

REVISED 8/20/13

Law and Business of Corporate Transactions

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Fall 2013

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Meetings: Tuesdays 6 pm-9 pm (Sept 24 - Dec 17, *except* Nov 26)

Vanderbilt 216

Textbook: None required. Optional readings will be posted on the course site at NYU Classes. Although there is no required textbook, we suggest Robert F. Bruner's Applied Mergers and Acquisitions (Wiley, 2004) for those students who would like a general reference text on mergers and acquisitions (M&A) and related topics.

Prerequisites: Stern students should have taken Corporate Finance and Law students should have taken Corporations. (It is also recommended that Law students have taken Corporate Finance.)

Course Description: This class will focus on the legal and financial aspects of M&A (contested and uncontested transactions involving both strategic and financial players), other corporate restructuring transactions and corporate financial distress/bankruptcy. It is intended to integrate diverse aspects of the academic training of law and business students in a transactionally-focused, practically-oriented class. The course will consist of lectures by the co-instructors, presentations by guest speakers and team presentations by the students. The lectures will provide a foundation with respect to the legal and financial aspects of M&A, related transactions and distress/bankruptcy. The guest presentations will focus on the role played by bankers, lawyers and other professionals in the M&A and restructuring process.

The student presentations, which will be done by teams combining Law and Stern students, will analyze current M&A and restructuring transactions using the tools and techniques discussed earlier in the course.

Each student will also be required to write a 12-15 page term paper on a topic approved by the instructors.

Evaluation will be based upon the team presentations and each student's term paper, class participation and other overall contribution to the class. Students should be aware that class attendance is of particular importance since all class content is provided through lectures.

NOTE: This course meets on the Stern Langone calendar, which has a later deadline to add (Oct 1). For Law students who wish to add this course past the Law School add deadline (Sept 9), consideration will only be given to students who are on the ABRA waitlist at the close of ABRA add/drop and attend the first class.

Grading: 40% team project (same grade for entire team)
20% classroom participation
40% term paper

Class Schedule

Sept 24 (Lecture 1): Legal and Financial Framework of Corporate Transactions: Players/Terminology, Key Themes/Issues, Capital Mkt. Framework, Intro. To Valuation (Dick and Steinberg lecturing)

Oct 1 (Lecture 2): Strategy and Execution of Uncontested M&A Transactions. Key Deal Elements (Pricing/Structure/ Process), Issues/Challenges (Steinberg lecturing)

Oct 8 (Lecture 3): Strategy and Execution of Contested M&A Transactions. Key Concepts for Offense and Defense. (Dick lecturing)

Oct 15 (Guest Speakers): Topic: Contested M&A/Activism
Mark Gerstein - Global Chairman of M&A Practice at Latham & Watkins
Chris Young – MD & Head of Contested Situations at Credit Suisse
Case teams finalized and presentation dates scheduled

Oct 22 (Lecture 4): Leveraged Buyouts and Leveraged Recapitalizations (Dick lecturing) *Term paper topics approved*

Oct 29 (Lecture 5): Spinoffs and Other “Disaggregation” Transactions. (Steinberg lecturing) *Discussion of group presentation strategies*

Nov 5 (Lecture 6): Financial Distress, Creditor Strategies Prior to Chapter 11, Chapter 11 Process and Strategies (Steinberg lecturing)

Nov 12 (Guest Speakers): Topics: LBOs/Bankruptcy
Gerald Rosenfeld – Vice Chairman, Investment Banking, Lazard Ltd.
Alok Singh – Managing Principal, Bridge Growth Partners

Nov 19 (Lecture 7) Selected Topics: Advisor Conflicts; Government Regulation; Cross-Border M&A; Other Topics of Interest (Steinberg and Dick lecturing)

Nov 26: No Class

Dec 3: Team Presentations 1

Dec 10: Team Presentations 2

Dec 17: Team Presentations 3 *Term Papers due 6 pm*

Team Cases: Students will be asked to organize themselves into nine teams of 4-5 students each (depending on final registration count). Each team will include a balance of Law and Stern students, with JD/MBAs counted as either. (We will adjust teams if necessary to get the right balance.)

Each team will be responsible for a one hour presentation on their assigned case (including Q&A session.) Team presentations will take place in November and December, with the exact schedule set on Oct 15.

Presentation Cases: (teams will select from list below)

Uncontested M&A

Deutsche Telekom/MetroPCS

ICE/NYSE Euronext

Disney/LucasFilm

Bezos/Washington Post

Yahoo/Tumblr

Freeport MacMoran/Plains Exploration
Shuanghui Intl./Smithfield Foods
Hertz/Dollar Thrifty
Thermo-Fisher/Life Technologies
Valeant/Bausch & Lomb
Facebook/Instagram
Liberty Global/Virgin Media
Omnicom/Publicis
Office Depot/OfficeMax

Contested M&A

ConAgra/Ralcorp
Glencore/Xstrata
Reckitt Benckiser/Schiff Nutrition
Perrigo/Royalty Pharma/Elan
Air Products/Airgas
First Quantum/Inmet
Activis/Valeant/Warner Chilcott
SoftBank/Sprint/Clearwire

Activism

Icahn/Netflix
Icahn/Ackman/Herbalife

Spinoffs/Disaggregation Transactions

Tribune Co. newspaper division
Time Inc. magazine division
Pfizer/Zoetis
Abbott/AbbVie
Ingersoll
NewsCorp publishing division
Random House/Penguin
McGraw Hill sale of education unit

LBO

Dell
BMC Software
Cerberus/SuperValu
Berkshire/Heinz

Distress/Bankruptcy

Cengage

Exide

Kodak

Hostess

American Airlines/USAir

All cases are well known and extensive public information is readily available. Case preparation will be discussed in class at the time the presentation schedule is set.

All members of a team will receive the same grade. Teams will be assessed on (i) the clarity with which they present the key issues of the case – both legal and business, (ii) the coherence of the team's work, and (iii) the quality of their handling of Q&A. Each student on the team is required to present a portion of the team's material.

Term Papers: Term papers will be due at 6 pm on December 17. Topics must be approved by the end of class on October 22. Papers should be 12-15 pages (plus footnotes, etc.) Any basic footnote, bibliography format is ok.

Papers must address both legal and business issues of the topic. Students may select a topic that interests them in the general area of M&A and Bankruptcy so long as topics are approved as above. Some possible ideas to help you get started in choosing a topic:

- international comparative transaction topic
- analysis of a specific transaction (other than class deals)
- analysis of a unique deal structure
- professional responsibility/ethical issues in a deal context