

Law and Business of Bankruptcy  
And Reorganization  
L03.3052/B40.3398

Prof. Gerald Rosenfeld: VH 336C or KMC 9-152  
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Office Hours:

Prof. Todd Snyder:

Meetings: Wednesday 6 pm-9 pm (2/11-5/6) Furman Hall 210

Text: TBD

Pre-requisites: The course will be largely self-contained. Stern students should have some knowledge of corporate finance and law students should have taken Corporations.

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

Grading: 35% team project (same grade for entire team); 25% classroom participation (including case discussions, Q&A participation with outside speakers); 40% term paper

Class Schedule: 2/11: Lecture-Legal Framework of Bankruptcy and Reorganization. Form case teams  
2/18: Lecture-Capital Markets in Bankruptcy and Reorganization. Leveraged finance, bank markets, high yield, default and recovery statistics and predictions. Schedule case presentations  
2/25: Lecture-Corporate financial analysis in Bankruptcy and Reorganization. Intrinsic valuation, going concern value, practical issues.  
3/4: Lecture/Class Discussion- A case from start to finish.  
3/11: Outside speakers: Reorganization Investment Banker (TBD), Reorganization lawyer (TBD). Term paper topics approved.  
3/18: Spring Break  
3/25: Lecture-Distressed trading, re-capitalizations, etc.  
4/1: Outside speakers: Distressed trader (TBD), Turn around manager (TBD)  
4/8-4/22: Team case presentations  
4/29- Further team presentation (if more than 6 teams) and/or HBS case class discussion  
5/6- Class discussion of HBS case

Term Papers due 5 pm Wednesday May 13.

Team Cases: Teams will consist of at least two Law and two Stern students. Teams will be formed the first week. Each team will be responsible for a one hour presentation on their case and for leading a 30 minute Q&A session after the presentation. 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.

[Possible] Cases: UAL; TWA (I, II and III); Adelphia; Solutia; Bethlehem Steel/ISG; Federal Mogul; others?

Term Papers: Term papers will be due at 5 pm on May 13. Topics must be approved by the end of class on March 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:

- rating agency roles
- credit default swaps
- structured finance and bankruptcy
- bankruptcy/reorganization in non-US jurisdictions
- bankruptcy and pension plans
- analysis of a recent bankruptcy (other than one of our classroom cases)