

different. At smaller firms, I was expected to be more independent and was responsible for more things. I liked that a lot. Since I was usually the only clerk there at the time, I'd have to do whatever work needed to be done.

Working at the bigger firms was quite different. I was usually one among many clerks. The work I performed there tended to concern bigger cases that were quite important and so they had more 'prestige'. That was really interesting. At the larger firms, I usually had a chance to move between groups in different practice areas, helping out where needed. This allowed me to gain some insight into what was involved in the legal work carried out in these teams and in the different practice areas.

At the smaller firms, I wrote case briefs for the partners and associates, and all kinds of correspondence with clients from the first day on, which I liked doing. At the bigger firms, I was asked to do research and to help to maintain court books. That was a useful learning experience, too.

In my opinion, the main advantage of a clerkship at a large firm is that you meet a lot of new people. There is a big network of people, so many different lawyers and clients. There's also a greater emphasis on learning and developing the various skills a lawyer needs in courses and seminars.

I must say that both the larger and the smaller firms tried to give me a sense of being part of the company, as if I really belonged to their team. At the larger firms, I was even invited to some of their social events, and that was really fun. However, the smaller firms definitely made you feel more comfortable; everything was more friendly and relaxed. But in both types of firms I never felt that I was wasting my time.

My advice to you all is that it's really important to try to do clerkships, starting in your first year of law school. I also think it's valuable to get to know a variety of firms, with different practice areas and different sizes. I'm sure it'll help you decide what kind of law you want to practise later, and what kind of law firm you'd feel most comfortable in.

Unit 2

Listening A

Ms Norris: So, based on all the background information you've provided me with, my strongest recommendation is for you to incorporate for the reasons we discussed.

Mr Herzog: All right. Of course, I trust your judgment. But I'm completely new to this. How does it work exactly? I mean, I assume that the paperwork has to be drafted by you and filed with the state?

Ms Norris: Well, let me begin by telling you about how the process works in our state, in Delaware. You know, quite a few large corporations choose to incorporate here due to our highly developed corporate legal system.

Mr Herzog: Right. So what do we have to do first?

Ms Norris: The first thing you have to do is select a name – but the incorporator has to check whether that name is available in the state.

Mr Herzog: The incorporator?

Ms Norris: That's the person who prepares, files and signs the articles of incorporation and everything necessary for incorporation. Of course, that's something I could do for you.

Mr Herzog: Got it. Go on.

Ms Norris: Well, I mentioned the articles of incorporation: that's the first main document that needs to be filed. It includes information like the name of the corporation, the address of the corporation and of the corporation's registered office, and the name of the registered agent at that office – that's the person to be served if the corporation is sued.

Mr Herzog: OK, right. What else do the articles of incorporation include?

Ms Norris: They must state the purpose of the corporation and length of time that the corporation is to exist. The duration can be either perpetual or renewable. Another thing that you'd have to provide is information about the capital structure: how much common stock, how much preferred stock, and what are the rights and responsibilities of each. This would be stated in the stock ledger. The stock ledger and the stock certificates are kept with the company records. Any questions?

Mr Herzog: Could you explain what the stock ledger is?

Ms Norris: Sure, that's just a record of each shareholder's ownership in a corporation.

Mr Herzog: I understand. So, is that all? Are there any other documents we have to file?

Ms Norris: Of course, the other document necessary for the company to function as a corporation is the bylaws ...

Mr Herzog: Those are the rules of the corporation?

Ms Norris: Exactly: the bylaws are the rules and regulations adopted by a corporation for its internal governance. Oh, there's one more thing: you're also required to file the organisational board resolutions.

Mr Herzog: What are those?

Ms Norris: Well, they're drawn up after the articles of incorporation have been filed and the bylaws created. That's the time when the first organisational meeting of your corporation will take place. At this meeting, the bylaws are then approved and adopted, officers are elected, and directors are appointed, among other things. All of these decisions are made during this meeting and then set down in the organisational board resolutions, and these resolutions are then filed. Now the incorporation process is complete.

Listening B

Mr Larsen: Albert Larsen. Good morning.

Mr García: Good morning, Mr Larsen, this is Ernesto García speaking – we met last night at the reception at the museum.

Mr Larsen: Yes, of course, Mr García. Good to hear from you.

Mr García: You said I could give you a call. Am I disturbing you?

Mr Larsen: No, not at all, not at all. You're interested in forming a swimwear company, I recall. A private company limited by shares?

Mr García: That's right. I have some experience with company formation, but so far only in the United States. I founded a C corporation with some business associates in Florida some years ago. You're familiar with C corporations?

Mr Larsen: Yes, of course. C corporations are similar to private limited companies in the UK in many ways, particularly in respect of liability, naturally. Shareholders are not personally liable for the debts of the corporation in both a C corporation and a private limited company.

Mr García: That's right.

Mr Larsen: But if I'm not mistaken, a C corporation may become a public corporation, with its shares being bought and sold either through a stock market or 'over the counter'.

Mr García: Uh-huh.

Mr Larsen: In this respect, a private limited company differs. Its shares are not available to the general public.

Mr García: I see.

Mr Larsen: The two types of company are like each other in that both can be founded by persons of any nationality, who need not be a resident of the country. Perhaps this is relevant for you, Mr García.

Mr García: Yes, it is.

Mr Larsen: And with the C corporation and our private limited company, there's no limit to the number of shareholders.