Hostile Takeovers – Practice Note

A guide to the purpose and structure of various takeover defenses available to public target companies. It also describes the legal constraints and challenges that boards of directors face in adopting defensive measures that can stand up to judicial scrutiny while satisfying their fiduciary duties.

Dividends, Redemptions, and Stock Purchases – Practice Note

This guide covers the actions necessary for a Delaware corporation to effect a dividend, redemption, or stock purchase (also known as a stock buyback or stock repurchase). It explains the applicable laws, the resources the corporation may use and the standard of review that Delaware courts apply when reviewing a dividend, redemption, or stock purchase transaction.

Fiduciary Duties of Directors of Financially Troubled Corporations – Practice Note

A description of the fiduciary duties of the board of directors when a company becomes insolvent or is nearing insolvency and the measures that directors can take to limit their personal liability.

Fiduciary Duties of the Board of Directors – Practice Note

An overview of the fiduciary duties of the board of directors, including a discussion of the core duties of care and loyalty and certain circumstances when the board holds heightened duties.

Forming a Corporation – Checklist

A checklist of the key steps involved when forming a corporation (for a more detailed discussion on this topic, see Practice Note, Forming and Organizing a Corporation).

Forming a Limited Partnership – Checklist

This Checklist presents questions to consider when forming an LLC.

Forming and Organizing a Corporation – Practice Note

This is a guide to the procedural steps, documents, and considerations of forming a corporation in Delaware.

Making Good Use of Special Committees – Practice Note

This helpful note discusses why and how to establish a special committee, including when a special committee is needed or useful in connection with a transaction, a proper mandate for the special committee, and how a special committee conducts a proper process.

Piercing the Corporate Veil – Practice Note

This helpful guide discusses the doctrine of piercing the corporate veil, primarily in the context of the parent-subsidiary relationship. It explains the two primary arguments used to prove piercing claims, the alter ego theory and the agency theory, and examines what parent companies can do to limit their exposure to the liabilities of their subsidiaries.

Preferred Stock: Overview – Practice Note

An overview of the types of rights, privileges and preferences that may be accorded to preferred stock, including a discussion of the main features of preferred stock, including dividend rights, liquidation preferences, redemption and conversion rights and voting preferences.

Proxy Contests – Practice Note

An overview of proxy contests, including an explanation of the dynamics of the proxy contest process, risk mitigation strategies and how to maximize a company's chances to prevail in a contest.

Ratifying Defective Corporate Acts – Checklist

A Checklist setting out the necessary steps for ratifying defective corporate acts under Delaware law. This Checklist guides counsel for a corporation through determining whether a corporate act was defective and securing validation through Sections 204 and 205 of the Delaware General Corporation Law (DGCL) from the corporation, in director and stockholder actions, and the Delaware Chancery court.

Shareholder Derivative Litigation – Practice Note

An examination of the unique features of shareholder derivative lawsuits. Specifically, the basic issues raised by shareholder derivative lawsuits, how to choose the right plaintiff to bring a shareholder derivative lawsuit, the requirement of a pre-suit demand on the board of directors, how to litigate a shareholder derivative lawsuit, settling a shareholder derivative lawsuit, the ability to request security for costs associated with shareholder derivative litigation, and the remedies available in shareholder derivative litigation.