NEW YORK UNIVERSITY
STERN SCHOOL OF BUSINESS
GRADUATE DIVISION

FINANCE B40.3199.10

CASE STUDIES IN BANKRUPTCY AND REORGANIZATION

FALL 2011 – SECOND HALF

Course Syllabus

Prof. Max Holmes
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Class Hours: Wednesday 6:00 – 9:00 PM
Class Location: Kaufman Management Center, 44 West 4th Street, Room 4-60
Office Hours: Immediately prior to class and by appointment

Text and Readings

Required

The package of course materials (the “Package”) is available on the SternLinks Quick Links Blackboard
under Course Documents at www.stern.nyu.edu. If the site is unavailable, materials can be emailed.

Recommended (Available at the N.Y.U. Professional School Bookstore and on reserve in the Library)

Edward Altman and Edith Hotchkiss, Corporate Financial Distress and Bankruptcy (3rd ed.) (Hoboken,

Edward Altman, Bankruptcy, Credit Risk, and High Yield Bonds (Malden, MA: Blackwell Publishers Inc.,
2002).

Brief Description of the Course

The course consists of 6 intensive 3-hour classes; 1 is a lecture and the remaining 5 each cover a case in
depth. Class requirements include (i) a Take Home Test requiring analysis of a Bankruptcy Disclosure
Statement, (ii) a Written Assignment comparing and contrasting two securities of a company emerging
from bankruptcy, and (iii) Class Participation. All readings in the Package are required.

Purposes of the Course

The course will provide an overview of the bankruptcy and reorganization process as it currently exists for
large companies in the United States. The purposes of the course are:
(1) to examine the bankruptcy process from the perspectives of: (a) securities analysis – when are a
bankrupt company’s securities a good or bad investment; (b) capital structure choices – company
management and creditor actions to select a post-bankruptcy capital structure; (c) uses and abuses of
the bankruptcy process from the perspectives of management and creditors; (d) prepackaged
bankruptcies and out-of-court restructurings; (e) contests for corporate control within the bankruptcy
process; and (f) public policy implications of the current bankruptcy process;
(2) to develop the student’s ability to understand complicated financial deals and financial statements;
(3) to develop the student’s ability to think on his or her feet; and
(4) to develop the student’s financial writing skills.