

Law and Business of Bankruptcy
And Reorganization
LW.11003/FINC.3399

Prof. Gerald Rosenfeld: VH 336C

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Office Hours: Th 1:00-3:00 PM

or e-mail to make an appointment

Meetings: Thursday 3:00-5:50 PM (9/05-12/05) Furman Hall 212

Text Materials: Digital Course Pack (accessed through NYU Classes)

Altman and Hotchkiss: pp. 21-75

Gilson: *Journal of Applied Corporate Finance*

Senbet & Wang (link from NYU Classes): (possibly
unavailable)

Corporate Financial Distress and Bankruptcy

Other materials to be posted on NYU Classes

Pre-requisites: Recommended: Law School-Corporations

Stern-Corporate Finance

Course Description: This will be another in our collection of joint Law/Stern courses. It will cover both legal and business aspects of Bankruptcy and Reorganization with less depth and detail than either a pure Law or Stern course in Bankruptcy and will focus on the transactional aspects of the subject. The class will be a mixture of lectures, team projects, a simulation exercise and outside speakers.

Grading: Grading will be 40% team project (same grade for the entire team), 40% term paper (individual grade) and 20% class participation. You will be allowed one unexplained absence. More than one such absence will be reflected in your grade.

Class Schedule:

9/6 and 9/13- Chapter 11 and other legal framework from a transactional point of view

9/20 and 9/27-Bankruptcy and Restructuring Financial Topics-Capital Markets, Leveraged Finance, other Corporate Finance

10/4- Investing in distressed securities-guest speaker-Michael Weinstock; founder, Monarch Capital

10/11-Bankruptcy/distress in Puerto Rico-guest speaker-Prof. Arthur Gonzalez; member Promesa Board

10/18 and 10/25-Simulated Bankruptcy Negotiation

11/1-Financial crisis and Lehman Brothers-guest speaker-Judge James Peck, Lehman bankruptcy judge

11/8, 11/15, 11/29, 12/6- Team Presentations

Term Papers due 5 PM Dec. 7. (The grade for papers submitted after this date will be adjusted accordingly and final grades for students with late papers may be recorded as Incomplete until the Spring semester.)

Team Cases: Eight teams of 4-6 (depending on final registration count) will be formed during the first class. Each team will consist of at least two Law and one Stern student. JD/MBAs can be counted as either law or business. We will adjust teams if necessary to get the right balance. Each team will be responsible for a 60-75 minute presentation on their case and for leading a 15 minute Q&A session after the presentation. Team presentations will take place in November and December. The specific schedule will be set on Sept. 15. The entire team will receive the same grade. Teams will be assessed on the clarity with which they present the key issues of the case, (both legal and business), the coherence of the team's work and the quality of their handling of Q&A.

Cases: Kodak
Peabody Coal
MF Global
Toys R Us
AMR (American Airlines)
Caesar's Entertainment
Energy Futures Holdings (TXU)
General Growth Properties

All cases are well known and (an overwhelming amount of) public information is readily available. We will discuss information in the first week.

Term Papers: Term papers will be due at 5 pm on December 7. Topics must be approved by the end of class on October 11. Papers should be 12-15 pages plus footnotes, etc. Any basic footnote, bibliography format is ok. Papers should address both legal and business issues of the topic. Students may select a topic that interests them in the general area of Bankruptcy and Reorganization so long as topics are approved as above. Some possible ideas to help you get started in choosing a topic:

- corporate bankruptcy and reorganization in non-US jurisdictions
- restructuring of sovereign debt
- US municipal financial distress/bankruptcy
- role of structured finance (securitization) in bankruptcy
- analysis of a corporate bankruptcy (other than those covered in class)