

The University of Texas at Dallas – School of Management
Course Syllabus

Course Information

Course Number/Section FIN 6357.501.12F
Course Title Corporate Restructuring and Turnarounds
Term FALL 2012
Days & Times Monday: 7:00pm-9:45pm
Location [JSOM 2.714](#)

Professor Contact Information

Professor David J. Springate, Ph.D.,
Finance Professor and Director,
Center for Finance Strategy Innovation
Office Phone (972) 883-2647
Email Address spring8@utdallas.edu (Use eLearning for email correspondence)
Office Location JSOM 2.610
Office Hours By appointment

Administrative Contact Information

Administrative Assistant Debbie Davis (Copy on all emails to the professor.)
Office Phone (972) 883-5941
Email Address debbie.davis@utdallas.edu
Office Location JSOM 2.415

Course Pre-requisites

Finance 6311 or consent of professor is required.

Learning Objectives/Outcomes

The aims of this course are to:

1. Have you appreciate the process of how investors, managers, and courts pursue turnarounds and restructurings in the U. S. economy. There are elements of finance, strategy and execution to consider.
2. Give you increased understanding and practice in using the valuation models and analytical tools introduced earlier in finance courses.
3. Help you become more skilled in making judgments and living with uncertainty. Finance is a discipline with developed theory. Often, however, we must estimate a parameter or work around the fact that, at best, we have an estimate.
4. Increase your ability to manage risk-return trade-offs.

In short, the course should increase your professional capability to deal with corporate renewal. We will accomplish this through a series of case studies, readings, lectures and guest speakers.

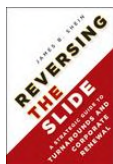
Center for Finance Strategy Innovation

This course is one of a series offered through the Center for Finance Strategy Innovation. The Center was founded in 2008 to focus on education and research programs in areas crucial to today's economy. Working with businesses, the center addresses corporate transformations, restructurings, turnarounds, and leveraged buyouts, as well as funding for innovation, project finance, and growth capital. It also has active programs centered on public-private partnerships.

Required Textbooks and Materials

In addition to the two required textbooks, you will need the nineteen cases and notes listed below. They may be obtained from Harvard Business School Press (a link will be sent to students prior to the first class), the On-campus Bookstore, the Off-campus Bookstore, or Stanza Books. In several instances, readings may be distributed to you.

Textbooks:



Reversing the Slide: A Strategic Guide to Turnarounds and Corporate Renewal

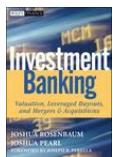
[James B. Shein](#)

ISBN: 978-0-470-93324-4

Hardcover

384 pages

March 2011, Jossey-Bass



Investment Banking: Valuation, Leveraged Buyouts, and Mergers and Acquisitions

[Joshua Rosenbaum](#), [Joshua Pearl](#), [Joseph R. Perella](#) (Foreword by)

ISBN: 978-0-470-44220-3

Hardcover

336 pages

May 2009, ©2009

Cases:

	CASE No.	CASE TITLE
1	295155-PDF-ENG	An Introduction to Cash Flow Valuation Methods
2	298059-PDF-ENG	Bankruptcy and Restructuring at Marvel Entertainment Group
3	202009-PDF-ENG	Buenos Aires Embotelladora S.A. (BAESA): A South American Restructuring
4	210022-PDF-ENG	Chrysler's Sale to Fiat
5	IES168-PDF-ENG	Ducati: In Pursuit of Magic (A)
6	202095-PDF-ENG	Finova Group, Inc. (A)
7	202096-PDF-ENG	Finova Group, Inc. (B)
8	209062-PDF-ENG	Groupe Eurotunnel S. A. (A)
9	209113-PDF-ENG	Groupe Eurotunnel S.A. (B): Restructuring Under the Procedure de Sauvegarde
10	806099-PDF-ENG	Hexcel Turnaround--2001 (A)
11	KEL422-PDF-ENG	Leading Corporate Renewal: Selim Bassoul at Middleby Corporation
12	210001-PDF-ENG	Lyondell Chemical Company
13	TB0045-PDF-ENG	Mattel Toys (A): The Financial Realignment
14	KEL382-PDF-ENG	Maytag: Takeover Strategies
15	210081-PDF-ENG	Momentive Performance Materials, Inc.
16	203027-PDF-ENG	Restructuring Bulong's Project Debt
17	207092-PDF-ENG	Restructuring Navigator Gas Transport Plc.
18	209060-PDF-ENG	The Restructuring of Daiei
19	209091-PDF-ENG	WL Ross and Plascar

ASSIGNMENTS & ACADEMIC CALENDAR*
Corporate Restructurings & Turnarounds – FIN 6357 – FALL 2012
Instructor: David Springate, Ph.D.

Week	Date	Course Section	Topics	Case	Readings
1	8/27	Introduction	<ul style="list-style-type: none"> Course placement and introduction Finance strategy Execution 	<ul style="list-style-type: none"> Mattel Toys (A): The Financial Realignment 	<ul style="list-style-type: none"> An Introduction to Cash Flow Valuation
2	9/10	Turnarounds	<ul style="list-style-type: none"> Strategic focus Revenue management Product line design Customer focus Cost reduction Loan workouts 	<ul style="list-style-type: none"> Leading Corporate Renewal: Selim Bassoul at Middleby Corporation 	Shein Chapters 1-2
3	9/17			<ul style="list-style-type: none"> Ducati: In Pursuit of Magic 	Shein Chapters 3-5
4	9/24			<ul style="list-style-type: none"> The Restructuring of Daiei 	Rosenbaum, Pearl Chapters 1-3
5	10/1			<ul style="list-style-type: none"> Hexcel Turnaround--2001 (A) 	
6	10/8	Restructuring	<ul style="list-style-type: none"> Takeovers Takeover choices Corporate cultures In/out of court settlements Syndicated debt Project debt Vulnerability of plans 	<ul style="list-style-type: none"> Maytag: Takeover Strategies 	Rosenbaum, Pearl Chapters 4-5
7	10/15			<ul style="list-style-type: none"> Momentive Performance Materials 	
8	10/22			<ul style="list-style-type: none"> Restructuring Bulong's Project Debt 	
9	10/29	Bankruptcy	<ul style="list-style-type: none"> Bankruptcy courts Reorganization Debtor In Possession (DIP) financing 363 Sales Competing offers to creditors Liquidation 	<ul style="list-style-type: none"> Lyondell Chemical Company 	Shein Chapter 6
10	11/5			<ul style="list-style-type: none"> Chrysler's Sale to Fiat 	Rosenbaum, Pearl Chapters 5-6
11	11/12			<ul style="list-style-type: none"> Finova Group, Inc. (A) Finova Group, Inc. (B) 	
12	11/26	Complexity in Restructuring and Bankruptcy	<ul style="list-style-type: none"> International complications Complications of size Corporate raiders Stakeholder choices Restructuring plans/priority International Complications 	<ul style="list-style-type: none"> Groupe Eurotunnel S.A. (A) Groupe Eurotunnel (B): Restructuring Under the Procedure de Sauvegarde 	Shein Chapters 7-10
13	12/3			<ul style="list-style-type: none"> Bankruptcy and Restructuring at Marvel Entertainment Group 	
14	12/10			<ul style="list-style-type: none"> Buenos Aires Embotelladora S.A. (BAESA): A South American Restructuring 	
	12/17	FINAL EXAM			
<p>1. First Written Paper will be assigned on 10/1 and due on 10/15: "Restructuring Navigator Gas Transport, plc" 2. Second Written Paper will be assigned on 11/12 and due on 12/26: " WL Ross and Plascar"</p>					

***These descriptions and timelines are subject to change at the discretion of the Professor.**

Grading Policy

Deliverables

You will be judged on class discussion of topics and cases and on your questions for visitors. Other deliverables include individual written analysis of two cases. Under rare circumstances a paper may be substituted for the second written case analysis. See the instructor.

Assignments will be posted on eLearning. A class discussion area, group chat areas, and a group sign-up sheet will also be available on the eLearning website for this course.

Evaluation

Class discussion, participation, and case analysis	40%
Two Individual written case analyses	40%
Final Examination	20%
	<hr/>
	100%

Grading Criteria

A	A-	B+	B	B-	C+	C	P	F	I
4.0	3.67	3.33	3.00	2.67	2.33	2.00	Pass	Fail	Incomplete

Course & Instructor Policies

Make-up exams

These are possible only in exceptional circumstances. Seek the instructors' approval in advance.

Late Work

All work should be submitted even if late. Penalties may apply.

Class Attendance

Grades depend, in part, on attendance. You are expected to be in class.

Classroom Citizenship

Participation calls for due respect of classmates and the instructors. Do not embarrass yourself. Come prepared to class with required readings and case preparation completed.

Field Trip Policies

None

Student Conduct & Discipline

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, *A to Z Guide*, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the *Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3*, and in Title V, Rules on Student Services and Activities of the university's *Handbook of Operating Procedures*. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391).

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

Academic Integrity

The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.

Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.

Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.

Email Use

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

Withdrawal from Class

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

Student Grievance Procedures

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's *Handbook of Operating Procedures*.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

Incomplete Grade Policy

As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of **F**.

Disability Services

The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m.

The contact information for the Office of Disability Services is:
The University of Texas at Dallas, SU 22
PO Box 830688
Richardson, Texas 75083-0688
(972) 883-2098 (voice or TTY)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

Religious Holy Days

The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

Off-Campus Instruction and Course Activities

Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address given below. Additional information is available from the office of the school dean. (http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm)