UNIVERSITY OF HAWAII
Course Syllabus
Law For The Accountant (ACCTG. 413) (Sec. 001)

INSTRUCTOR: Peter J. Lenhart, Esq., Ph.# 536-7599 (week days)

MEETING TIMES: Mondays, 6:00 p.m. to 8:45 p.m./August 22, 2011, through December 12, 2011

OFFICE HOURS: After class and at other times upon request

CLASS ROOM: BUSAD D-101 (In the event of disturbances before or during class time, i.e., bomb threats, meet the instructor in the grassy area on the south side of George Hall. You will be given further instructions at that point. On days of scheduled exams, you will be directed to an alternate classroom to take the exam.)

STUDENTS WITH DISABILITIES: Students with disability are introduced to KOKUA. Students with disabilities are encouraged to contact the KOKUA Program for information and services. Services are confidential and students are not charged for them. Contact KOKUA at 956-7511, kokua@hawaii.edu, or Student Services Center, Room 13.

PREREQUISITE: Business Law 200 or consent. Please go to the following web-addresses if you wish to determine your course prerequisite for your undergraduate and graduate classes:

http://www.hawaii.edu/soa/undergradcourse.html
http://www.hawaii.edu/soa/gradcourse.html

COURSE DESCRIPTION: This course covers advanced legal concepts in contracts, sales, commercial paper, secured transactions, bankruptcy, federal securities law, employment, property and insurance law, accountants' legal liability, and federal taxation. This course is designed to provide advanced business law concepts to students interested in pursuing careers in accounting or other professions which require a higher level of understanding of business law concepts. This course provides an excellent review for the law portion of the CPA examination.

TEXT BOOK: Wiley CPA Examination Review 2011–Regulation, by O. Ray Whittington and Patrick R. Delaney (Students are encouraged to supplement the reading in this text with the use of any college level introductory business law text)
**GRADING FOR CLASS:**

**MID-TERM EXAMINATION:** 40% of grade (October 17, 2011) (closed book)

**FINAL EXAMINATION:** 40% of grade (December 12, 2011) (cumulative examination) (closed book)

**TERM PAPER:** 10% percent of grade (15 page paper for undergraduates and a 25 page paper for graduate students). Term paper should be double spaced with no less than 11 point font or greater than 12 point font. Topics can be presented to Instructor for comment.

Term Paper will require the Student to identify an issue (i.e., a current business or transaction law problem), to research that issue, and to set forth the Student's own **ORIGINAL SOLUTION** in the form of a change to existing law or the adoption of a new law to address that problem. Although your paper will require research to identify and to describe the problem, your paper is not primarily a research paper. The most important part of this assignment is for the Student to identify an **ORIGINAL SOLUTION** to an existing business or transaction law problem and to describe how that **ORIGINAL** solution will address (i.e., help to solve) that problem. **CREATIVITY and ORIGINAL THOUGHT** will be recognized.

(Current College of Business Administration policy requires that whenever a student (graduate or in special cases, undergraduate) plans to include a 400-level class in his/her MBA or MacC program, he/she must complete an additional project or paper that is above and beyond that which is required of the bachelors-degree-seeking students in this course. Because this requirement is strictly enforced, graduate students must petition for permission to apply a 400-level class to their degree program. These petitions and additional information on this policy are available in OSAS. Options to fulfill this requirement for this course will be discussed at the first class meeting. Last day to change grading option is August 31, 2011. Students should consult the university calendar to confirm this deadline.)

**CLASS PARTICIPATION:** 10 percent of grade (**please do not call instructor as to absences**). Course encourages active participation by students in a discussion and exploration of legal issues. Students are encouraged to engage in active discussions during class to explore different aspects and outcomes of the law as facts change and encourage analytical and communication skills. All students can benefit from an active discussion of topics and issues. Private conversations during class are discouraged as they disrupt the structure of the class. Students may leave the classroom if they wish to discuss personal topics among themselves during class instruction.

**ACADEMIC DISHONESTY:** Academic dishonesty as defined in the Student Conduct Code will not be tolerated. Students are discouraged from leaving the classroom during examinations. Please plan accordingly.
CLASS PROCEDURES: Classroom attendance and participation will count to the benefit of a student's final grade. Please do not call Professor as to absences. Students will be given reading and problem assignments and will be expected to be prepared to discuss the material and problems during class. Regular attendance and punctuality will be expected. Make-up examinations are strongly discouraged and will be permitted only for extraordinary reasons. Should the instructor miss a class, the student is expected to do the reading and any problems assigned for the next class session.

GOALS OF COURSE:

(1) To teach/learn fundamental principles of business law and to learn to apply those principles (empirically) to "real life" situations

(2) To develop legal reasoning skills to assist in making reasoned decisions having legal consequences and to assist in making reasoned decisions in response to transactions having legal consequences

(3) To provide a vocabulary of legal terminology and principles to assist in communicating business ideas and to encourage students to develop their advocacy (speaking) skills

(4) To assist the student in learning "to think like a lawyer" (i.e. learning to use inductive and deductive reasoning and learning to use analogy)

(5) To develop knowledge of, and an appreciation for, jurisprudence

(6) To assist students in studying for and passing professional examinations

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October 24  Property (Mod 31) and Insurance (Mod 32)
October 31  Individual Taxation (Mod 33)
November 7  Individual Taxation (Mod 33)
November 14 Transactions in Property (Mod 34)
November 21 Partnership Taxation (Mod 35)
November 28 Corporate Taxation (Mod 36)
December 5  Gift & Estate Taxation (Mod 37) (Paper Due)
December 12 Final Examination (T/F, M/C, Essay/Cumulative Examination) - a hui hou!

CAVEAT: The instructor reserves the right to make any changes to the course content, syllabus, and methodology. Said changes, if any, will be announced.

BIOGRAPHICAL SKETCH:

The instructor grew up in Hawaii and graduated from Kailua High School. He attended the University of Hawaii where he obtained his Bachelors and Masters degrees in Accounting (With Distinction). He obtained is Juris Doctor ("J.D.") degree from Boston College Law School. While attending law school, the instructor interned with the public accounting firm of Deloitte & Touche, CPAs (then Deloitte, Haskins & Sells) and with the Boston Regional Office of the Securities & Exchange Commission.

Upon graduating from law school, the instructor served one year as a judicial law clerk to the Honorable Frank D. Padgett, Associate Justice of the Hawaii Supreme Court.

The instructor then entered private practice emphasizing purchase and sale of businesses, corporate and general business law (including LLC’s, LLP’s, partnerships, etc.), real estate law, conveyancing, commercial leasing, real estate development, commercial and residential real estate financing, contracts, negotiations, estate planning, tax law and tax controversies, and specialized commercial litigation. The instructor is licensed to practice law in the State of Hawaii and is also a licensed Certified Public Accountant (CPA/State of Florida) (inactive). The instructor passed the Certified Managerial Accounting ("CMA") Examination but is not licensed as such. The instructor is an arbitrator and a mediator with the American Arbitration Association and is a licensed real estate broker in the State of California.

The Instructor has served on multiple Bar and Professional organizations and committees including "chairing" the HSBA’s Business Law Section and the HSBA Continuing Legal Education Committee. The Instructor was as an adjunct professor of law at Hawaii Pacific University from 1990 to 1999, teaching Law for Accountants and Federal Income Taxation. He has been an adjunct professor of law in the College of Business Administration at the University of Hawaii since 1999 teaching Law for the Accountant.
ACC 413 Reserves

ACC 413 - CONTRACTS/SALES (ARTICLE 2 UCC)
http://www.sinclair.hawaii.edu/auth/auth.php?fn=Lenhart_ACC413_1_contracts.pdf

ACC 413 - NEGOTIABLE INSTRUMENTS/ARTICLE (3 UCC)

ACC 413 - SECURED TRANSACTIONS/ARTICLE (9 UCC)

ACC 413 - BANKRUPTCY

ACC 413 - DEBTOR/CREDITOR RIGHTS

ACC 413 - AGENCY/PARTNERSHIPS

ACC 413 - CORPORATIONS

ACC 413 - SECURITIES

ACC 413 - PROPERTY

ACC 413 - TRUST & ESTATES AND INSURANCE
MAKING MONEY: The most popular piece I've published in 40 years of writing these Letters was entitled, "Rich Man, Poor Man." I have had dozens of requests to run this piece again or for permission to reprint it for various business organizations.

Making money entails a lot more than predicting which way the stock or bond markets are heading or trying to figure which stock or fund will double over the next few years. For the great majority of investors, making money requires a plan, self-discipline and desire. I say, "for the great majority of people" because if you're a Steven Spielberg or a Bill Gates you don't have to know about the Dow or the markets or about yields or price/earnings ratios. You're a phenomenon in your own field, and you're going to make big money as a by-product of your talent and ability. But this kind of genius is rare.

For the average investor, you and me, we're not geniuses so we have to have a financial plan. In view of this, I offer below a few items that we must be aware of if we are serious about making money.

Rule 1: Compounding: One of the most important lessons for living in the modern world is that to survive you've got to have money. But to live (survive) happily, you must have love, health (mental and physical), freedom, intellectual stimulation -- and money. When I taught my kids about money, the first thing I taught them was the use of the "money bible." What's the money bible? Simple, it's a volume of the compounding interest tables.

Compounding is the royal road to riches. Compounding is the safe road, the sure road, and fortunately, anybody can do it. To compound successfully you need the following: perseverance in order to keep you firmly on the savings path. You need intelligence in order to understand what you are doing and why. And you need a knowledge of the mathematics tables in order to comprehend the amazing rewards that will come to you if you faithfully follow the compounding road. And, of course, you need time, time to allow the power of compounding to work for you. Remember, compounding only works through time.

But there are two catches in the compounding process. The first is obvious -- compounding may involve sacrifice (you can't spend it and still save it). Second, compounding is boring -- b-o-r-i-n-g. Or I should say it's boring until (after seven or eight years) the money starts to pour in. Then, believe me, compounding becomes very interesting. In fact, it becomes downright fascinating!

In order to emphasize the power of compounding, I am including this extraordinary study, courtesy of Market Logic, of Ft. Lauderdale, FL 33306. In this study we assume that investor (B) opens an IRA at age 19. For seven consecutive periods he puts $2,000 in his IRA at an average growth rate of 10% (7% interest plus growth). After seven years this fellow makes NO MORE contributions -- he's finished.

A second investor (A) makes no contributions until age 26 (this is the age when investor B was finished with his contributions). Then A continues faithfully to contribute $2,000 every year until he's 65 (at the same theoretical 10% rate).

Now study the incredible results. B, who made his contributions earlier and who made only seven contributions, ends up with MORE money than A, who made 40 contributions but at a LATER TIME. The difference in the two is that B had seven more early years of compounding than A. Those seven early years were worth more than all of A's 33 additional contributions.

This is a study that I suggest you show to your kids. It's a study I've lived by, and I can tell you, "It works." You can work your compounding with muni-bonds, with a good money market fund, with T-

Rule 2: DON'T LOSE MONEY: This may sound naive, but believe me it isn't. If you want to be wealthy, you must not lose money, or I should say must not lose BIG money. Absurd rule, silly rule? Maybe, but MOST PEOPLE LOSE MONEY in disastrous investments, gambling, rotten business deals, greed, poor timing. Yes, after almost five decades of investing and talking to investors, I can tell you that most people definitely DO lose money, lose big time -- in the stock market, in options and futures, in real estate, in bad loans, in mindless gambling, and in their own business.

RULE 3: RICH MAN, POOR MAN: In the investment world the wealthy investor has one major advantage over the little guy, the stock market amateur and the neophyte trader. The advantage that
the wealthy investor enjoys is that HE DOESN'T NEED THE MARKETS. I can't begin to tell you what a difference that makes, both in one's mental attitude and in the way one actually handles one's money.

The wealthy investor doesn't need the markets, because he already has all the income he needs. He has money coming in via bonds, T-bills, money market funds, stocks and real estate. In other words, the wealthy investor never feels pressured to "make money" in the market.

The wealthy investor tends to be an expert on values. When bonds are cheap and bond yields are irresistibly high, he buys bonds. When stocks are on the bargain table and stock yields are attractive, he buys stocks. When real estate is a great value, he buys real estate. When great art or fine jewelry or gold is on the "give away" table, he buys art or diamonds or gold. In other words, the wealthy investor puts his money where the great values are.

And if no outstanding values are available, the wealthy investors waits. He can afford to wait. He has money coming in daily, weekly, monthly. The wealthy investor knows what he is looking for, and he doesn't mind waiting months or even years for his next investment (they call that patience).

But what about the little guy? This fellow always feels pressured to "make money." And in return he's always pressuring the market to "do something" for him. But sadly, the market isn't interested. When the little guy isn't buying stocks offering 1% or 2% yields, he's off to Las Vegas or Atlantic City trying to beat the house at roulette. Or he's spending 20 bucks a week on lottery tickets, or he's "investing" in some crackpot scheme that his neighbor told him about (in strictest confidence, of course).

And because the little guy is trying to force the market to do something for him. he's a guaranteed loser. The little guy doesn't understand values so he constantly overpays. He doesn't comprehend the power of compounding, and he doesn't understand money. He's never heard the adage, "He who understands interest -- earns it. He who doesn't understand interest -- pays it." The little guy is the typical American, and he's deeply in debt.

The little guy is in hock up to his ears. As a result, he's always sweating -- sweating to make payments on his house, his refrigerator, his car or his lawn mower. He's impatient, and he feels perpetually put upon. He tells himself that he has to make money -- fast. And he dreams of those "big, juicy megabucks." In the end, the little guy wastes his money in the market, or he loses his money gambling, or he dribbles it away on senseless schemes. In short, this "money-nerd" spends his life dashing up the financial down-escalator.

But here's the ironic part of it. If, from the beginning, the little guy had adopted a strict policy of never spending more than he made, if he had taken his extra savings and compounded it in intelligent, income-producing securities, then in due time he'd have money coming in daily, weekly, monthly, just like the rich man. The little guy would have become a financial winner, instead of a pathetic loser.

**RULE 4: VALUES:** The only time the average investor should stray outside the basic compounding system is when a given market offers outstanding value. I judge an investment to be a great value when it offers (a) safety; (b) an attractive return; and (c) a good chance of appreciating in price. At all other times, the compounding route is safer and probably a lot more profitable, at least in the long run.
BY TANYA BRICKING LEACH
Advertiser Staff Writer

After a string of relationships in college that went nowhere, Yvette Nozaki resigned herself to the life of a single woman.

"I used to watch all those wedding shows," she said, "I thought there was no one out there for me. I was always a pessimist and thought I would never get married."

Then, "Law for Accountants" changed her life.

She had graduated from Indiana University and came home to O'ahu, where she was enrolled at the University of Hawai'i to earn her master's degree in accounting. She ended up in the law class sitting next to Andrew Matsumoto, who was getting his master's in business administration.

"She seemed just really nice," Matsumoto remembers. "Smart. Intelligent when she spoke in class. Pretty."

They would talk when they saw each other in class, but Matsumoto was calculating how he could see her more. He asked to exchange phone numbers on the premise that they could talk about a class project. He'd offer to give her rides because she didn't have a car. And as the semester wound to a close, he was working up the courage to ask to see her again.

Unbeknownst to him, she began wondering whether she would ever see him again after the class ended, and she knew she wanted to.

So on Dec. 22, 2000, they officially began their courtship.

Matsumoto, from Mililani, taught her to fish, golf and explore places on the island she had never seen growing up in town.

"He took me to the west side," said Nozaki, who had barely been past the airport. "He took me to football games."

Nozaki found she could relax around him, and when they both found jobs in accounting, he understood the stresses of her job. They're both career-oriented, and Matsumoto said their interests and values clicked.

He also liked her openness to new experiences and appreciated that she'd cook for him and want to see him even after he had been fishing all day.

She liked that he'd do little things for her.

Yvette Nozaki and Andrew Matsumoto met in a University of Hawai'i-Ma'noa law class for accountants. Nozaki thought she was destined to be single until she met Matsumoto.

like bring her flowers.

So, after dating for 2½ years, Nozaki had a feeling he was going to propose. They already had looked at rings. Nozaki agonized about when the moment would come. But finally, one day, Matsumoto took her to Kahala Beach, one of their favorite beaches, and asked her to marry him.

They planned and paid for their own wedding on Dec. 18, with a ceremony at Nuuanu Congregational Church and a reception at the Halekulani hotel.

"For a person who thought I would never get married," the bride said, "it was just an amazing experience."

Nozaki, 28, is an accountant for Louis Vuitton. Matsumoto, also 28, is an auditor for PricewaterhouseCoopers. They plan to honeymoon in Italy this spring.

Tanya Brickling Leach writes about relationships. If you'd like her to tell your love story, write to tleach@hnladvertiser.com, call 525-8026 or mail your photo and details to Love Stories, Tanya Brickling Leach, The Advertiser, P.O. Box 3110, Honolulu 96804.
Never give up!

Courtesy of Jordan Tratter