

BANKRUPTCY (BRGL)

BRGL 0122. International Insolvency Law. (2 Credits)

Today's bankruptcy practice seldom centers around one debtor filing one case in a single nation's bankruptcy court. Most corporations of any size have operations and assets in more than one country. In addition, many troubled corporations are part of a "corporate group" that includes affiliated entities operating in numerous countries, many of which will file their own insolvency proceedings in their countries of incorporation. The most obvious example of this trend is the Lehman Brothers group of companies: approximately 80 Lehman affiliates commenced insolvency proceedings in 16 countries. International Bankruptcy is a course designed to deal with this world of multi-jurisdictional insolvency. <p> The course consists of an introductory session followed by two modules, Managing Cross Border Cases and Comparative Insolvency Law. The introductory session summarizes aspects of United States bankruptcy law that are applicable to many cross-border issues and are relevant to the comparative law portion of the course. The Managing Cross-Border Cases module consists of seven sessions. The first four sessions will focus on chapter 15 of the U.S. Bankruptcy Code. Chapter 15 is based upon the Model Law on Cross-Border Insolvency promulgated by UNCITRAL (United Nations Commission on International Trade Law). Chapter 15 provides a mechanism by which U.S. courts can be accessed by foreign representatives charged with the administration of insolvency proceedings pending in other countries. If the foreign insolvency proceeding satisfies the requirements for recognition under chapter 15, litigation against the debtor can be stayed, U.S. business operations can be continued, information can be gathered, and assets can be collected and administered—all in aid of the administration of the foreign insolvency proceeding. Chapter 15 also facilitates cooperation among courts in countries in which related insolvency proceedings are pending. The fifth Managing Cross-Border Cases session will focus on the use of U.S. Chapter 11 by foreign entities. The last two sessions of the Managing Cross-Border Cases module focus on the European Union's insolvency regulation that co-ordinates insolvency proceedings pending in EU nations. The Comparative Insolvency Law module consists of five sessions. This module surveys the insolvency laws of Mexico, Canada, Western Europe (Austria, France & Germany), England and Wales, China and Japan. Common topics include prerequisites that must be satisfied before an insolvency case can be filed, whether an automatic stay of collection and other proceedings exists, how the case is administered (judicial, administrative or other), and whether the system is focused on liquidation or permits reorganization. <p> Each class session includes assigned reading materials, resource materials, and questions that will be posted in advance on the course's TWEN site. PowerPoint presentations accompanying the lectures will also be posted on TWEN. The syllabus contains a short description of the subject matter of each session along with the names and affiliations of the planned lecturers (Please note that the listed lecturers might be changed). A more detailed description is listed on the syllabus.

Attribute: LLM.

BRGL 0312. Bankruptcy. (3 Credits)

This introductory course begins with a review of creditor claims and rights outside of bankruptcy and then analyzes debtors' rights and the treatment of creditor claims in bankruptcy. We will review and discuss the principles that determine which property is included in a bankruptcy estate; the application of the automatic stay; the rights of secured creditors; the types of claims that are given priority treatment in bankruptcy; the principles that affect the discharge of claims; the rights of a trustee or a debtor-in-possession to undo certain unperfected liens or prior transfers of property; and the basic principles of chapter 7, chapter 13, chapter 11 and chapter 15 cases, and how they differ from each other. Students will be assigned problems from the casebook to report on during class, and the professors will discuss the problems as well as issues that arose during cases that the professors handled.

Attributes: BFE, LAWB, PIE.

BRGL 0323. Advanced Business Bankruptcy. (2 Credits)

A chapter 11 bankruptcy case of a large business can create contentious dynamics among the debtor, its creditors, and a host of other parties-in-interest. This class explores those relationships at various stages of the restructuring with a focus on the economic incentives driving the actions of the stakeholders. <p> In the first part of the semester, we explore the early stages of a chapter 11 case. Large business debtors often need additional financing to cover ongoing operational expenses and administrative costs associated with the bankruptcy case. Adding post-bankruptcy loans to an already distressed capital structure can create friction among the existing creditors and new lenders. Other critical decisions in the early stages of the bankruptcy include whether the debtor will assume, assign or reject executory contracts such as business leases, and whether business assets should be sold through a Court-approved sale process. <p> In the latter part of the semester, we learn about the process of negotiating a plan of reorganization. The goal of every corporate debtor should be to create consensus among stakeholders as to the distributions to be made under the plan. Given that large companies tend to have complicated capital structures with creditors holding varying rights, creating consensus can prove challenging. In the absence of consensus, the debtor (or a different plan proponent) must create strategic alliances to move forward with a nonconsensual "cramdown" plan.<p> Twice during the semester, each student will be assigned a party to represent in a simulated chapter 11 restructuring scenario. For each simulation, students will negotiate with each other and provide a written submission outlining the strategies used and results obtained.<p> Some working knowledge of the Bankruptcy Code is assumed. Therefore, the prior completion of a bankruptcy course is mandatory.

Attributes: LAWB, LAWI, LLM.

Prerequisites: (BRGL 0312 or BRGL 0336).

BRGL 0336. Corporate Reorganization in Bankruptcy. (3 or 4 Credits)

This is a course about corporation reorganizations under Chapter 11 of the Bankruptcy Code. Unlike the typical Bankruptcy course, the emphasis will not be on mastering all of the intricacies of the Code, though to be sure students will be required to learn and understand key Code provisions and apply them to fact patterns. Rather, the course will approach corporate reorganization in a manner that considers not only legal rules, but also the important issues of financing that arise when a firm is in distress. In this way, the course should be useful to any student who intends to advise corporate clients on financial transactions and deal structuring, as well as to students who intend to work primarily as bankruptcy practitioners.
Prerequisite or Corequisite: Corporations. Previous studies in Bankruptcy are not required.

Attributes: BFE, LAWB, LAWI.

Prerequisite: (BUGL 0201).