Negotiating Complex Deals in Corporate Restructuring

NYU Law School, Fall Semester 2006

1. Class #1: August 30, 2006
   (a) Lecture Topics
      (i) General Introduction of the Course (Powerpoint Presentation Re: Course Description)
      (ii) Reorganization: Method and Drivers (Powerpoint Presentation Re: Bankruptcy 101 Discussion)
   (b) After-Class Assignment:
      (i) Review full lecture decks.
      (ii) Review Bankruptcy Code Sections 362, 363, 364, 365, 726, 1125, 1129, 1113, 1114, 1107, 1108
      (iii) Review Bankruptcy Opinions (to be identified)
      (iv) Pre-reading for Class No. 2
           (A) United Section 1113 Round 2 brief
           (B) PBGC Background Materials (to be identified)
           (C) (Optional Reading: Hard Landing)

2. Class #2: September 13, 2006
   (a) Lecture Topics
      (i) ERISA and Pension Regulatory Scheme (Powerpoint Presentation)
      (ii) Airline Industry Challenges (Powerpoint Presentation)
   (b) Pre-Reading for Class No. 3
      (i) United First Day Informational Brief
      (ii) Dan Kasper Affidavits in United Case
      (iii) United Section 1113 Round 1 brief
      (iv) United Section 1114 brief
(v) United’s ATSB Application (if public), ATSB Response Letter, and Meeting Minutes

(vi) United Case Timeline

3. Class #3: September 20, 2006

(a) Lecture Topics

(i) History of United’s Challenges

(ii) United’s Financial Picture, United’s Ch. 11 Filing, and ATSB Process (Powerpoint Presentation)

(b) Pre-Reading for Class No. 4

(i) United Section 1113 Round 2 Brief

(ii) ERISA Sections 4041, 4042, 4003, 4047, and 4067, and Internal Revenue Code Section 412

(iii) Chapter 11/Pension case law (to be identified)

(iv) PBGC briefs filed in Chapter 11 cases (to be identified)

(v) PBGC’s letter responding to US Air request for termination/restoration funding

4. Class #4: September 27, 2006

(a) Lecture Topics

(i) Legal Scheme for Rejecting CBA and Terminating Pension; Role of PBGC: Deep Dive (Powerpoint Presentation)

(b) Homework (due Monday at 5 p.m. EST prior to Class No. 5):

(i) You are counsel to United. Prepare a memo to your client identifying approximately 5 goals that you want to achieve through a comprehensive, global settlement among the United, PBGC, United’s unions, United’s retirees, the creditors’ committee, as well as a strategy for how to achieve those goals. Prepare similar memos as though you were counsel to PBGC, United’s unions, United’s retirees, and the creditors’ committee.

(ii) In all, the memos collectively should be about 5 pages.
5. Class #5: October 4, 2006
   (a) Lecture Topics
       (i) Putting the Pension Issue in Context: Goals and Interests of the Players
           (Powerpoint Presentation)
   (b) Pre-Reading for Class No. 6
       (i) Deal-Making 101 Materials (to be identified)

6. Class #6: October 11, 2006
   (a) Lecture Topics
       (i) Deal-Making 101 (Powerpoint Presentation)
   (b) Homework (due Monday at 5 p.m. EST prior to Class No. 7):
       (i) You are counsel to United. Prepare a memo to your client with a 3-5 page
           outline of your proposal to PBGC and other constituents for a global
           resolution of United’s pension issues.

7. Class #7: October 18, 2006
   (a) Seminar Topic:
       (i) Crafting your proposal from United’s perspective.
   (b) Homework (due Monday at 5 p.m. EST prior to Class No. 8):
       (i) You are counsel to a coalition of PBGC, the unions, retirees, and the
           creditors committee. Prepare a memo to your client with a 3-5 page
           outline of your proposal to United for a global resolution of United’s
           pension issues.

8. Class #8: October 25, 2006
   (a) Seminar Topic:
       (i) Crafting your proposal from perspective of PBGC, unions, retirees, and
           creditors’ committee.
9. Class #9: November 1, 2006  
   (a) Seminar Topic:  
       (i) Live Negotiation Session Between United and PBGC

10. Class #10: November 8, 2006  
    (a) Seminar Topic:  
        (i) Role playing: Critique and Response From Creditors to United and PBGC  
        (ii) Role playing: Critique and Response From Labor to United and PBGC

11. Class #11: November 15, 2006  
    (a) Seminar Topic:  
        (i) The PBGC-United Deal from the Court Perspective’s

12. Class #12: November 22, 2006  
    (a) Seminar Topic:  
        (i) Negotiating Post-Mortem: United and PBGC

13. Class #13: November 29, 2006  
    (a) Seminar Topic:  
        (i) Negotiating Post-Mortem: United and Labor

14. Class #14: December 6, 2006  
    (a) Lecture Topic:  
        (i) Conclusion and Lessons Learned  
        (ii) Review of Legislation and Delta/NW

15. Final Paper: Examine the newly enacted pension legislation and prepare a 10 page paper addressing the following two topics:  
    (a) How would the United settlement be different if governed by the new legislation? How will the new legislation change the outcome for a restructuring airline with pension challenges? After predicting the different outcomes, how will that change the incentives for all of the players in an airline restructuring and why?  
    (b) Is the new legislation good policy? Why or why not?