Professor:

Louis-Charles SIROIS

Session:

Fall 2018

Course Objectives:

To provide students with an outlook of all the relevant legal issues that affects all business persons while running a business.

Course Description:

This course examines the practical legal aspects that impact upon a business person beginning with the type of business “vehicle”: from the sole proprietor up to the company and “body corporate”. This course offers strong and practical legal grounding on the issues that touch every business. The course will look at the most current developments in business law, as well as the increasing importance of information technology, the internet, intellectual property, and legal issues concerning small businesses. Collateral issues will also be examined such as the ensuing legal obligations of a business with a particular emphasis on the formation and application of contracts as well as proving the existence of a contract, default and damages for non-performance up to the “final days” of a business, from bankruptcies, to voluntary sales and closures.
**Teaching Method:**
Lecture/Seminar

**Method of Evaluation:**

- Midterm 40%
- Final Exam 60%

In both cases, these exams are closed-book exams, which mean that only slightly annotated legislation, and French-English dictionaries are allowed. Other volumes will not be permitted. These codes or other legislation can be slightly annotated, such as references to other provisions of the Code or of the Act or other laws. Only the following information is allowed on student-added-tabs:
   
   a. The designations of titles, chapter or sections;
   
   b. The article or section numbers and other titles appearing in bold in the text.

**Mandatory course material:**

- The Quebec **Civil Code**

If the student prefers reading in French, another book is recommended instead of the above book:

- **Les Affaires et le droit**, by Micheline Montreuil, CCH, Montreal, most recent edition
COURSE OUTLINE

Course No. 1 - Sept. 10th - Commercial vehicle: “the Person” in business

The “person”: physical persons, body corporates and the partnership
Available commercial vehicles: sole, group, partnerships, companies;
Income tax issues for businesses- deductions and tax rates
Selling your small business to your own company – Tax issues

COMPANIES
How to run a company? Shareholder rights and other obligations.
The control of a company: Private Companies versus Public Companies

Course No 2 – Sept. 17th - Companies (continued)

Company Meetings: shareholders, Special general meetings, conflicts of interest for directors, Meetings of directors
Indoor management rules and ostensible authority principles
Directors' liability
Specific obligations of companies: registering under the Law respecting Legal Publicity of Enterprises and Securities Act issues (“Private Issuer”)

(See chapters 13 to 15 in Montreuil’s book)

COURSE No. 3 – Sept. 24th - CONTRACTS – in general –

Formation – offers to sell- counter offers.
Mistakes during formation of contract & consequences.

(Suggested Readings: pages 1-56)
Or (See chapter 5 in Montreuil’s book)

Course No 4 – Oct. 1st - Contracts – Part II –

Rules of interpretation.
Binding nature of contracts, and exceptions.
Amendments to contracts
Memorandums of understanding and non-contracts, “Go-ahead letters” and “Letters of Intent”
Governmental and municipal contracts: the law of tenders
(Readings Pages 96-127)
Or (See chapter 5 in Montreuil’s book)

Course – October 8th - No class: Thanksgiving

Course No 5 – Oct. 15th - Mid-Term EXAM

Course No.6 – Oct 22nd – Fall Break

Course No. 7 - October 29th - How to prove the existence of a contract?

- RULES OF EVIDENCE FOR BUSINESSES-
The law of evidence – Definition - Role of the Judge - Best Evidence Rule
Various types of Evidence: The written authentic instruments, semi-authentic instruments, private deeds; other writings; Testimony; Presumptions and Admissions
Admissibility of evidence – Special rules for businesses

(Pages 57-68)
Or (See chapter 7 in Montreuil’s book)

Course No 8 – Nov. 5th
Legal liability from mistakes that cause damages – Contract law and liability law (Tort law) - Damages – whose fault? Assessing Damages -

Litigation 101 : Recovery of damages - Practical implications and durations of law suits – Civil procedure - Small claims courts-Out of court settlements
Mediation and Arbitration

(Pages 199-256)
**Course No 9 – November 12th -**

**DELIVERY – PERFORMANCE OF CONTRACTS- Liability under contract**

Legal concept: “The Risk of Loss”-F.O.B. and other shipping terms
Deliveries to a customer: Local Carriage contracts and the laws of carriage

Assessing contractual damages
Default – Liability-
Breach of Contract- Fundamental breach - minor breach
Final warning before termination: Notice of default
Resolution or Termination for default.

(Pages 128-159)
Or (See chapters 6 and 25 in Montreuil’s book)

**COURSE No. 10 – Nov. 19th - PARTICULAR CONTRACTS IN BUSINESS**

“Sales agreements” : Sales contracts in particular- warranties.
Guarantee of ownership, of quality and of workmanship-
Rights of buyers and sellers.
Professional services contracts -
Appointing an agent – The Mandate
Lease agreements
Employment law issues

(pages 265-299)
Or (See chapter 8 & 9 in Montreuil’s book)

**COURSE No. 11 – November 26th - The Consumer Protection Act**

Selling to a customer – the Consumer Protection Act – Consequences for businesses- Application of legislation – general rules of application- particular obligations for retail sellers - Internet sales.

(See chapter 11 in Montreuil’s book)
COURSE No. 12 – Dec. 3rd - PROPERTY- How to pledge property - SECURITY FOR BUSINESS DEBT = Financing

General Property ownership - Principles and Exceptions
Types of Property: Moveables, Immoveables (Real) Property
Limits to ownership.
Intellectual Property.
Prior claims and Mortgages: – Moveable and immoveable - Mortgages defined – Registered at Registry office
Exercise of mortgage rights
(See chapter 21 in Montreuil’s book)

Course No. 13 – **WEDNESDAY** December 5th - SALE AND CLOSURE OF A BUSINESS

Avoiding bankruptcy: Proposals under the BIA and CCAA
Bankruptcy – Voluntary bankruptcy or forced - Property of bankrupt - Role of trustee - Rights of creditors, types of creditors - Cancellation of previous payments and seizure of previously disposed property - Administration of the bankrupt's property - liability of Directors – employee salaries – distribution of assets-
Receiverships
Closing a business the right way.

(See chapter 22 in Montreuil’s book)

Course No. 14 – FINAL EXAM -

(December exam date is set and determined by both faculties during the semester.)