B40.2304 - Restructuring Firms and Industries
NYU Stern School of Business

Spring 2011
Saturday, 9:00am – 12:00pm
Location: KMC 3-90

Prof. Stacy Dick
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Description: Issues in strategic transactions, corporate finance and corporate governance. The course encompasses five broad modules: (i) the corporation in context: legal, financial, industrial and historical frameworks, (ii) issues associated with corporate strategic/financial transactions, (iii) a detailed look at governance mechanisms (internal and external), (iv) issues in corporate/financial strategy (leverage, risk and incentives), and (v) other related topics (financial distress, emerging regulation).

Transactions are covered in a sequence that mirrors the life cycle of many companies: transition from private to public ownership (IPO), growth and diversification (mergers and acquisitions), governance challenges (proxy contests), restructuring (spin-offs, spin-outs, divestures, LBOs) and financial distress/bankruptcy/re-emergence.

Each three-hour class will include a discussion of theoretical and practical considerations necessary for a deep understanding of each topic area and will also draw upon several recent real-world examples. Extensive classroom discussion of cases will be encouraged to further reinforce the themes of the course.

Prerequisites: Because this course addresses advanced topics in finance, students should already possess a solid background in corporate finance and capital markets (whether gained through prior coursework or work experience).

Textbook:

Gaughan, Patrick A.; Mergers, Acquisitions, and Corporate Restructurings (4th ed., 2007); Wiley

Weekly reading packages: Each week, reading packets for the next class will be distributed in class and posted on the class Blackboard site.
Course requirements: Each student will be expected to complete one take-home exam, a final exam due approximately one week following the last class on May 7th. Classroom participation can supplement exam grades by as much as 25%.

Weekly lecture topics (subject to change):

Feb. 5: Course Introduction/Overview
Feb. 12: Markets, Corporations and IPOs
Feb. 19: No class (Presidents’ Day Weekend)
Feb. 26: Intro. to “Friendly” M&A
Mar. 5: “Friendly” M&A (cont.)
Mar. 12: Agency and Governance Problems
Mar. 19: No class (Spring Break)
Mar. 26: The Market for Corporate Control
Apr. 2: “Unfriendly” M&A
Apr. 9: “Unfriendly” M&A/Intro. to Spinoffs
Apr. 16: Spinoffs, spin-outs, etc.
Apr. 23: LBOs, Risk and Incentives
Apr. 30: LBOs (cont.) / Bankruptcy
May 7: Bankruptcy (cont.) / Wrap-up