Corporate Finance; Planning and Drafting
Fall 2006

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Reading Assignment Class 14 (November 29, 2006):

A. From *Corporate Finance* by William Bratton

**Part III – Capital Structure—Efficiency and Regulation**

**Section B – Dividends and Retained Earnings**

**Part 1 – Cash Dividends and Dividend Policy**


**Part 2 – Applicable Legal Standards**

- Re-read entire section, including *Dodge v. Ford Motor Co.* and *Berwald v. Mission Development Co.*, and following Notes, pp. 566-580.

**Part 5 – Repurchase of Outstanding Shares**


**Section C – Equity Capital Structure and the Value of the Firm**

Read Introduction, pp. 618-619.

**Part 1 – Executive Stock Options**

- Read subpart (B), “Fiduciary Duties,” including *Lewis v. Volgelstein* and following Note 1, pp. 629-638.
Part 2 – Blockholdings


- Read subpart (B), “Regulation of Blockholders,” section (2), *Fiduciary Regulation of Blockholders*, pp. 647-673 (paying particular attention to the Rock article, pp. 647-651, and the Perlman case, pp. 656-663).

From *Corporate Finance (Supplement)*, by William Bratton

**Part III. Capital Structure**

Section B. *Dividends and Retained Earnings*

Part 3 – Stock Dividends