ACC 413: Law for the Accountant

University of Hawai‘i – MĀnoa

Fall 2021

Instructor: Thane J. Messinger, M.B.A., J.D., A.L.M.

Office: Shidler E602c

Telephone: 512.282.2771 (texts preferred; please include name and class)

Email (preferred): [thane.messinger@hawaii.edu](mailto:thane.messinger@hawaii.edu); if you have a time-sensitive question or issue, you may also *cc* me at [thane@fineprintpress.com](mailto:thane@fineprintpress.com) or [thane@post.harvard.edu](mailto:thane@post.harvard.edu).

**Class Meetings:** Section 001/002, CRNs 88666/85692, Thursday evenings, 6:00 p.m. to 8:45 p.m. Due to Covid and per UH-Manoa directives, the course is to be conducted online; we will meet virtually to ensure all are comfortable with the online format.

**Office Hours:** By appointment.

**Text:** Carnes, G., et al (2021). 2021 Wiley CPAexcel Exam Review Study Guide (Regulation), NJ: Wiley.

Primary access is via the publisher’s Canvas site; a softcover is also available via the publisher, Amazon, or UH or other bookstore. You *may* purchase the physical copy, but need not; the text is online.

Wiley offers the hard copy at $25 for each of the four CPA exam areas; see link in Canvas.

**Course Objectives**

An intensive study of areas of law of importance to accountants. Particular attention is given to principles of law relating to contracts, sales, commercial paper, secured transactions, property, legal entities, agency, securities, and accountant's legal liability. Pre: BLAW 200 or consent.

**Special Note: A Wealth of Material**

You should take advantage of the many resources available to you at the University. Among these, you should read *The Wall Street Journal* each day, along with at least one weekly/biweekly business magazine such as *Forbes* or *The Economist*. It is fine to read these via online library resources, of course, and to use news aggregators.

Why is this important? How is a CEO or CFO able to (1) walk into any room, and (2) engage in a meaningful conversation with (3) any audience, about (4) any subject, at (5) any level, whether investors or Wall Street financiers—or shop foreman concerned about production issues and Six-Sigma rejection rates?

How can they do this? In part, it is because they have built a wealth of knowledge over a period of years. Reading a business resource for a period of five or ten years, and not only will you know “stuff,” you will gain the ability to connect those business, financial, economic, and general ideas. In other words, the complex relationships among commercial, regulatory, engineering, and many other factors become plain if you exercise your mind in this way.

You will also start thinking like your boss, which means you have moved one step closer to your next promotion.

The good news is that this can and should be fun. Choose articles of interest *to you*. Choose industries, and seek out information on that industry. It doesn’t matter which industry is of interest, only that you *have* an interest!

**The Many Realms of Law for Accounting**

This course will focus in the following, drawing from and going beyond the discussions from BLAW 200:

* Contracts
* Sales (UCC Article 2)
* Commercial Paper (UCC Article 3)
* Secured Transactions (UCC Article 9)
* Bankruptcy
* Debtor/Creditor Relations
* Agency
* Partnerships (Joint Ventures)
* Corporations
* Federal Securities Laws
* Accountant's Professional Responsibilities/Legal Liabilities
* Regulation of Employment and Environment
* Antitrust Laws
* Insurance
* Trusts & Estates
* Civil tax penalties

*Whew!* Keep in mind that each of these is a full legal area on which we could spend nearly the entire semester—and on which you will focus as you enter practice.

We will eschew the overloaded and the boring. In a one-semester format we will focus on (1) a survey of numerous topics and (2) a strategic in-depth review of the most important topics, described in the schedule, below. This is a substantial volume of material, to be sure, but…that does not mean it cannot be fun.

We will focus primarily on importance and application, not on rote memorization of masses of information (tedious, stressful, and not all that important for your future *accounting* success). Here, you may draw upon those legal points *you* find most interesting, and share and apply those points for all. Focus on what is of greatest interest to you, and the overall learning is greater learning with less individual effort.

While our calendar is quite full, we will focus on what is most important, but the reality is that these chapters represent the merest tip of the jurisprudential iceberg. It is quite literally true that books (if not shelves of books) and dozens if not hundreds of cases have been written about nearly every paragraph in the text. This should illustrate how important is an understanding of legal principles to any accounting professional.

**Says Who**

Thane practiced corporate law with Kiefer, Oshima, Chun, Fong & Chung in Honolulu, later accepting a position as Court Counsel to the Kosrae Supreme Court. (Kosrae, about 2,000 miles west-southwest of Hawaii, is one of the four states of the Federated States of Micronesia.) He also served as Special Counsel to the Kosrae Constitu­tional Convention, held for two months in 1995. While in Micronesia, Thane taught two courses, Entrepreneurship and Financial Manage­ment, at the College of Micronesia. In addition, he wrote The Young Lawyer’s Jungle Book: A Survival Guide, a law-practice guide for new attorneys.

Farther back, his family delved into construction (home renovations, mostly) starting when he was 13. Thane learned the joys of plumbing, carpentry, cement mixing, ditch-digging, manure-shoveling, you name it. He was involved in entrepreneurial ventures from the age of 15 on, and later held a number of managerial positions, including one with responsibility for some 225 professionals and 65 staff. In that capacity, he supervised and worked closely with the finance department, responsible for receivables, payables, budgeting, and all other areas of financial importance. He has, more recently, been active in private equity, which draws upon extensive reviews of financial data.

On the academic front, an M.B.A. from Texas State University in San Marcos was followed by a J.D. (Doctor of Jurisprudence) from the University of Texas at Austin, where he served as an editor for the Texas Law Review. Somewhere in the midst of these goings-on, he studied at Mansfield College, Oxford University; at Tunghai University (in Taiwan); and at Harvard Law School (somewhere in the Nor’east). In 2007, he earned a third graduate degree, focusing his thesis in governance, from Harvard University.

In addition to teaching at the University of Hawai‘I at Mānoa’s Shidler School of Business (where he also teaches with the Vietnam Executive MBA Program). Thane has taught at University of Texas at Austin, the College of Micronesia, the University of Hawai‘I at West O‘ahu, and Park University. He is published widely in legal education.

Thane has worked with accountants and finance professionals in a variety of professional, executive, and investor capacities. He conferred with Robert Prentice of the University of Texas at Austin and co-author of the *CPAexcel* text.

**Class Expectations**

This is a course in which ethics and numerous topics within business law are a continued focus in light of the needs of accounting professionals. A variety of instructional methods will be used, including lecture, group discussions, experiential exercises, case discussions, and films or video clips.

You will be expected to have done all readings prior to class: this is essential to getting the most out of class discussions for you and for your colleagues. You are also expected to participate in class discussions. There may also be team exercises, case studies, self-assessments, readings, and other projects.

For confidentiality among your colleagues, recording of any kind is not allowed.

Class attendance is required, and punctuality is important. *The following can affect your final grade:* (1) excessive absences; (2) lack of punctuality or other disruption; (3) a lack of consideration for your classroom colleagues; (4) inattention, including use of technology for other than course content; or (5) lack of teamwork in team project(s).

**Academic Dishonesty** is a serious matter, taken seriously by the academic administration. If you have any questions, please see the Student Code of Conduct in the UH-Manoa website, or contact me.

**Course Requirements**

This course seeks an *active engagement*. I encourage you to find ways to make this interesting…to *you*. You may choose topics of greatest interest to you, and you may and should bring your experiences and expertise into the class.

**Quizzes**. The quizzes are open book, open note. Each quiz is dated: *please refer to the date ranges* below.

*I urge you to take the quiz early*. This carries multiple benefits, which we will discuss in class. As an encouragement, you will earn extra credit for consistent completion of quizzes on Monday-Thursday before class.

While quizzes (as opposed to a mid-term) might seem an added or even onerous burden, there are several advantages with quizzes: (1) learning in the course is broader and deeper; (2) the benefits of pacing in all areas of professional advancement are profound; (3) the quizzes are relatively bite-sized, both in intensity and point weighting, and reward specific knowledge rather than pedagogical surprise; (4) cramming is relatively ineffective and is a very, *very* bad habit; and (5) these will allow us to eliminate a mid-term exam (or two mid-term exams), so that we can focus on substantive topics and, yes, more fun.

If all quizzes are taken, I will omit the lowest quiz score.

**Participation**. Healthy in-class participation is encouraged, and rewarded. Please don’t feel the need, however, simply to *talk*. Rather, a single insight on occasion will be highly valued; a number of comments, as appropriate, are also rewarded. As we will discuss in class, however, the point is for us all to share a wide variety of academic points. Be careful not to succumb to the “gunner” mentality of responding to every point. This is not merely for us in the course: this is another bad habit in a professional career. So, a balance of insightful comments and *active* listening (which we will also discuss) is preferable.

The participation grade is a combination of attendance and your *qualitative* contributions *and behavior* in class.

**Individual Project**. We will, together, prepare an analysis of a specific legal issue of importance in accounting, which we will discuss and narrow early in the course. I will provide additional information as we narrow these topics. We will, among other things, focus in on topics of interest to you, and share this among your colleagues in class. This is 49% of the research battle. Moreover, we will focus on topics that will draw on knowledge you already have, so that your research will broaden and strengthen that knowledge.

Please note that there are multiple deadlines, specified in the calendar below: (1) a research outline (preliminary and graded); (2) a draft (graded); and (3) the final project. We can discuss in class the benefits of each of these deadlines.

You will present your findings to include any audio-visual tool such as PowerPoint or Prezi. We will discuss formatting, citations, and the like. This is not intended to be stressful, but instead to be helpful to your future professional career. We will also discuss ways to accomplish this with manageable levels of stress.

**Graduate Students**. For those taking this course for graduate credit, the requirements for the research paper are heightened. Please refer to the supplementary instructions.

**Mid-Term Exam(s)**. None.

**Final Exam**. A simulated CPA-Regulations practice exam, accessed via Canvas, is used.

**Extra Credit.** I will post information in Laulima on multiple options for extra credit.

**File-Name Protocol**

Consider creating a logical naming protocol for each paper in each course of your program, saved in folders for each course. That way, you will have an easily-retrieved archive, and a better file name for others. For this course, please use the following naming protocol:

[Your last name and first initial *or* team name], course, [paper], date

Examples:

SmithA, BLAW 200, Extra Credit, 01Jan20xx

Team Humble, BLAW 200, Preliminary Draft, 02Feb20xx

**Classroom Protocol**

Consider the following, for this course and for others:

1. Academic honesty is an assumption.
   1. We will discuss in Contract Law what happens when, in law, an assumption is negated.
2. If you are a student with a disability, you are encouraged to contact the Kokua Program (956-7511) on the ground floor of the new Student Services Center.
3. This course is designed to maximize your learning with the least wasted effort:
   1. You will have flexibility in a number of ways.
   2. With that flexibility comes additional responsibility: primarily, to use the power well.
4. There is no time when you should be dependent upon an electronic fix.
   1. The legal doctrines we will be discussing were developed prior to artificial light, much less, texting.
   2. Consider the *knowledge* and *logic* behind each rule, and reconsider the (questionable) value of “the immediate.”
   3. It is fine (and fun!) to critique a rule, but simply jeering is hardly better.
   4. Our task is to understand the logic and reasoning behind each rule.
5. To reiterate:
   1. If the Pope needs to talk with you, he can leave a message.
   2. If you’re needed in surgery, please excuse yourself from class to save the patient, and please check with your staff about future scheduling.
   3. If the President has you on call for contingency global-crisis intervention, please let the White House know you’ll be unavailable during class.
6. Participation is encouraged…and fun.
   1. “Talking” is not necessary for participation, but attitude is.
   2. Collegial discussion is encouraged.
      1. But…use class time to practice formal thinking and speaking.
      2. In those courses with written papers, use professors’ perspectives and advice to build a stronger formal command of English.
      3. Use that command to succeed.
7. A legal disclaimer: we will discuss many laws, but this is not “legal advice” for a specific issue or problem; we will discuss why that is an important distinction in legal representation.
8. Get ready to be blown away:
   1. Class time is not “to learn.” [!]
   2. Class time is *to understand what you have already learned*.
   3. You should have read the chapter—usually a short set of sections—prior to class. Better still is that plus completing the quiz for that week. Then…done!
   4. This is essential to take discussions to a collegiate level. Failing this, I reserve the right to accelerate the due dates for the quizzes, due prior to class.

**Grading**

100 points total:

Quizzes 30

Participation (online discussions, synchronous and asynchronous) 25

Legal Research Project

Research Outline (draft) 2

Research Outline (final) 3

Draft 5

Team Collaboration and Evaluation 5

Final Project and Presentation 10 25

Final Exam (simulated CPA practice exam) 20

Total 100

Extra Credit

Extra-credit assignment (second CPA practice exam) up to 110

Grades will be determined by percentage:

A+ for *exceptional* work not measured solely by points but almost always at the upper reaches of 99%–100%+

A = 95–100%

A– = 90–94%

B+ = 87–89%

B = 84–86%

B– = 80–83%

C+ = 77–79%

C = 74–76%

C– = 70–73%

D+ = 67–69%

D = 64–66%

D– = 60–63%

F = < 60%

“I” grades are strongly discouraged, for multiple reasons. *The final grade may be adjusted by exceptional work, or by chronic negative issues.*

A motto is useful with regard to the highest grades: “An *A* means *worthy of emulation.”*

This is a useful definition of “A”-quality work, and is if anything truer than a purely quantitative summation. In other words, is the work sufficiently good that it could be an example for others? If you adopt this as your own guide, your career will reach twice its height.

**Nota Bene**

**I encourage you to print the syllabus for each of your courses. You should read each part of the syllabus—boilerplate as well as content-specifics—and you should refer to the schedule *each week*. This single habit will increase your GPA by at least one-half letter grade, and will decrease your stress by at least 27.75%**

**Keep the weekly schedule at the top of a folder or binder—or on an electronic device of your choice—and refer to that *at the beginning of each week,* meaning Sunday, for each course. Three minutes will save time, reduce stress, improve grades, and add a minimum of 12.25 years to your life.**

**Okay, just three of those are true.**

**Course Schedule**

**Week Date Day Discussion Points**

Part I Law for the Accountant

1 08/26/2021 Thursday Administrivia

Course Specifics, Approaches, and Tips

Ethics, Professional Responsibilities, and Federal Tax

Online Discussions

08/29/2021 Sunday 11:59 p.m. Module 1 Quiz (online, due with each module)

Part II Business Law

2 09/02/2021 Thursday Agency and Contracts

Online Discussions

09/05/2021 Sunday 11:59 p.m. Module 2 Quiz (online)

09/06/2021 Labor Day (no impact in online week)

3 09/09/2021 Thursday Debtor-Creditor Relationships

Online Discussions

09/12/2021 Sunday 11:59 p.m. Module 3 Quiz (online)

4 09/16/2021 Thursday Government Regulation of Business

Online Discussions

09/19/2021 Sunday 11:59 p.m. Module 4 Quiz (online)

5 09/23/2021 Thursday Business Structure

Online Discussions

09/26/2021 Sunday 11:59 p.m. Module 5 Quiz (online)

09/26/2021 Sunday 11:59 p.m. Research Project

Research Outline Due (draft)

Part III Federal Taxation of Property Transactions

6 09/30/2021 Thursday Property Transactions

Online Discussions

10/03/2021 Sunday 11:59 p.m. Module 6 Quiz (online)

Part IV Federal Taxation of Individuals

7 10/07/2021 Thursday Income

Online Discussions

10/10/2021 Sunday 11:59 p.m. Module 7 Quiz (online)

10/10/2021 Sunday 11:59 p.m. Research Project

Research Outline Due (final)

8 10/14/2021 Thursday Deductions

Online Discussions

10/17/2021 Sunday 11:59 p.m. Module 8 Quiz (online)

9 10/21/2021 Thursday Individual Tax Issues

Online Discussions

10/24/2021 Sunday 11:59 p.m. Module 9 Quiz (online)

10 10/28/2021 Thursday Tax Credits

Estate and Gift Taxation

Online Discussions

10/31/2021 Sunday 11:59 p.m. Module 10 Quiz (online)

Part V Federal Taxation of Entities

11 11/04/2021 Thursday Corporate Taxation (Part 1)

Online Discussions

11/07/2021 Sunday 11:59 p.m. Module 11 Quiz (online)

11/07/2021 Sunday 11:59 p.m. Research Project

Research Project Due (draft)

11/11/2021 Wednesday Veterans Day (no classes; no impact in ACC 413)

12 11/11/2021 Thursday Corporate Taxation (Part 2)

Online Discussions

11/14/2021 Sunday 11:59 p.m. Module 12 Quiz (online)

13 11/18/2021 Thursday Multijurisdictional Tax Issues

Partnerships

Online Discussions

Presentations (initial)

11/21/2021 Sunday 11:59 p.m. Module 13 Quiz (online)

11/25/2021 – 11/26/2021 Thanksgiving (no class; no online work this week) (Cheering?)

14 12/02/2021 Thursday S Corporation Taxation

Online Discussions

Presentations (initial)

12/05/2021 Sunday 11:59 p.m. Module 14 Quiz (online)

12/05/2021 Sunday 11:59 p.m. Research Project

Research Project Due (final)

12/05/2021 Sunday 11:59 p.m. Extra-credit assignment(s) due for full credit

50% credit thereafter

15 12/09/2021 Thursday Fiduciary Taxation

Tax Credits

Ethics and the Role of the Accountant

Online Discussions

Presentations (cont.)

12/12/2021 Sunday 11:59 p.m. Module 15 Quiz (online)

12/12/2021 Sunday 11:59 p.m. Research Project

Team Evaluation Due (see *Resources*)

12/12/2021 Sunday 11:59 p.m. All Deliverables Due

Final Exam

Mon 12/13/2021 – Fri 12/17/2021 Final Exam 20

**Hard deadline**: Fri 12/17/2021, at 11:59 p.m. HST

**Note: Changes may be made in the course content and/or schedule to facilitate learning, with best efforts to enhance the learning outcome.**