

# CORPORATIONS AND OTHER BUSINESS ENTERPRISES

CASES AND MATERIALS

Standard Edition

Thomas Lee Hazen  
Jerry W. Markham

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# **CORPORATIONS AND OTHER BUSINESS ENTERPRISES**

**CASES AND MATERIALS**  
**Standard Edition**

By

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*To Lisa, Elliott, and George*

*TLH*

*In memory of my father John Markham*

*JWM*

\*

## Preface

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As teachers, we are frequently asked by students whether they will be handicapped in studying corporate law if they are not business majors. The answer is no. The concepts in corporate law are not difficult to grasp, but there are a lot of them. The real trick is to remember those concepts and be able to call on them when a problem is encountered. We assure you that many generations of law students have accomplished that goal successfully.

We have edited the cases to remove extraneous material. Substantive deletions are marked by three asterisks. Headings and subheadings in most of the court opinions have been deleted without such an indication, as have citations to the trial records and many of the citations to other sources. Many footnotes have also been deleted. When included, the original footnote numbers are used.

The authors would like to thank the many students who worked on this book and the patience of the students in our classes who worked from these materials while they were still in draft form. We also would like to thank Dean Gene Nichol and the University of North Carolina for their support of this project.

THOMAS LEE HAZEN  
JERRY W. MARKHAM

Chapel Hill, NC  
January 2003

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# Introduction

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Welcome to the world of corporate law. For those aspiring to become “corporate lawyers,” this book is only the first step in that journey. This course will, however, lay the groundwork for your securities and corporate finance studies and provide the foundation for your career. For those choosing other paths, we suggest that this course will also be important to you. There are few areas of the law, or indeed life, that do not cross paths with corporations. Family law lawyers will be involved in valuing corporate interests in divorce proceedings, criminal defense lawyers will be defending those involved in corporate crimes, and public interest lawyers will be attacking corporate misdeeds. This course will allow you to understand and deal with the corporation whatever your life role. More than that, we hope that you will enjoy this course as you discover that corporate law is often the result of efforts to govern intimate personal relationships among business owners.

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# Summary of Contents

---

	Page
PREFACE .....	v
TABLE OF CASES .....	xxv
 <b>Chapter 1. Business Associations—Background and History</b> .....	 <b>1</b>
Sec.	
1. A Bit of History—Introduction to Business Enterprises .....	1
2. Partnerships and Limited Liability Associations—A First Look .....	16
3. Advantages and Disadvantages of Particular Enterprises .....	18
 <b>Chapter 2. Agency and Partnerships</b> .....	 <b>24</b>
Sec.	
1. Introduction to Agency Principles .....	24
2. Partnership .....	39
 <b>Chapter 3. Limited Partnerships, Limited Liability Partnerships, And Limited Liability Companies</b> .....	 <b>64</b>
Sec.	
1. Limited Partnerships .....	64
2. Limited Liability Partnerships .....	75
3. Limited Liability Companies .....	78
 <b>Chapter 4. Corporations—Formation and Finances</b> .....	 <b>90</b>
Sec.	
1. The Role of the Corporate Lawyer .....	90
2. Forming the Corporation .....	95
3. Defective Incorporation .....	113
4. Capital Formation—A First Look .....	116
 <b>Chapter 5. Limited Liability and Ultra Vires</b> .....	 <b>124</b>
Sec.	
1. Piercing the Corporate Veil .....	124
2. Ultra Vires .....	145
3. Corporate Responsibility .....	151
 <b>Chapter 6. Management of Corporations</b> .....	 <b>168</b>
Sec.	
1. Corporate Structure .....	168
2. The Board of Directors .....	169
3. Board Functions and Compensation .....	184
4. Housekeeping Requirements .....	185
5. Board Committees .....	191
6. Officers and Their Sources of Power .....	195



	Page
<b>Chapter 7. The Duty of Care</b> .....	<b>203</b>
Sec.	
1. The Standard of Care .....	203
2. The Business Judgment Rule .....	211
<b>Chapter 8. The Duty of Loyalty</b> .....	<b>260</b>
Sec.	
1. Self-Dealing Transactions .....	260
2. Conflicts of Interest .....	268
3. Corporate Opportunities .....	277
4. Competition and the Duty of Loyalty .....	292
5. Executive Compensation .....	303
<b>Chapter 9. Corporate Democracy—State Law</b> .....	<b>320</b>
Sec.	
1. Shareholder Suffrage—An Introduction .....	320
2. Cumulative Voting .....	322
3. Varying Shareholder Rights .....	324
4. Formalities for Shareholder Meetings .....	332
5. Shareholder Inspection Rights .....	336
6. Proxy Contests .....	342
<b>Chapter 10. Closely Held Corporations</b> .....	<b>358</b>
Sec.	
1. Heightened Fiduciary Duties in Closely Held Corporations .....	358
2. Voting Agreements .....	387
3. Voting and Quorum Requirements for Control .....	418
4. Shareholder Agreements and Director Discretion .....	427
5. Restrictions on Transfers .....	445
<b>Chapter 11. Duties of Controlling Shareholders</b> .....	<b>451</b>
Sec.	
1. Fiduciary Duties of Controlling Shareholders .....	451
2. Sale of Control Transactions .....	475
<b>Chapter 12. Publicly Traded Stocks—SEC Regulation</b> .....	<b>503</b>
Sec.	
1. Overview of the Federal Securities Laws .....	503
2. Underwriting—The IPO .....	506
3. After The IPO—The Over-The-Counter Market .....	518
4. The New York Stock Exchange .....	524
5. Electronic Communications Networks .....	532
6. Derivatives Trading .....	536
7. Financial Reporting By Public Companies .....	542
8. SEC Proxy Regulations .....	544
9. Shareholder Proxy Proposals .....	560
<b>Chapter 13. Fraud Claims Under the Federal Securities Laws</b> ...	<b>574</b>
Sec.	
1. SEC Rule 10b-5 .....	574
2. Private Remedies for Securities Fraud .....	576
3. Materiality .....	579
4. The “In Connection With” Requirement .....	592
5. The Scienter Requirement .....	600

	Page
<b>Sec.</b>	
6. The “Deception” Requirement .....	607
7. The Causation Requirement .....	618
8. The Requirement of Reliance .....	632
9. Damages .....	644
10. Litigation Reform .....	648
11. Projections .....	654
12. Selective Disclosure .....	684
13. Secondary Liability .....	690
14. Responsibilities of Attorneys and Other Professionals .....	698
15. Statute of Limitations .....	703
<b>Chapter 14. Insider Trading at Common Law .....</b>	<b>708</b>
<b>Sec.</b>	
1. The Early View .....	708
2. Insider Trading In Securities—The Common Law Rule .....	711
3. A New Approach in New York .....	718
<b>Chapter 15. Section 16 of the Securities Exchange Act of 1934 .....</b>	<b>726</b>
<b>Sec.</b>	
1. Reporting Requirement .....	726
2. Persons Subject to 16 .....	727
3. Section 16(b)—Disgorgement of Short Swing Profits .....	739
4. Purchase and Sale .....	748
5. Short Sales .....	754
<b>Chapter 16. Insider Trading As Fraud .....</b>	<b>756</b>
<b>Sec.</b>	
1. Introduction .....	756
2. Is Insider Trading Good Or Bad? .....	756
3. The Disclose Or Abstain Rule .....	758
4. Misappropriation .....	773
5. “Tippee” Liability .....	790
6. Insider Trading: Use Versus Possession .....	797
7. Civil Liability for Insider Trading .....	802
8. SEC Enforcement of Insider Trading Prohibitions .....	803
<b>Chapter 17. Mergers and Acquisitions .....</b>	<b>807</b>
<b>Sec.</b>	
1. Introduction .....	807
2. Forms of Combination .....	812
3. Sale of Assets Transactions .....	824
4. Successor Liability in a De facto Merger .....	830
<b>Chapter 18. Fairness in Corporate Combinations—Appraisal Rights and Judicial Controls .....</b>	<b>835</b>
<b>Sec.</b>	
1. Appraisal Rights—Background .....	835
2. Fair Value .....	839
3. Appraisal Rights in De Facto Mergers and Other Reorganizations ....	860
4. Challenging the Fairness of Mergers .....	884

	Page
<b>Sec.</b>	
<b>Chapter 19. Defensive Measures and the Changing Role Of the Board</b> .....	<b>923</b>
<b>Sec.</b>	
1. Defensive Measures .....	923
2. Takeover Battles—The Changing Role of the Board .....	949
<b>Chapter 20. Federal and State Takeover and Tender Offer Laws</b> .....	<b>1036</b>
<b>Sec.</b>	
1. The Williams Act—An Introduction .....	1036
2. What Is A Tender Offer? .....	1038
3. Regulating The Terms of Tender Offers .....	1048
4. Litigation Under The Williams Act .....	1054
5. State Regulation of Tender Offers .....	1067
<b>Chapter 21. Derivative Actions and Indemnification of Officers and Directors</b> .....	<b>1077</b>
<b>Sec.</b>	
1. Background .....	1077
2. Derivative vs. Personal Actions .....	1080
3. Standing Requirements .....	1096
4. Demand Requirement .....	1105
5. Claims Subject to Derivative Suits .....	1124
6. Indemnification of Officers and Directors .....	1132
<b>Chapter 22. Corporate Finance—An Introduction</b> .....	<b>1147</b>
<b>Sec.</b>	
1. Some Accounting Basics .....	1147
2. Dividends .....	1160
3. Other Distributions .....	1184
4. Liability for Wrongful Distributions .....	1196
5. Stock Subscriptions .....	1211
6. Preemptive Rights .....	1215
7. Balance Sheet Liabilities .....	1235
8. An Introduction to the Securities Act of 1933 .....	1263
<b>INDEX</b> .....	<b>1279</b>

# Table of Contents

---

	Page
PREFACE .....	v
TABLE OF CASES .....	xxv
<b>Chapter 1. Business Associations—Background and History .....</b>	<b>1</b>
<b>Sec.</b>	
1. A Bit of History—Introduction to Business Enterprises .....	1
<i>Trustees of Dartmouth College v. Woodward</i> .....	4
<i>Louis K. Liggett Co. v. Lee</i> .....	5
<i>Corporations James D. Cox, Thomas Lee Hazen &amp; F. Hodge O’Neal</i> .....	11
<i>Note</i> .....	12
<i>Corporations James D. Cox, Thomas Lee Hazen &amp; F. Hodge O’Neal</i> .....	12
<i>Notes</i> .....	15
2. Partnerships and Limited Liability Associations—A First Look .....	16
<i>Note on Business Trusts</i> .....	18
3. Advantages and Disadvantages of Particular Enterprises .....	18
<i>Note</i> .....	23
<b>Chapter 2. Agency and Partnerships .....</b>	<b>24</b>
<b>Sec.</b>	
1. Introduction to Agency Principles .....	24
A. Identifying the Agency Relationship .....	24
<i>A. Gay Jenson Farms Co. v. Cargill, Inc.</i> .....	24
<i>Notes</i> .....	30
B. Fiduciary Obligations .....	31
<i>Notes</i> .....	32
C. Authority .....	33
D. Vicarious Liability .....	34
<i>Butler v. McDonald’s Corporation</i> .....	34
<i>Notes</i> .....	38
2. Partnership .....	39
A. What Is a Partnership? .....	39
<i>Martin v. Peyton</i> .....	39
<i>Notes</i> .....	43
B. Fiduciary Obligations .....	43
<i>Meinhard v. Salmon</i> .....	43
<i>Notes</i> .....	47
C. Partners’ Authority and Governance .....	48
<i>Summers v. Dooley</i> .....	48
<i>National Biscuit Company, Inc. v. Stroud</i> .....	50
<i>Notes</i> .....	51
<i>Peed v. Peed</i> .....	52
<i>Notes</i> .....	54
D. Entity versus Aggregate .....	55
E. Partnership Liabilities and Duties .....	56
F. Dissolution and Dissociation .....	58

	Page
<b>Sec.</b>	
2. Partnership—Continued	
<i>Page v. Page</i> .....	59
G. Dissociation Compared .....	62
<i>Corporations James D. Cox, Thomas Lee Hazen &amp; F. Hodge O'Neal</i> .....	62
<i>Notes</i> .....	62
<b>Chapter 3. Limited Partnerships, Limited Liability Partnerships, And Limited Liability Companies</b> .....	<b>64</b>
<i>Notes</i> .....	64
<b>Sec.</b>	
1. Limited Partnerships .....	64
<i>Corporations James D. Cox, Thomas Lee Hazen &amp; F. Hodge O'Neal</i> .....	65
<i>Gateway Potato Sales v. G.B. Investment Co.</i> .....	66
<i>Notes</i> .....	71
<i>Regulating Rollups: General Partners' Fiduciary Obligations In Light Of The Limited Partnership Rollup Reform Act Of 1993</i> .....	73
<i>Notes</i> .....	74
2. Limited Liability Partnerships .....	75
<i>Lewis v. Rosenfeld</i> .....	75
<i>Notes</i> .....	77
3. Limited Liability Companies .....	78
<i>Elf Atochem North America, Inc. v. Jaffari</i> .....	78
<i>Notes</i> .....	82
<i>Lieberman v. Wyoming.com LLC</i> .....	83
<i>Notes</i> .....	89
<b>Chapter 4. Corporations—Formation and Finances</b> .....	<b>90</b>
<b>Sec.</b>	
1. The Role of the Corporate Lawyer .....	90
<i>Where Were the Lawyers? Behind the Curtain Wearing Their Magic Caps</i> .....	92
<i>Notes</i> .....	93
2. Forming the Corporation .....	95
A. Promoters' Liability .....	95
<i>O'Rorke v. Geary</i> .....	96
<i>Notes</i> .....	98
<i>Corporations James D. Cox, Thomas Lee Hazen &amp; F. Hodge O'Neal</i> .....	99
<i>Old Dominion Copper Mining &amp; Smelting Co. v. Lewisohn</i> .....	100
<i>Notes</i> .....	105
<i>Old Dominion Copper Mining &amp; Smelting Co. v. Bigelow</i> .....	105
<i>Notes</i> .....	109
B. Mechanics of Incorporation .....	110
3. Defective Incorporation .....	113
<i>Pocahontas Fuel Co. v. Tarboro Cotton Factory</i> .....	113
<i>Cranson v. International Business Machines Corp.</i> .....	113
<i>Notes</i> .....	115
4. Capital Formation—A First Look .....	116
A. What is a Bond? .....	117
B. What is a Stock? .....	117
C. The Balance Sheet .....	118
D. The Income Statement .....	122
A Note on Leverage .....	122

	Page
<b>Chapter 5. Limited Liability and Ultra Vires</b>	<b>124</b>
<b>Sec.</b>	
1. Piercing the Corporate Veil	124
<i>Minton v. Cavaney</i>	124
Notes	127
<i>Walkovszky v. Carlton</i>	127
Notes	133
<i>Corporations James D. Cox, Thomas Lee Hazen &amp; F. Hodge O'Neal</i>	135
Notes	138
<i>Equitable Subordination</i>	138
<i>Costello v. Fazio</i>	138
Notes	143
<i>Corporations James D. Cox, Thomas Lee Hazen &amp; F. Hodge O'Neal</i>	144
2. Ultra Vires	145
<i>Wiswall v. The Greenville and Raleigh Plank Road Company</i>	145
Notes	146
<i>Corporations James D. Cox, Thomas Lee Hazen &amp; F. Hodge O'Neal</i>	148
Notes	149
<i>Cross v. Midtown Club, Inc.</i>	149
Note	151
3. Corporate Responsibility	151
<i>A. P. Smith Mfg. Co. v. Barlow</i>	151
Notes	156
<i>Adams v. Smith</i>	159
<i>Dodge v. Ford Motor Co.</i>	160
Notes	165
<b>Chapter 6. Management of Corporations</b>	<b>168</b>
<b>Sec.</b>	
1. Corporate Structure	168
Notes	169
2. The Board of Directors	169
<i>Charlestown Boot &amp; Shoe Co. v. Dunsmore</i>	169
Notes	170
<i>Auer v. Dressel</i>	171
Notes	174
<i>Campbell v. Loew's Incorporated</i>	174
Notes	183
3. Board Functions and Compensation	184
A. Board Functions	184
B. Directors' Compensation	185
4. Housekeeping Requirements	185
A. Directors' Meetings	185
B. Notice of Director Meetings	186
C. Quorum and Voting Requirements	186
Notes	188
<i>Corporations James D. Cox, Thomas Lee Hazen &amp; F. Hodge O'Neal</i>	189
Notes	190
5. Board Committees	191
A. Inside and "Outside" Directors	193
B. Directors' Informational Rights	194
6. Officers and Their Sources of Power	195
A. Apparent Authority of Corporate Officers	196
<i>Evanston Bank v. Conticommodity Services, Inc.</i>	197
Notes	200



	Page
<b>Chapter 7. The Duty of Care</b> .....	<b>203</b>
<b>Sec.</b>	
1. The Standard of Care .....	203
<i>Bates v. Dresser</i> .....	203
Notes .....	206
<i>Barnes v. Andrews</i> .....	208
Note .....	211
2. The Business Judgment Rule .....	211
<i>Shlensky v. Wrigley</i> .....	211
Notes .....	215
<i>Smith v. Van Gorkom</i> .....	216
Notes .....	249
<i>Brehm v. Eisner</i> .....	251
Notes .....	257
<i>Emerald Partners v. Berlin</i> .....	257
Notes .....	259
<b>Chapter 8. The Duty of Loyalty</b> .....	<b>260</b>
<b>Sec.</b>	
1. Self-Dealing Transactions .....	260
<i>Globe Woolen Co. v. Utica Gas &amp; Electric Co.</i> .....	260
<i>Corporations James D. Cox, Thomas Lee Hazen &amp; F. Hodge O'Neal</i> .....	264
Notes .....	267
2. Conflicts of Interest .....	268
<i>Gilder v. PGA Tour, Inc.</i> .....	268
Note .....	272
<i>Marciano v. Nakash</i> .....	272
Note .....	277
3. Corporate Opportunities .....	277
<i>Guth v. Loft, Inc.</i> .....	277
Notes .....	284
<i>Irving Trust Co. v. Deutsch</i> .....	288
Notes .....	290
4. Competition and the Duty of Loyalty .....	292
<i>Lincoln Stores, Inc. v. Grant</i> .....	292
<i>Duane Jones Co., Inc. v. Burke</i> .....	296
<i>Dalton v. Camp</i> .....	300
Notes .....	303
5. Executive Compensation .....	303
Notes .....	305
<i>Rogers v. Hill</i> .....	306
Notes .....	308
<i>Heller v. Boylan</i> .....	308
Notes .....	315
<i>Marx v. Akers</i> .....	316
Notes .....	317
<b>Chapter 9. Corporate Democracy—State Law</b> .....	<b>320</b>
<b>Sec.</b>	
1. Shareholder Suffrage—An Introduction .....	320
Note .....	321
2. Cumulative Voting .....	322
Notes .....	323
3. Varying Shareholder Rights .....	324
<i>Lacos Land Co. v. Arden Group, Inc.</i> .....	325
Notes .....	331
4. Formalities for Shareholder Meetings .....	332
<i>Schnell v. Chris-Craft Industries, Inc.</i> .....	334
Note .....	336

	Page
<b>Sec.</b>	
5. Shareholder Inspection Rights .....	336
<i>State ex rel Pillsbury v. Honeywell, Inc.</i> .....	336
Notes .....	341
6. Proxy Contests .....	342
<i>Campbell v. Loew's Incorporated</i> .....	342
<i>Rosenfeld v. Fairchild Engine &amp; Airplane Corp.</i> .....	345
Notes .....	349
<i>Hewlett v. Hewlett-Packard Company</i> .....	349
Notes .....	357
<b>Chapter 10. Closely Held Corporations</b> .....	<b>358</b>
<b>Sec.</b>	
1. Heightened Fiduciary Duties in Closely Held Corporations .....	358
<i>Donahue v. Rodd Electrotape Company of New England, Inc.</i> .....	358
Notes .....	368
<i>Meiselman v. Meiselman</i> .....	371
Notes .....	385
2. Voting Agreements .....	387
<i>Ringling v. Ringling Bros.-Barnum &amp; Bailey Combined Shows, Inc.</i> .....	387
<i>Ringling Bros.-Barnum &amp; Bailey Combined Shows, Inc. v. Ringling</i> .....	395
Notes .....	399
<i>Abercrombie v. Davies</i> .....	400
Notes .....	407
<i>Lehrman v. Cohen</i> .....	408
Notes .....	414
<i>Oceanic Exploration Co. v. Grynberg</i> .....	414
3. Voting and Quorum Requirements for Control .....	418
<i>Benintendi v. Kenton Hotel, Inc.</i> .....	419
Notes .....	420
<i>Blount v. Taft</i> .....	420
Notes .....	423
<i>Gearing v. Kelly</i> .....	425
Notes .....	426
4. Shareholder Agreements and Director Discretion .....	427
<i>McQuade v. Stoneham</i> .....	427
<i>Clark v. Dodge</i> .....	430
Notes .....	433
<i>Galler v. Galler</i> .....	433
Notes .....	441
<i>Somers v. AAA Temporary Services, Inc.</i> .....	442
Notes .....	445
5. Restrictions on Transfers .....	445
<i>St. Louis Union Trust Co. v. Merrill Lynch, Pierce, Fenner &amp; Smith Inc.</i> .....	445
Notes .....	449
<b>Chapter 11. Duties of Controlling Shareholders</b> .....	<b>451</b>
<b>Sec.</b>	
1. Fiduciary Duties of Controlling Shareholders .....	451
<i>Sinclair Oil Corp. v. Levien</i> .....	451
Notes .....	456
<i>Zahn v. Transamerica Corp.</i> .....	456
Notes .....	462
<i>Jones v. H. F. Ahmanson &amp; Company</i> .....	465
Notes .....	474

	Page
<b>Sec.</b>	
2. Sale of Control Transactions.....	475
<i>Transfers Of Corporate Control And Duties Of Controlling Shareholders—</i>	
<i>Common Law, Tender Offers, Investment Companies—And A Proposal</i>	
<i>For Reform</i> .....	475
<i>Zetlin v. Hanson Holdings, Inc.</i> .....	476
<i>Note</i> .....	476
<i>Gerdes v. Reynolds</i> .....	476
<i>Notes</i> .....	481
<i>Essex Universal Corporation v. Yates</i> .....	482
<i>Notes</i> .....	487
<i>Perlman v. Feldmann</i> .....	488
<i>Notes</i> .....	494
<i>Thorpe v. CERBCO, Inc.</i> .....	495
<i>Notes</i> .....	502
<b>Chapter 12. Publicly Traded Stocks—SEC Regulation</b> .....	<b>503</b>
<b>Sec.</b>	
1. Overview of the Federal Securities Laws.....	503
2. Underwriting—The IPO.....	506
<i>United States v. Morgan</i> .....	506
<i>Note</i> .....	517
3. After The IPO—The Over-The-Counter Market.....	518
<i>In The Matter of Certain Market Making Activities on Nasdaq</i> .....	518
<i>Notes</i> .....	522
4. The New York Stock Exchange.....	524
<i>Silver v. New York Stock Exchange</i> .....	524
<i>Notes</i> .....	529
5. Electronic Communications Networks.....	532
23a <i>Jerry W. Markham &amp; Thomas Lee Hazen Broker-Dealer Regulation</i>	
<i>Under Securities and Commodities Laws</i> .....	533
<i>Notes</i> .....	536
6. Derivatives Trading.....	536
<i>Jerry W. Markham, United States Securities and Investments Regulation</i>	
<i>Handbook</i> .....	536
<i>Notes</i> .....	540
7. Financial Reporting By Public Companies.....	542
<i>Notes</i> .....	543
8. SEC Proxy Regulations.....	544
<i>Treatise on the Law of Securities Regulation</i> .....	544
<i>Sadler v. NCR Corp.</i> .....	546
<i>Notes</i> .....	550
<i>Treatise on the Law of Securities Regulation</i> .....	552
<i>Long Island Lighting Co. v. Barbash</i> .....	554
<i>Notes</i> .....	560
9. Shareholder Proxy Proposals.....	560
<i>Lovenheim v. Iroquois Brands, Ltd.</i> .....	560
<i>SEC v. Transamerica Corp.</i> .....	564
<i>Notes</i> .....	567
<b>Chapter 13. Fraud Claims Under the Federal Securities Laws</b> ...	<b>574</b>
<b>Sec.</b>	
1. SEC Rule 10b-5.....	574
<i>Blue Chip Stamps v. Manor Drug Stores</i> .....	574
<i>Notes</i> .....	575
2. Private Remedies for Securities Fraud.....	576
<i>Notes</i> .....	578