

BUSINESS ORGANIZATIONS LAW

Third Edition

James D. Cox
Thomas L. Hazen

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BUSINESS ORGANIZATIONS LAW

Third Edition

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Preface

This student hornbook is adapted from *Cox & Hazen on Corporations* (Practitioner's Edition 3d ed. 2010)—a four volume treatise.¹ The first edition of this treatise was selected in 1995 for a national book award by The Association of American Publishers. The first edition and its successors were each built upon the solid foundation laid by the late Henry W. Ballantine in his classic single-volume work, *Ballantine on Corporations*. It has been our aim to examine the law of corporations with care and craftsmanship equal to its predecessor. Though corporate law has undergone a sea change since Ballantine published the last edition of his work, the challenges to the corporate lawyer have not changed over the years. Corporate law is one of the areas most vital to our society, for it regulates the workings of Adam Smith's invisible hand in the allocation of resources among competing uses. Unfortunately, the importance of corporate law is not matched by clarity in its doctrines, principles, and statutes. The field continues to be filled with "trite dogmas, formulas, metaphors, and legal fictions to the fundamental realities and policies of the law."²

In this work, we provide a comprehensive analysis of all areas of corporate law and the most significant provisions of the federal securities laws. Contrasting judicial and statutory approaches are examined in both a contemporary commercial context and historical evolution of law on each subject examined. We have avoided a state-by-state review on each topic; instead we devote our energies to capturing and critiquing the significance of the differences in approaches. As evident in each of our chapters, we examine the historical fount of doctrines, their contemporary vitality, and qualifications and weaknesses in their impact. This text is not content to recite the empty metaphors and vague incantations that appear with regrettable frequency in the courts' treatment of important issues of corporate law. We emphasize the financial, political, and social considerations that appear to have guided the courts' dispositions in individual cases. Simply stated, we seek to provide a helpful and insightful treatment of the law of corporations.

The text is written and edited to provide an understanding of the law relating to business organizations. Although some leading sources are included, the text is not intended as a research tool. Footnotes from the parent Practitioner's Edition have been edited severely. Readers conducting research should consult the four volume *Cox & Hazen on Corporations* (Practitioner's Edition 3d ed. 2010).

1. Although the chapter numbers are the same as the multivolume treatise many section numbers and footnotes have been renumbered.

2. Preface, Henry W. Ballantine, *Ballantine on Corporations* iii (rev. ed. 1946).

Because of the broad impact on the shape of state corporate statutes of the Model Business Corporation Act, close attention is given to the Model Act throughout the text. Major non-Model Act jurisdictions, such as California, Delaware, and New York, are also emphasized in our treatment of statutes and doctrine.

JAMES D. COX

THOMAS LEE HAZEN

May 2011

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A work such as this does not occur without personal sacrifices. We each thank our families for their patience, understanding, and support.

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Third Edition

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