

COURSE SYLLABUS
Corporate Restructuring and Turnarounds – FIN 6357-501 – Fall 2016
THE UNIVERSITY OF TEXAS AT DALLAS - Naveen Jindal School of Management

Course Information

<i>Course Number/Section</i>	FIN 6357 – 501
<i>Course Title</i>	Corporate Restructuring and Turnarounds
<i>Term</i>	Fall 2016
<i>Days & Times</i>	Mondays, 7:00 pm – 9:45 pm
<i>Location</i>	JSOM 2.803

Professor Contact Information

<i>Professor</i>	David J. Springate, Ph.D. Finance Professor and Director, Center for Finance Strategy Innovation Academic Director, Executive MBA Programs
<i>Office Phone</i>	972-883-2647
<i>Email Address</i>	spring8@utdallas.edu (eLearning email is preferred for the course.)
<i>Office Location</i>	JSOM 2.403
<i>Office Hours</i>	By appointment

Administrative Contact Information

<i>Administrative Assistant</i>	Jeanette Henriques (Copy me on all emails to the professor.)
<i>Office Phone</i>	972-883-4276
<i>Email Address</i>	Jeanette.Henriques@utdallas.edu (eLearning email is preferred for the course.)
<i>Office Location</i>	JSOM 1.803
<i>Office Hours</i>	8:00 a.m. – 5:00 p.m.

Course Pre-requisite: FIN 6311 or consent of instructor is required.

Learning Objectives/Outcomes:

This is a course for general managers, not experts in an arcane field. The aims of this course are to:

1. Have you appreciate the process of how investors and managers pursue turnarounds in the U. S. economy and other parts of the world. We will consider how competitive positioning is attained in turnarounds. A financial element is part of each turnaround we consider.
2. Have you understand and be able to explain how to conduct a financial restructuring or a buyout.
3. Make you able to understand and follow a bankruptcy proceeding. You will be able to produce relevant numbers for a reorganization.
4. Have you better understand the valuation and debt capacity models introduced in finance courses as they find use in the restructuring and turnaround process.
5. Make you more comfortable with the necessity to use judgments and live with uncertainty in applying valuation models, analytical tools and financial concepts.

In short, the course should increase your professional capability in the restructuring world or the wider financial environment.

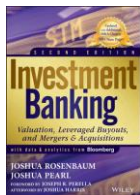
Conduct of the Course:

We will explore topics though class discussion; contributions by outside experts and professor comments / observations. Classes will include some combination of concepts and frameworks, case discussion, and possible visitor presentations. Two written assignments will be due as the course progresses. Assignments will be posted on e-Learning, the preferred method of communication for the course. Typically, you will need a computer in class.

Required Textbooks and Materials:

Your finance textbooks will serve well as a basic reference. In addition to the book below, you will need the 24 required cases, supplemental spreadsheets and case notes listed below. The cases can be purchased from Harvard Business Publishing. The link for the Harvard course pack is: <http://cb.hbsp.harvard.edu/cbmp/access/51499820>. On occasion, readings may be distributed to you via eLearning or handed out in class.

Textbooks:



Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions, 2nd Edition

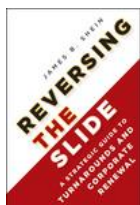
[Joshua Rosenbaum](#), [Joshua Pearl](#), [Joseph R. Perella](#)

ISBN: 978-1-118-65621-1

Hardcover

448 pages

May 2013



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

Cases, Supplemental Spreadsheets and Case Notes:

1. Note on Cash Flow Valuation Methods	910N31-PDF-ENG
2. Dragonfly Corporation	813042-PDF-ENG
3. Showdown at Cracker Barrel	114026-PDF-ENG
4. Showdown at Cracker Barrel Spreadsheet	114706-XLS-ENG
5. Investindustrial Exits Ducati	113058-PDF-ENG
6. Transforming Tommy Hilfiger(A)	714451-PDF-ENG
7. Canadian Pacific Ltd: Unlocking Shareholder Value in a Conglomerate	W14241-PDF-ENG
8. Canadian Pacific Ltd Spreadsheet	W14246-XLS-ENG
9. Southeastern Asset Management Challenges Buyout at Dell	114015-PDF-ENG
10. ISS A/S: The Buyout	214027-PDF-ENG
11. ISS A/S: The Buyout Spreadsheet	214715-XLS-ENG
12. Tele-Tichon Ltd: Corporate Debt Restructuring	W15250-PDF-ENG
13. Paramount Equipment	914557-PDF-ENG
14. Paramount Equipment Spreadsheet	914559-XLS-ENG
15. Restructuring JAL	214055-PDF-ENG
16. Eastman Kodak Company: Restructuring a Melting Ice Cube	216006-PDF-ENG
17. Eastman Kodak Company: Restructuring a Melting Ice Cube Spreadsheet	216707-XLS-ENG
18. GT Advanced Technologies	CU159-PDF-ENG
19. Restructuring Navigator Gas Transport Plc.	207092-PDF-ENG
20. Restructuring Navigator Gas Transport Plc. Spreadsheet	207713-XLS-ENG
21. H Partners and Six Flags	211090-PDF-ENG
22. H Partners and Six Flags, Spreadsheet Supplement	211715-XLS-ENG
23. Bankruptcy and Restructuring at Marvel Entertainment Group	298059-PDF-ENG
24. Bankruptcy and Restructuring at Marvel Entertainment Group Spreadsheet	XLS094-XLS-ENG

Assignment Page and Calendar* - Corporate Restructuring and Turnarounds – Fall 2016 – Dr. David Springate

Week	Date	Course Section	Topics	Case*	Associated Readings
1	August 22	Introduction	<ul style="list-style-type: none"> • Class introductions • Syllabus, expectations for the course, grading policy • Introduction to cases 		Note on Cash Flow Valuation Methods: Comparison of WACC, FTE, CCF and APV Approaches (Shein) - Chapters. 1 & 2
2	August 29	Turnarounds	<ul style="list-style-type: none"> • Strategies • Cash flows • Discount rates 	Dragonfly Corporation	(Shein) - Chapters 3-5
3	September 12			Showdown at Cracker Barrel	
3*	September 12 Written Assignment 1 Assigned, Due Sept. 26			Investindustrial Exits Ducati	
4	September 19			Transforming Tommy Hilfiger (A)	
5	September 26	Sales Buyouts	<ul style="list-style-type: none"> • Valuation of assets, liabilities and cash flows • Buyouts 	Canadian Pacific Ltd: Unlocking Shareholder Value in a Conglomerate	(Shein) - Chapters 6-10
6	October 3			Southeastern Asset Management Challenges Buyout at Dell. Speaker: Paul Ossa	
7	October 10	Debt Restructuring	<ul style="list-style-type: none"> • Stakeholders • Value allocations • Out of court settlements • Activist investors 	ISS A/S: The Buyout	(Rosenbaum) -Chapters 3-6
8	October 17			Tele-Tichon Ltd: Corporate Debt Restructuring	
9	October 24			Paramount Equipment	
10	October 31			Restructuring Navigator Gas Transport	
10*	October 31 Written Assignment 2 Assigned, Due Nov. 14	Bankruptcy Process	<ul style="list-style-type: none"> • The courts • Bankruptcy process • Absolute Priority Rule • DIP Financing • Contested restructuring • 363 Sales • International complications • Advisors and attorneys 	Eastman Kodak Company: Restructuring a Melting Ice Cube	
11	November 7			H Partners and Six Flags	
12	November 14			Speaker: Brian Huffman of Alix Partners	
13	November 28			Bankruptcy and Restructuring at Marvel Entertainment Group	
14	December 5			Review, class test	

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

Grading Policy

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

Deliverables

You will be judged on your class discussions of topics and cases and on your questions for visitors. Other deliverables include individual written analysis of two cases. A written one-page summary of your thoughts will be submitted each week before class.

eLearning will be the primary vehicle for correspondence. 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 and Grades

Class discussion: frequency and content	20%
Two individual written analyses	40%
One page summary of observations on case, weekly	20%
Class Test	20%
	<hr/>
	100%

Course and Instructor Policies

Make-up tests

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

Late Work

All work should be submitted even if late. Penalties will apply. Specifically, there will be a daily grade reduction for late submission of work.

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, instructors 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.

www.utdallas.edu/businessaffairs/risk/