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# Understanding Corporate Law

FIFTH EDITION

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# Contents

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Preface	xix
<b>Chapter 1 · Introduction and Formation</b>	<b>3</b>
§ 1.01 Introduction	3
§ 1.02 Sources of Corporate Law	6
§ 1.03 Historical Background	7
§ 1.04 Choice of Form	8
[A] Sole Proprietorship	8
[B] Partnership vs. Corporation	9
§ 1.05 Limited Partnerships	12
§ 1.06 Limited Liability Company	13
§ 1.07 Taxation	13
[A] Double Taxation	14
[1] Subchapter S Corporation	15
[2] Limited Liability Companies	15
§ 1.08 Incorporation and Organization	16
§ 1.09 Choice of Law	17
[A] Delaware's Dominance	18
§ 1.10 Ultra Vires	20
[A] Corporate Social Responsibility and Philanthropy	21
§ 1.11 Social Benefit Organizations	22
<b>Chapter 2 · Promoters' Liability and Defective Incorporation</b>	<b>25</b>
§ 2.01 Introduction	25
§ 2.02 Promoters' Liability on Preincorporation Contracts	25
[A] Overview	25
[B] Liability of the Promoter	26
[C] The Strict View of Promoters' Liability	27
[D] Reliance on the Intent of the Parties	27
[E] Liability of the Newly Formed Corporation or LLC	29
[F] Promoters' Fiduciary Duties	31
§ 2.03 Defective Incorporation	32
[A] The Problem	32
[B] The De Facto Corporation Doctrine and Corporation by Estoppel	33
[C] Statutory Abolition of the De Facto Corporation Doctrine	34
[D] Does Corporation by Estoppel Survive the Model Business Corporation Act?	35
[E] Model Business Corporation Act Compromise	36
[F] Corporate Death	36

<b>Chapter 3 · Piercing the Corporate Veil</b>	37
§ 3.01 The Concept of Limited Liability	37
§ 3.02 The Limited Liability Debate	39
§ 3.03 Grounds for Piercing the Corporate Veil	41
[A] Introduction	41
[B] Intermixture of Affairs	42
[C] Lack of Corporate Formalities	43
[D] Veil Piercing in Limited Liability Companies (LLCs)	44
[E] Inadequate Capitalization	45
[1] Overview	45
[2] What Is Capital for These Purposes?	45
[3] When Is Capital Adequate?	46
[4] Is Inadequate Capitalization Alone a Sufficient Ground?	46
[5] Does a Duty Ever Arise to “Top Off” the Original Capital?	48
[F] Evasion of a Contract or Statute or Use of a Corporation Solely to Work a Fraud	49
[G] Instrumentality Theories	50
[H] Torts Versus Contracts	51
§ 3.04 Equitable Subordination	52
§ 3.05 Piercing the Corporate Veil: Procedural Contexts	54
§ 3.06 Statutory Liability Under Environmental Laws	55
§ 3.07 Successor Corporation Liability in Products Liability	56
§ 3.08 Piercing the Corporate Veil—Structural Settings	57
[A] Personal Shareholder Liability	57
[B] Parent-Subsidiary Settings	59
[C] Brother-Sister (Sibling) Corporation Settings	61
[D] Enterprise Liability	64
[E] Reverse Piercing	65
[F] Participation	66
[G] Summary	67
<b>Chapter 4 · Financing the Corporation</b>	69
§ 4.01 Introduction	69
§ 4.02 Securities	70
[A] Debt	70
[B] Common Shares	71
[C] Preferred Shares	72
§ 4.03 Leveraging and Capital Structure	73
§ 4.04 Legal Capital Rules	74
[A] Preemptive Rights	75
[B] Par Value	75
[C] Dividends and Repurchases of Shares	76
§ 4.05 Valuation	78
[A] Liquidation Value	78
[B] Book Value	79
[1] Cost Based Accounting	79
[2] Depreciation	80
[3] Intangible Assets	80
[C] Earnings Approach	81



[1] Capitalization of Earnings	82
[2] Cash Flow as Earnings	82
[3] The Rate	83
<b>Chapter 5 · The Legal Model and Corporate Governance: Themes and the Allocation of Power Under State Law</b>	<b>85</b>
§ 5.01 Introduction	85
§ 5.02 Themes	86
[A] Focus of Corporate Governance and Stakeholders	87
[B] Publicly Held Corporation	90
[C] The Stock Markets	91
[1] Benefits of Stock Markets	92
[2] Shareholder Protection and Stock Markets	93
[D] The Efficient Capital Market Hypothesis	94
[E] Role of Ownership	96
[1] The Berle-Means Corporation— Separation of Ownership from Control	96
[2] Institutional Investors	97
[3] Political Significance of Share Ownership	99
[F] Independent Directors	100
[G] Gatekeepers	102
[H] Federalism	103
[I] Publicly Held vs. Closely Held Corporations	104
§ 5.03 Theories of the Firm	105
[A] Regulatory Approach	105
[B] Management, Director, or Shareholder Approach	106
[C] Law and Economics Approach	107
[1] Agency Costs	107
[2] Markets	107
[3] Nexus of Contracts	108
[4] Critics of Contractual Approach	109
[5] Behavioral Economics	109
§ 5.04 The Legal Model	110
§ 5.05 Shareholders	111
[A] Right to Vote	111
[1] Cumulative Voting	113
[2] Right of Expression	115
[B] Shareholder Meetings and Proxy Voting	115
[C] The Proxy Fight	117
[1] Change or Influence Management	118
[2] Replace Directors to Facilitate an Acquisition	118
[3] Change Policy	119
[a] Shareholder Proposals	119
[b] Withholding Votes	121
[c] Nominating Directors in Management’s Proxy Statement	121
[4] Collective Action Problem	122
[5] Proxy Expenses	123
[D] Shareholder Democracy	124
[1] Fiduciary Duty	124

[E] Vote Buying	128
[F] Right to Information	129
§ 5.06 Board of Directors	132
[A] Board Structure	132
[B] Meetings	133
[1] Actions Without a Meeting	133
§ 5.07 Officers	135
[A] Authority	135
§ 5.08 Financial Scandals	137
[A] The Sarbanes-Oxley Act of 2002	137
[B] Dodd-Frank Act of 2010	142
<b>Chapter 6 · Mergers and Acquisitions</b>	<b>145</b>
§ 6.01 Introduction	145
§ 6.02 Mergers	145
[A] Triangular Merger	147
[B] Reverse Triangular Merger	148
[C] Short Form Merger	149
§ 6.03 Sale of Assets	149
§ 6.04 Tender Offer	150
§ 6.05 Other Legal Issues	152
§ 6.06 Appraisal Remedy	152
[A] Delaware Block Approach	154
[1] The New Delaware Methodology	156
[B] Stock Market Exception	158
§ 6.07 De Facto Mergers	159
<b>Chapter 7 · Introduction to Federal Regulation and the Proxy Rules</b>	<b>161</b>
§ 7.01 Introduction and Overview	161
§ 7.02 SEC Jurisdiction and Periodic Reporting by Publicly Held Corporations	163
[A] SEC Jurisdiction	163
[B] Periodic Reporting—An Overview	165
[C] Certifications, Code of Ethics Disclosure, and Penalties for Earnings Restatements	166
[D] Private Securities Litigation Reform Act (PSLRA) Safe Harbor for Forward Looking Statements	167
[E] Management Discussion and Analysis (MD&A)	167
[F] Earnings Management and Revenue Recognition Issues	168
§ 7.03 Securities Issuance	169
[A] The Federal Disclosure Philosophy	169
[B] Registration Requirements	170
[C] The Registration Process	172
[D] Exemptions From Registration	175
[1] Scope	175
[2] The Intrastate Exemption	175
[3] The Private Offering Exemption	175
[4] Regulation D Exemptions	177
[5] Crowdfunding	178

§ 7.04 Proxy Regulation	179
[A] Introduction	179
[B] A Proxy Solicitation Hypothetical	180
[C] Proxy Contests	182
[1] The Shareholder's Role	182
[2] Inadvertent Solicitation and Other Problems	182
[3] Regulatory Burdens and Costs	184
[4] Proxy Contest Procedures and Further Costs	184
[D] Use of Shareholder Consents	186
[E] The Internet and the "Notice and Access" Proxy Regime	186
§ 7.05 The SEC Shareholder Proxy Proposal Rule: SEC Rule 14a-8	187
[A] Proposals	187
[B] Eligibility and Procedure	189
[C] Background on the Nature of the Proposals	190
[D] Mechanics of the Shareholder Proxy Proposal Process	191
[E] The 14a-8, Question 9(7), Ordinary Business Operations Exclusion	193
[F] Other Rule 14a-8 Exclusions	197
[G] Proposals to Amend Corporate Bylaws	198
[H] <i>CA, Inc. v. AFSCME Employees Pension Trust</i>	199
§ 7.06 The Proxy Rules' General Antifraud Rule: An Introduction to General Disclosure Law Concepts	201
[A] Introduction	201
[B] SEC Rule 14a-9	202
[C] Implication of Private Rights of Action	204
[D] Standing to Sue	206
[E] Materiality of the Omission of the Misleading Statement	207
[F] State of Mind (Fault) Required	208
[G] Causation	210
[H] Remedies	213
 <b>Chapter 8 · Introduction to Fiduciary Duty: The Duty of Care, the     Business Judgment Rule and Good Faith</b>	 215
§ 8.01 Introduction	215
[A] Overview of Duty of Care and Loyalty	216
[B] Sliding Scale	217
§ 8.02 Policy Issues	218
[A] Law and Economics Approach	219
§ 8.03 Duty of Care	220
[A] Nonfeasance	222
[B] Malfeasance and the Business Judgment Rule	223
[C] Causation	225
§ 8.04 The <i>Smith v. Van Gorkom</i> Case	227
§ 8.05 The Demise of the Duty of Care	229
[A] Delaware General Corporation Law § 102(b)(7)	230
§ 8.06 Good Faith	232
[A] <i>Disney</i> Litigation and Good Faith	232
[B] The Duty to Monitor and <i>Stone v. Ritter</i>	233
§ 8.07 Duty of Disclosure	237
§ 8.08 Duty to Act Lawfully	239

<b>Chapter 9 · The Duty of Loyalty and Conflicts of Interest</b>	241
§ 9.01 Introduction	241
§ 9.02 Policy	242
§ 9.03 Interested Director Transactions	243
[A] Common Law	246
[B] Statutory Responses	247
[1] Weak Form Approach	249
[2] Semi-Strong Approach	250
[a] The New York Approach	251
[b] The Current California Approach	251
[3] Strong Form Approach	251
[a] Delaware Approach	251
[b] The MBCA Approach	253
§ 9.04 Executive Compensation	254
[A] Stock Options	258
[B] Good Faith and Compensation	260
[C] Waste	263
[1] Delaware's Waste Standard	263
§ 9.05 Corporate Opportunity and Abuse of Position	265
[A] Legal Tests	266
[1] Interest Test	266
[2] Line of Business Test	267
[3] Fairness Test	268
[4] The ALI Test	268
[B] Financial Inability	270
[C] Multiple Boards	271
[D] Use of Information and Competition	271
[E] Undisclosed Profits	272
§ 9.06 Shareholder Voting—Ratification and Optional Voting	273
[A] Effect of Optional Disinterested Shareholder Voting	274
<b>Chapter 10 · Controlling Shareholders</b>	277
§ 10.01 Introduction	277
§ 10.02 Use of Control	279
[A] The <i>Zahn</i> Case	279
[B] Parent-Subsidiary Dealings	281
[C] Sale of Corporation	282
§ 10.03 Freezeouts	283
[A] Policy Issues	284
[B] State Law	287
[C] Cases	289
[1] The <i>Weinberger</i> Case	289
[2] Post- <i>Weinberger</i> Cases	291
[a] Appraisal versus Equity in Delaware	292
[b] Fair Dealing	293
[i] Negotiating Committee of Independent Directors	294
[ii] Majority of Minority Shareholder Voting	296
[iii] Both Independent Board and Shareholder Approval	297
[c] Business Purpose	298

[d] The Controlling Shareholder's Tender Offer	298
[D] Federal Law	300
[1] SEC Rule 13e-3	300
[2] SEC Rule 10b-5	301
§ 10.04 Sale of Control	303
[A] Looting	306
[B] The <i>Perlman</i> Case	307
[C] The California Approach	308
[D] Sale of Office	310
<b>Chapter 11 · Special Problems of the Closely Held Corporation</b>	<b>313</b>
§ 11.01 Introduction and Overview	313
[A] Definitions of a Close Corporation	313
[B] Illiquidity and Exploitation	314
[C] Corporate Law Responses to the Illiquidity and Exploitation Situation	315
§ 11.02 Obtaining and Maintaining a Measure of Control	316
[A] Preview	316
[B] Shareholder Voting Agreements	317
[C] Irrevocable Proxies	318
[D] Voting Trusts	320
[E] Class Voting	323
[F] Cumulative Voting	324
[G] Summary	324
§ 11.03 Protecting Shareholder Expectations in Closely Held Corporations	
<i>Ex Ante</i>	325
[A] Contract	325
[B] Long-Term Shareholder Tenure and Salary Agreements	325
[C] Less Than Unanimous Shareholder Agreements	327
[D] Other Agreements Affecting Directors' Discretion	328
[E] Comprehensive Shareholder Agreements	330
§ 11.04 Restrictions on Share Transferability	331
[A] Introduction	331
[B] Umbrella Test — Unreasonable Restraint Upon Alienation?	332
[C] Other Legal Aspects of Share Transfer Restrictions	334
[1] Legal Capital and Funding	334
[2] Procedural Aspects	335
[3] Disparity Between Buy-Out Price or Formula and Fair Price	335
[4] Implied Covenant of Good Faith and Fair Dealing	336
[5] Notice	337
§ 11.05 Other Governance Features of the Closely Held Corporation	338
[A] Overview	338
[B] Greater Than Majority Quorum and Voting Requirements	338
[C] Informal Action by Shareholders and Directors	340
§ 11.06 Close Corporation Statutes	340
§ 11.07 Protecting Shareholder Expectations in the Close Corporation	
<i>Ex Post</i>	341
[A] Resetting the Problem	341
[B] Heightened Fiduciary Duty in the Close Corporation Setting	342

[C] Heightened Fiduciary Duty in Other Jurisdictions	346
[D] Two Worlds Collide: The <i>Donahue</i> Principle Meets Employment at Will	346
[E] Involuntary Dissolution Statutes	348
[F] Cases of Deadlock	349
[G] Oppression Grounds	351
[H] Remedies in Involuntary Dissolution Cases	354
[I] Valuation Issues in Court Ordered Buyouts	357
[J] Conclusion	358
§ 11.08 Limited Liability Companies	358
[A] Introduction	358
[1] Hybrid Nature	358
[2] Manager-Managed	359
[3] Comparison with Limited Partnership	359
[4] Comparison with the Limited Partnership Hybrid	359
[B] Background	360
[C] Formation of an LLC	361
[D] Finance	362
[E] Veil Piercing in LLCs	362
[F] Authority of Members and Managers	363
[G] Fiduciary Duties of LLC Managers and Members	364
[1] Introduction	364
[2] Implied Covenant of Good Faith and Fair Dealing	364
[3] The Duty of Loyalty	364
[4] Competition with the LLC	366
[5] Opting out of Fiduciary Duties	366
[6] Exculpatory Provisions	367
[H] Dissolution of an LLC	367
[I] Limited Liability Partnerships	369
[J] Series	371
[K] Social Enterprises, Mission Driven Companies, and the Low Profit Limited Liability Company (L3C)	371
<b>Chapter 12 · Hostile Tender Offers</b>	<b>373</b>
§ 12.01 Introduction	373
§ 12.02 The Rise and Fall of Hostile Tender Offers	374
§ 12.03 Policy Issues	376
[A] Proponents	376
[B] Opponents	377
§ 12.04 Tactics	379
[A] Bidder Tactics	379
[B] Target Tactics	381
[1] Poison Pills	383
§ 12.05 State Law	387
[A] Delaware Approach	389
[1] The <i>Cheff</i> Case	389
[2] The <i>Unocal</i> Test	389
[3] The <i>Revlon</i> Test	391

[4] The <i>Time</i> Case	393
[5] The <i>QVC</i> Case	395
[6] The <i>Unitrin</i> Case	397
[7] Shareholder Voting and Tender Offers	399
[8] Judicial Scrutiny of Deal Protection	400
[a] The <i>Omnicare</i> Case (Using <i>Unocal</i> )	401
[b] The <i>Lyondell</i> Case (Using <i>Revlon</i> )	403
[9] Summary	404
§ 12.06 Federal Securities Law—The Williams Act	407
[A] History	407
[B] Disclosure Rules	408
[C] Other Rules	409
[D] Section 14(e)	409
§ 12.07 State Takeover Statutes	410
[A] Introduction	410
[B] Policy Issues	411
[C] Constitutionality	413
[1] The <i>Edgar</i> Case	413
[2] The <i>CTS</i> Case	414
<b>Chapter 13 · SEC Rule 10b-5 Disclosure and Insider Trading</b>	417
§ 13.01 SEC Rule 10b-5 Disclosure and Insider Trading	417
§ 13.02 Disclosure Concepts and Elements of a Cause of Action Under Rule 10b-5	420
[A] Implication of Private Rights of Action	420
[B] Standing to Sue	420
[C] Materiality	422
[D] State of Mind	425
[E] Pleading State of Mind	427
[F] Reliance (Transaction Causation)	429
[G] The Fraud on the Market Theory Reliance Substitute	431
[H] Loss Causation	433
[I] The “In Connection With” Requirement	434
[J] Privity	435
[K] Secondary Liability for Disclosure Violations	435
[L] Statutes of Limitation	438
§ 13.03 The Prohibition of Insider Trading: Is It Good or Bad?	438
§ 13.04 The Law of Insider Trading	441
[A] Common Law Background	441
[B] The Nature of the Insider Trading Prohibition	442
[C] Who Is an Insider?	443
[D] Tipper-Tippee Liability	445
[E] The Misappropriation Theory	448
[F] The Misappropriation Theory in the Supreme Court	450
[G] Tippees of Misappropriators	453
[H] Remedies and Enforcement	454
[I] SEC Regulation FD	456
§ 13.05 The Insider Trading Prohibition Under State Law	457
[A] Common Law	457

[B] Common Law Exceptions: The Kansas Rule	458
[C] Common Law Exceptions: Special Facts Doctrine	458
[D] Modern Expansion of the Special Facts Doctrine	459
[E] Finding Harm to the Corporation from the Insider's Trading	459
§ 13.06 Regulation of Insider Trading Under Section 16 of the Securities Exchange Act of 1934	460
[A] Statutory Provisions	460
[B] Parties Plaintiff and Calculation of Damages	461
[C] Who Is an Officer for Section 16 Purposes?	463
[D] Insider Status at Only One End of a Swing	463
[E] Takeover Players and Section 16(b)	464
<b>Chapter 14 · Corporate Litigation</b>	<b>465</b>
§ 14.01 Introduction	465
§ 14.02 The Nature of the Derivative Suit: Direct Versus Derivative, Pro Rata Recovery, and Other Preliminary Issues	467
[A] The Nature of the Derivative Suit	467
[B] Direct Versus Derivative—Special or Distinct Injury Rule	468
[C] Direct Versus Derivative—Denial of Contract Rights Associated With Shareholding	471
[D] Direct Versus Derivative—Closely Held Corporation Exception	472
[E] Pro Rata (Individual) Recovery in Derivative Actions	473
[F] The <i>Tooley</i> Test in Delaware	476
§ 14.03 Qualifications of a Proper Plaintiff-Shareholder	477
[A] Record Ownership	477
[B] Contemporaneous Ownership	477
[1] Introduction	477
[2] Basis for the Rule	478
[3] Possible Exception: Undisclosed Wrongdoing	479
[4] Exception: Continuing Wrong	479
[5] Exception: Double Derivative Actions	480
[C] Continuous Owner	481
[D] Clean Hands Requirement	482
[E] Adequate Representation Requirement	482
[F] Selection of Lead Counsel	484
§ 14.04 Reforms of the Earlier Strike Suit Era	485
[A] Overview	485
[B] Verification Requirement	485
[C] Security for Expenses Requirements	486
§ 14.05 The Demand Rule	487
[A] Overview	487
[B] Demand Refused	488
[C] Demand Accepted	489
[D] Demand Excused	490
[1] Introduction	490
[2] The Futility Exception	490
[a] Introduction	490
[b] Legal Tests for Demand Futility	491
[c] Disabling Conflicts of Interest	492



[d] Lack of Independence	493
[3] Threat of Irreparable Harm	495
[4] Closely Held Corporations	495
[5] Delay	495
[6] Neutrality	496
[E] Demand on Shareholders	496
§ 14.06 Termination of Litigation: The Advent of the Special Litigation Committee Device	497
[A] Background	497
[B] Application of the Business Judgment Rule	498
[C] Delaware and the <i>Zapata</i> Second Step	500
[D] Structural Bias and Other Criticisms	501
[E] Recent Cases	504
§ 14.07 Proposed Reforms of the Modern Strike Suit Era	507
[A] The ALI Proposals Briefly Considered	507
[B] The American Bar Association (Model Business Corporation Act) Proposals	508
[C] Derivative Action Summary	509
[D] Bylaw and Contractual Impediments to Shareholder Litigation	509
§ 14.08 Right to Trial by Jury, Attorneys’ Fees, and Miscellaneous Issues	511
[A] Right to Trial by Jury	511
[B] Attorneys’ Fees in Derivative Actions	512
[1] Entitlement: Common Fund Versus Common Benefit Cases	512
[2] The Cosmetic (Collusive) Settlement Problem	513
[3] Computation of Fee Amounts: Lodestar Versus Percentage of Recovery Methods	514
[4] Objectors and Intervenors	516
[5] The <i>WorldCom</i> Case	517
[C] Statute of Limitations or Laches?	518
[D] Who Pays?	518
§ 14.09 The Reprise of the Shareholder Class Action	519
[A] The Death of the Derivative Action and the Rise of the “Stock Drop” Class Action	519
[B] The Private Securities Litigation Reform Act (PSLRA) of 1995	521
[C] Particularized Issues Under the PSLRA	522
[1] Pleading	522
[2] Loss Causation	523
[3] Selection of the Most Appropriate Plaintiff	524
[D] The Securities Litigation Uniform Standards Act (SLUSA) of 1998	525
[E] Mail and Wire Fraud Government Criminal Prosecutions	527
§ 14.10 Lawyering Problems in Corporate Litigation	528
[A] Attorney-Client Privilege	528
[B] Attorney-Client Privilege in Derivative Litigation	529
[C] The Corporation as Client	530
[D] Sarbanes-Oxley Act (SOX) § 307: The Conflict Between “Reporting Up” and the Prohibition on Disclosure of Client Confidences	531
§ 14.11 Indemnification and Insurance	532
[A] Overview	532
[B] Indemnification Statutes	533

[C] Advance of Fees and Other Expenses	534
[D] Fees on Fees	535
[E] Implementation by Contract	535
[F] Non-exclusive Versus Exclusive Statutes, Public Policy Limits, and Consistency Limitations	535
[G] Overriding Requirement of Good Faith (Statutory)	536
[H] Insurance	537
[I] Summary	538
<b>Table of Statues &amp; Regulations</b>	<b>539</b>
<b>Table of Cases</b>	<b>539</b>
<b>Index</b>	<b>557</b>

# Preface

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*Understanding Corporate Law* is intended to assist law students and lawyers with a basic understanding of the law of corporations as taught in most corporations courses. Significant business, economic and policy issues are highlighted in connection with a thorough analysis of the important cases and both state and federal statutory provisions used in the study of corporations. It includes the major theoretical approaches used in current corporate law literature. In each chapter, the authors identify important policies and discuss the relationship of the law as it has developed to those policies. The rise of institutional shareholder ownership and its effect on legal developments is highlighted. Statutory issues are covered under both the General Corporation Law of the State of Delaware and the Business Corporation Act. In addition, significant sections from the Principles of Corporate Governance of the American Law Institute are covered. The corporate scandals of 2001 and 2002 and the enactment of the federal Sarbanes-Oxley (2002); the financial crisis of 2008 and enactment of Dodd-Frank (2010); and JOBS (2012) Acts are also covered. Chapter 11 now incorporates material on limited liability companies (LLCs). This book is designed to be used with all of the major corporate law casebooks.

We also have written this volume so that non-lawyers who desire to progress beyond a rudimentary knowledge of corporate law may do so by reading this book.

Although the book was a collaborative effort, Professor Pinto wrote Chapters 1, 4, 5, 6, 8, 9, 10 and 12. Professor Branson wrote Chapters 2, 3, 7, 11, 13 and 14.

Professor Pinto would like to acknowledge his partner Stephen J. Bohlen for his constant support.

Professor Branson dedicates this book to Elizabeth, Clare and Annie.

The book is dedicated to our students past and present who have inspired this project.

Arthur R. Pinto  
Douglas M. Branson

