

Debt Finance
Syllabus
Compressed Course – Spring 2023

Course Information

Course Instructor:

Jennifer Dweck
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Office Hours:

Office hours may be scheduled through CANVAS. Meetings will take place remotely by Zoom or phone. You can also arrange a remote meeting by appointment. If you have questions, please do not hesitate to email me.

Required Textbook:

Working with Contracts: What Law School Doesn't Teach You, 2nd Edition

Course Description and Objectives:

This is an introduction to debt finance. It provides an overview of debt finance transactions. The class is interactive, providing opportunities to practice preparing for and participating in a mock acquisition financing bid process.

Learning Outcomes:

After completing this course, students should be able to:

1. Identify the purposes for which debt financing is needed.
2. Understand the basic structure of a leveraged buyout.
3. Identify the preparations necessary for coordinating debt financings.
4. Conduct mock negotiations of debt finance documentation.
5. Understand the interplay between private and public debt.
6. Understand basic negotiation skills.
7. Understand the acquisition financing process.
8. Understand commitment papers.
9. Understand credit agreements.
10. Plan and prepare for a negotiation.
11. Basic skills involved in reviewing and marking up a contract or agreement.
12. Identify strategies and purposes for obtaining different types of financings.
13. Understand a basic overview of the important issues involved in the negotiation of debt documents.

CANVAS:

Class information and announcements will be distributed by CANVAS at <http://elearning.ufl.edu>. You are responsible for checking for class announcements on a regular basis.

Course Schedule:

This is a compressed course. It encompasses 14 class hours over the course of five days. There will be two one-hour sessions on Monday. There will be three one-hour sessions each day Tuesday through Friday. Sessions will begin on the hour. There will be a 10-minute break at 50 minutes past the hour. The course is worth one credit hour.

Course Schedule Detail:

Session	Topic	Assignment/Resources
1 (Monday)	Introduction Class overview Importance of debt finance	<u>Readings</u> <i>Working with Contracts (What Law School Doesn't Teach You)</i> , chapter 1 <i>The LSTA's Complete Credit Agreement Guide</i> , chapter 1 (will be posted on Canvas)
2 (Monday)	Leveraged Buyout Financing Basics and Conditionality	Guest lecturer: Michele Penzer (<i>partner</i> , Latham & Watkins LLP) <u>Reading</u> <i>Working with Contracts (What Law School Doesn't Teach You)</i> , chapter 2 <i>Leveraged Commentary and Data: Leveraged Loan Primer</i> , pp. 1-40 (will be posted on Canvas)
3 (Tuesday)	Anatomy of a PE Acquisition Agreement	<u>Reading</u> <i>Practical Law Continuum: Acquisition Finance Overview</i> , pp. 1-12 (will be posted on Canvas)
4 (Tuesday)	Anatomy of a PE Acquisition Agreement (continued)	<u>Reading</u> <i>Working with Contracts (What Law School Doesn't Teach You)</i> , chapter 3
5 (Tuesday)	Negotiation	Guest lecturer: Daniel Seale (<i>partner</i> , Latham & Watkins LLP) <u>Reading</u> <i>Working with Contracts (What Law School Doesn't Teach You)</i> , chapter 5
6 (Wednesday)	Commitment Papers	Guest lecturer: Nicole Fanjul (<i>partner</i> , Latham & Watkins LLP) <u>Reading</u>

		<i>Practical Law Continuum: Commitment Letters Overview (Lending)</i> , pp. 1-18 (will be posted on Canvas)
7 (Wednesday)	Anatomy of a Credit Agreement	<u>Class Activity</u> Discuss preparation of markup of commitment letter and stock purchase agreement (due before class 9) <u>Reading</u> <i>Get to Know Your Credit Agreement</i> , pp. 1-40 (will be posted on Canvas)
8 (Wednesday)	Marking up Finance and M&A Documents	<u>Class Activity</u> Discuss how to mark up a commitment letter and stock purchase agreement <u>Readings</u> <i>Working with Contracts (What Law School Doesn't Teach You)</i> , chapter 6 <u>Homework</u> Mark up commitment letter and stock purchase agreement as discussed in class
9 (Thursday)	Anatomy of a Credit Agreement (continued)	<u>Class Activity</u> Discuss markups and negotiation tactics <u>Readings</u> <i>Working with Contracts (What Law School Doesn't Teach You)</i> , chapter 6
10 (Thursday)	Litigation Impacts on Market Updates	<u>Class Activity</u> Discuss markups of commitment letter and stock purchase agreement <u>Readings</u> <i>PetSmart Pulls \$4.65 Billion Chewy Debt Deal as Buyers Balk</i> (MSN) (will be posted on Canvas) <i>"The Chewy Phantom Guarantee": a Cautionary Tale of today's leverage finance market</i> (Hogan Lovells) (will be posted on Canvas)
11 (Thursday)	Current Hot Topics and Market Trends in	Guest lecturer: Melissa Alwang (<i>partner</i> , Latham & Watkins LLP)

	Leveraged Finance	<i>Current Trends in Leveraged Finance Credit Documentation</i> , pp. 1-25 <u>Reading/Listening</u> <i>NPR – Planet Money: J. Screwed</i>
12 (Friday)	Mock negotiation	<u>Class Activity</u> Mock negotiation (to be discussed in class – materials will be distributed Thursday)
13 (Friday)	Mock negotiation	<u>Class Activity</u> Mock negotiation (to be discussed in class – materials will be distributed Thursday)
14 (Friday)	Review and questions	

Class Preparation:

You are expected to read the material thoughtfully and prepare carefully for each class. ABA Standard 310 requires that students devote 120 minutes to out-of-class preparation for every “classroom hour” of in-class instruction. In addition, you will be preparing written materials for the classroom exercises. The written materials and the classroom exercises will be graded.

Written assignments will be due no later than the beginning of the class session at which they are due. They should be submitted in Word or PDF format through CANVAS. I will provide comments on the assignments and assign a grade promptly. I expect to return the assignments through CANVAS before the start of the next class day.

Attendance:

Attendance is mandatory, and will be taken at the beginning of each class. Because the class is largely participatory, and the majority of your grade will be based on in-class exercises, it is essential that you attend every class. Missing two or more classes without prior notice to the instructor will result in referral to Student Affairs. Requirements for class attendance and make-up exams, assignments, and other work in this course are consistent with University policies that can be found at: <https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx>.

Participation:

The participation grade is determined by attendance, preparation for class, participation in class, and overall effort to complete the assignments. Class members will be expected to offer constructive observations of other class participants’ performance.

Grading:

The components of the final grade for the course are listed below:

Written Materials	75%
Participation (including in-class negotiation exercise)	25%

Students can receive full credit for in-class participation and negotiation performance. For students who demonstrate exceptional participation, I reserve the right to improve grades by half of a letter grade.

During the class, students will receive grades for the written assignments, class performance, and class participation that will be computed into the final grade for the course. Per law school policy, this class will be graded on a curve. Information on current College of Law grading policies for assigning grade points can be found at: <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current%20students/academic-policies> and below:

Letter Grade	Point Equivalent
A (Excellent)	4.0
A-	3.67
B+	3.33
B	3.0
B-	2.67
C+	2.33
C (Satisfactory)	2.0
C-	1.67
D+	1.33
D (Poor)	1.0
D-	0.67
E (Failure)	0.0

University of Florida Policies

University Policy on Accommodating Students with Disabilities:

Students requesting accommodation for disabilities should register first with the Office of the Dean of Students (<https://www.dso.ufl.edu/drc/>). The Office of the Dean of Students will provide documentation to the student who then must provide this documentation to the instructor when requesting accommodation. You must submit this documentation prior to submitting assignments or taking quizzes or exams. Because accommodations are not retroactive, students should contact the Office of the Dean of Students as soon as possible in the semester for which they are seeking accommodation.

University Policy on Academic Misconduct:

UF students are bound by The Honor Pledge, which states: “We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honor and integrity by abiding by the Honor Code. On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied: ‘On my honor, I have neither given nor received unauthorized aid in doing this assignment.’” The Honor Code (<https://sccr.dso.ufl.edu/students/student-conduct-code/>) specifies a number of behaviors that are in violation of this code and the possible sanctions. Furthermore, you are obligated to report any condition that facilitates academic misconduct to appropriate personnel. If you have any questions or concerns, please consult with the instructor.

University Policy on Course Evaluation:

Students are expected to provide feedback on the quality of instruction in this course by completing online evaluations at <https://evaluations.ufl.edu>. Evaluations typically are open during the last two or three weeks of the semester, but students will be given specific times when they are open. Summary results of these assessments are available to students at: <https://evaluations.ufl.edu/results/>.

Getting Help:

For technical difficulties with E-learning in Canvas, please contact the UF Help Desk at:

- helpdesk@ufl.edu
- (352) 392-HELP
- <http://elearning.ufl.edu/> (See “Message Us” at the top)

Other resources are available at <http://www.distance.ufl.edu/getting-help> for counseling and wellness, disability resources, student complaints, and library help desk support.

Disclaimer:

This syllabus represents my current plans and objectives. As we go through the course, those plans may need to change to enhance the class learning opportunity. Such changes, communicated clearly, are not unusual and should be expected.