

NYU POLLACK CENTER FOR LAW & BUSINESS

A JOINT VENTURE OF THE STERN SCHOOL OF BUSINESS AND THE NYU SCHOOL OF LAW

**Law & Business of Investment Banking
Spring 2009**

Monday, 6-9pm

216 Vanderbilt Hall

Professor William T. Allen

Professor Gerald Rosenfeld

This course represents an attempt to provide an integrative “capstone” experience for NYU law and MBA students who seek a career in which planning and executing major business transactions may form an important component.

The course has a number of pre-requisites and is designed essentially for graduating MBA and law students who seek to work in teams that cross law and business boundaries. The central focus of the course will be the team based analysis of significant, recent transactions. As closely as is possible each team will be made of equal numbers of lawyers and businessmen and women. The analysis that each team presents will be rooted in the deal documents themselves and may include such additional sources as are publicly available and thought useful. The deal documents have been supplied by the professionals -- lawyers and bankers -- who were involved in the transaction on behalf of one of the parties. These “tutors” have volunteered to participate in the class by making the following commitment: they will be available to consult or advise the members of the team assigned to their transaction, after the team has prepared, from the deal documents themselves, a short memorandum describing the deal, the major agreements necessary to effectuate the deal and what function each document serves in the transaction.

The major deliverable for each team will be its report of the transaction which will be presented to the class on a schedule to be given to you. The aim of the report is to “teach” the transaction to the class: explaining both the business context and purposes of the transaction from the perspective of the various sides and the special problems that were overcome in order to reach a deal.

Our experience suggests that the benefit from this approach includes not only working closely with different professionals to understand the functional aspects of a complex deal and the solutions worked out to particular problems, but in all being presented with detailed functional analysis of a wide range of transactions and professional assignments. By the time we have finished the class will have had an in

depth view of eight transactions including major mergers, several forms of reorganizations, including bankruptcy reorganization, and innovative financings.

Grades for each student will have two components. First 70% of the final grade will be a team component which will be the grade awarded for the transaction report. Intelligibility, insight, and professionalism will be among the features looked to in assigning this grade. All members of the team will receive the same team grade. The remaining 30% of the grade will be individual and will be based on class participation. If a student appears based upon class room participation to be engaged, intelligent and contributing then she will receive an A for class room participation. If she is rarely if ever heard from she will receive a C for this part of her grade. Intermediate cases will receive a B for this part of the grade. This grading system is meant to reflect the fact that most of your rewards in business come from being a contributing member of a productive team and that enthusiasm, commitment and participation are often vital personal characteristics in the absence of which even very gifted people may go unrecognized or unrewarded.

Class 1: The Professional in the Large Scale Business Deals

- A. Organization: Description of Class and the Projects: the teams, the Tutors and the Projects.
- B. Overview of Role of Investment Banker in Reorganization or M&A Transactions
- C. Overview of Lawyers Role in Reorganizations or M&A
- D. The Structure of a Typical Deal Contract

Class 2: Some Elements of the Law & Economics of Contracting

- A. Hexicon / Huntsman Decisions

Reading: Huntsman Opinion & Appeal (provided)

Class 3: Ethics In Negotiation

Reading: Shell, G. Richard. "When is it Legal to Lie in Negotiations?" Sloan Management Review; Spring 1991; 32, 3. (provided)

Class 4: Q&A in Preparation for Presentations

Classes 5 - 13: Team Deal Analytic Presentations