THE TENNESSEE JOURNAL OF BUSINESS LAW

ARTICLES

How Much Information is Enough: Securities Market Information and the Quest for a More Efficient Market Richard C. Strasser

THE INTERFACE BETWEEN THE BANKRUPTCY CODE AND A DISGORGEMENT JUDGMENT HELD BY THE SECURITIES AND EXCHANGE COMMISSION KASEY T. INGRAM

Navigating the Cultural Malaise: Foreign Direct Investment Dispute Resolution in the People's Republic of China George O. White III

THE LEGISLATIVE AND JUDICIAL RESPONSE TO RECENT CORPORATE GOVERNANCE
FAILURES – WILL IT BE EFFECTIVE?

JOHN L. LATHAM

THE BUSINESS CORPORATION ACTS OF DELAWARE AND TENNESSEE:
A COMPARATIVE APPROACH
ELIZABETH LOW

BOOK REVIEW

A REVIEW OF CHARLES M. FOX'S

WORKING WITH CONTRACTS: WHAT LAW SCHOOL DOESN'T TEACH YOU

ANGELA C. LEDFORD

MEMO TO THE PARTNER

Non-Profit's Formation of For-Profit Subsidiary Laura Faye Mullins

CASE COMMENTARIES

Antitrust, Bankruptcy, Business Organizations, Contracts, Copyright, Corporate, Property, & Tax



A PUBLICATION OF
THE CLAYTON CENTER FOR ENTREPRENEURIAL LAW
OF
THE UNIVERSITY OF TENNESSEE COLLEGE OF LAW



The Tennessee Journal of Business Law

VOLUME 5 FALL 2003 NUMBI	ER 1
--------------------------	------

EXECUTIVE EDITORIAL BOARD

PATRICK V. FIEL, Jr. Editor in Chief

KATHRYN M. DIACK Managing Editor

P. NEWMAN BANKSTON
Executive Editor

SENIOR EDITORIAL BOARD

MICHAEL A. WALL Senior Commentary Editor T. RYAN MALONE
News & Publications Editor

ASSISTANT EDITORS

M. ERIC ANDERSON

Articles & Research Editor

MILES C. THOMAS

Articles & Research Editor

DANA K. TRELLA Articles & Research Editor

THIRD-YEAR MEMBERS

JOSEPH W. BALLARD SNEHA CHANNABASAPPA CHRISTOPHER C. COWART AARON B. FLINN DERRICK A. FREE JESSICA L. FRIEDMAN DANIEL R. GOODGE J. HANNAH HOWARD JASON P. JEFFREYS JAMES B. JOHNSON HANNAH H. KIM ANGELA C. LEDFORD MICHAEL L. PENLEY MICHAEL J. STANUSZEK

SECOND-YEAR MEMBERS

MIKE BAISLEY
ASHLEY W. BECK
EDDIE L. BROOMFIELD
ANNA BURCK
ANTHONY M. CALDWELL
NICHOLAS J. CHASE

EDWARD W. COLLINS
JEREMY DEESE
NATHANIEL A. EARLE
JOSHUA FLOWERS
EMILY S. KADERLY
HANNAH M. KISER

MATTHEW J. LEDWITH KERRY L. MASTERS MARISSA A. MOSES JASON NAHON RYAN RUSSELL ZACHARIAH N. STANSELL

FACULTY ADVISOR

Professor George W. Kuney Director, The Clayton Center for Entrepreneurial Law

THE TENNESSEE JOURNAL OF BUSINESS LAW

ISSN 4486-1457. Transactions: The Tennessee Journal of Business Law is published semi-annually and edited by students of the University of Tennessee College of Law. The publisher is Transactions: The Tennessee Journal of Business Law, Inc., c/o The Clayton Center for Entrepreneurial Law, 1505 W. Cumberland Ave., Knoxville, Tennessee 37996-1810. The domestic subscription rate is \$20.00 per volume, \$10.00 per single issue; foreign subscription is \$25.00 per volume, \$15.00 per single issue, plus postage. Unless notice to the contrary is received, Transactions: The Tennessee Journal of Business Law assumes that a renewal of the subscription is desired. All claims of non-receipt of an issue should be made within six months of date of publication if claimant wishes to avoid paying for the missing issue. To order back issues, contact William S. Hein & Co., Inc. at 1285 Main Street, Buffalo NY 14209-1987, or call toll free at (800) 828-7571. POSTMASTER: Send address changes to: Transactions: The Tennessee Journal of Business Law, c/o The Clayton Center for Entrepreneurial Law, 1505 W. Cumberland Ave., Knoxville, Tennessee 37996-1810.

The University of Tennessee College of Law does not discriminate on the basis of race, sex, color, religion, national origin, age, handicap, or veteran status in provision of educational opportunities or employment opportunities and benefits. The UT College of Law does not discriminate on the basis of sex or handicap in its educational programs or activities, pursuant to requirements of Title IX of the Educational Amendments of 1972, Public Law 92-318, and Section 504 of the Rehabilitation Act of 1973, Public Law 93-112, and the Americans With Disabilities Act of 1990, Public Law 101-336. This Policy extends to both employment by and admission to the University. Inquiries concerning Title IX, Section 104, and the Americans With Disabilities Act should be directed to the Office of Equity and Diversity ("OED") at 1840 Melrose Avenue, Knoxville, TN 37996-3560; or telephone (865) 974-2498. Charges of violations of the above policy should also be directed to OED.

Copyright © 2003 Transactions: The Tennessee Journal of Business Law, Inc.

THE UNIVERSITY OF TENNESSEE

COLLEGE OF LAW

UNIVERSITY ADMINISTRATION

JOSEPH E. JOHNSON, B.S., M.A., Ed.D.	
LOREN W. CRABTREE, B.A., Ph.D.	Chancellor and Vice President for Academic Affairs
COLLEGE OF LA	W ADMINISTRATION
THOMAS C. GALLIGAN, JR., A.B., J.D., LL.M.	Dean and Elvin E. Overton Distinguished Professor of Law
JOHN L. SOBIESKI, JR., B.S., J.D.	Associate Dean for Academic Affairs and
	Lindsay Young Distinguished Professor of Law
RACHEL E. INMAN, B.S., J.D.	
DOUGLAS A. BLAZE, B.S., J.D.	
•	Art Stolnitz Distinguished Professor of Law
GEORGE W. KUNEY, B.A., J.D., M.B.A	Director of The Clayton Center for Entrepreneurial Law and
	Associate Professor of Law
CAROL M. PARKER, B.S., M.A., J.D.	Director of Legal Writing and Associate Professor of Law
WILLIAM J. BEINTEMA, B.B.A., J.D., M.S.L.S	Director of the Law Library and Associate Professor
D. CHERYN PICQUET, B.A., M.S.L.S	
REBA A. BEST, B.S., M.L.S.	
KAREN REAGAN BRITTON, B.S., M.S., Ed.D	
KEITH S. CARVER, JR., B.A., M.S	Director of Development and Alumni Affairs
R.G. SMITHSON, B.S., M.S.	Director of Public Affairs
TERESA L. PETERSON, B.S	Budget Director
WILLIAM HODGES, B.S.	
	Networking Manager of the Law Library
MARY ANN JAMES	

COLLEGE OF LAW FACULTY

DWIGHT L. AARONS, B.A., J.D., Associate Professor of Law GARY L. ANDERSON, S.B., J.D., LL.M., Associate Professor of Law FRANCES LEE ANSLEY, B.A., J.D., LL.M., Distinguished Professor of Law BENJAMIN H. BARTON, B.A., J.D., Associate Professor of Law WILLIAM J. BEINTEMA, B.B.A., J.D., M.S.L.S., Associate Professor of Law and Director of the Law Library REBA A. BEST, B.S., M.L.S., Professor and Head of Cataloging for the Law Library JERRY P. BLACK, JR., B.A., J.D., Associate Professor of Law DOUGLAS A. BLAZE, B.S., J.D., Art Stolnitz Distinguished Professor of Law and Director of Clinical Programs CATHLEEN COCHRAN, B.A., M.S.I.S., Associate Professor and Computer Services Librarian NEIL PHILIP COHEN, B.A., J.D., LL.M., UTK Distinguished Service Professor of Law CAROL MORGAN COLLINS, B.A., M.S., Assistant Professor and Catalog Librarian JOSEPH G. COOK, A.B., J.D., LL.M., Williford Gragg Distinguished Professor of Law JUDY M. CORNETT, B.A., J.D., M.A., Ph.D., Associate Professor of Law

THOMAS Y. DAVIES, B.A., M.A., J.D., Ph.D., Professor of Law THOMAS C. GALLIGAN, JR., A.B., J.D., LL.M., Dean and Elvin E. Overton Distinguished Professor of Law PATRICK HARDIN, B.A., J.D., W. Allen Separk Distinguished Professor of Law JOAN MACLEOD HEMINWAY, A.B., J.D., Associate Professor of Law AMY MORRIS HESS, B.A., J.D., Waller Lansden Dortch & Davis and UTK Distinguished Service Professor of Law BECKY L. JACOBS, B.S., J.D. Associate Professor of Law DESERIEE A. KENNEDY, B.A., J.D., LL.M., Associate Professor of Law JOSEPH H. KING, JR., B.A., J.D., Walter W. Bussart and UTK Distinguished Service Professor of Law NDIVA KOFELE-KALE, B.A., M.A., Ph.D., J.D., Visiting Professor of Law GEORGE W. KUNEY, B.A., J.D., M.B.A., Associate Professor of Law and Director of The Clayton Center for Entrepreneurial Law DON A. LEATHERMAN, B.A., J.D., LL.M., Associate Professor of Law ROBERT M. LLÓYD, B.S.E., J.D., Lindsay Young Distinguished Professor of Law

SUSANNA MARLOWE, B.A., J.D., M.L.S., Associate Professor and Head of Public Services in the Law Library SIBYL MARSHALL, B.A., J.D., M.L.S., Assistant Professor and Reference Librarian COLLEEN E. MEDILL, B.A., J.D., Professor of Law JEAN E. MOORE, B.A., M.A.L.S., Reference Librarian and Instructor CAROL M. PARKER, B.S., M.A., J.D., Associate Professor of Law and Director of Legal Writing JERRY J. PHILLIPS, B.A., M.A., J.D., W.P. Toms Distinguished Professor of Law and Walter W. Bussart Distinguished Professor of Law D. CHERYN PICQUET, B.A., M.S.L.S., Professor and Associate Director of the Law Library CARL A PIERCE, B.A., J.D., Professor of Law THOMÁS E. PLANK, A.B., J.D., Professor of Law NATHANIEL PRESTON, B.A., M.A., Ph.D., Writing Specialist M. LORETTA PRICE, B.A., M.S.L.S., Associate Professor and Acquisitions Librarian

GARY PULSINELLI, A.B., Ph.D., J.D., Associate Professor of Law GLENN H. REYNOLDS, B.A., J.D., Beauchamp E. Brogan Distinguished Professor of Law DEAN HILL RIVKIN, A.B., J.D., Distinguished Professor of Law JOHN L. SOBIESKI, JR., B.S., J.D., Lindsay Young Distinguished Professor of Law and Associate Dean for Academic Affairs BARBARA J. STARK, B.A., J.D., LL.M., Professor of Law GREGORY M. STEIN, A.B., J.D., Woolf, McClane, Bright, Allen & Carpenter Distinguished Professor of Law OTIS H. STEPHENS, A.B., Ph.D., J.D., Resident Scholar in Constitutional Law and Alumni Distinguished Service Professor of Political Science PENNY J. WHITE, B.S., J.D., LL.M., Associate Professor of Law PAULETTE J. WILLIAMS, B.A., J.D., Associate Professor of Law RICHARD S. WIRTZ, B.A., M.P.A., J.D., Elvin E. Overton Distinguished Professor of Law

EMERITI

GRAYFRED B. GRAY, B.A., J.D.,
Associate Professor of Law
FREDERIC S. LE CLERCQ, B.A., M.A., LL.B.,
Professor of Law
TOXEY H. SEWELL, B.S., J.D., LL.M.,
Professor of Law

The Tennessee Journal of Business Law

VOLUME 5	FALL 2003 NU	MBER 1
	CONTENTS	
BUSINESS FACULTY NOTES		1
ARTICLES		
HOW MUCH INFORMATION IS EN SECURITIES MARKET INFORMATI A MORE EFFICIENT MARKET		ser 5
THE INTERFACE BETWEEN THE I AND A DISGORGEMENT JUDGME SECURITIES AND EXCHANGE CO.	NT HELD BY THE	am 31
NAVIGATING THE CULTURAL MAINVESTMENT DISPUTE RESOLUTE REPUBLIC OF CHINA	ALAISE: FOREIGN DIRECT	<i>m</i> 31
	George O. White I	<i>III</i> 55
THE LEGISLATIVE AND JUDICIAL CORPORATE GOVERNANCE FAIL WILL IT BE EFFECTIVE?		
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	John L. Latha	<i>um</i> 73
THE BUSINESS CORPORATION ACTENNESSEE: A COMPARATIVE A		ow 95
BOOK REVIEW		
A REVIEW OF CHARLES M. FOX'S	s Working With	
CONTRACTS: WHAT LAW SCHOO		ord 163
MEMO TO THE PARTNER		
Non-Profit's Formation of F	FOR-PROFIT SUBSIDIARY Laura Faye Mulh	ins 169
CASE COMMENTARIES		
ANTITRUST, BANKRUPTCY, BUSIN CONTRACTS, COPYRIGHT, CORPO		177