

Professor Ragazzo

Mergers & Acquisitions

I. Modern Finance Theory

- A. Introduction (pp. 62-63)
- B. Time Value of Money (pp. 64-80)
- C. Risk and Return (pp. 81-100)
- D. Capital Asset Pricing Model (pp. 101-134)
- E. Efficient Markets Hypothesis (pp. 135-184)

II. Motivations for Acquisitions

- A. Introduction (pp. 253-257)
- B. Operating Synergy (pp. 258-311)
- C. Financial Synergy (pp. 312-362)
- D. Inefficient Management (pp. 363-397)
- E. Increasing Leverage (pp. 398-453)
- F. Mispricing and Overbidding (pp. 589-609)
- G. Wealth Transfers (pp. 610-638)

III. Defensive Tactics by Target Companies

- A. The Duty of Care (pp. 1024-1059)
- B. The Duty of Loyalty
 - 1. Traditional Judicial Review (pp. 801-817)
 - 2. Modern Judicial Review (pp. 818-895, Supp. 95-120, pp.
- C. Proxy Fights (pp. 1400-1442, Supp. 236-261)

IV. Federal Securities Regulation

- A. Introduction (pp. 896-897)
- B. Section 13(d) (pp. 898-916)
- C. Sections 14(d) and 14(e) (pp. 917-1008, pp. 1184-1193)

V. State Antitakeover Legislation

- A. Introduction (pp. 1317-1318)
- B. First Generation Statutes (pp. 1318-1333)

- C. Control Share Acquisition Statutes (pp. 1333-1358)
- D. Business Combination Statutes (pp. 1359-1389)
- E. Conclusion (pp. 1389-1399)

Materials: The required materials for the course are R. Gilson & B. Black, The Law and Finance of Corporate Acquisitions (2d ed. 1995) and the supplement thereto. During the exam, you will be permitted to refer to the casebook and supplement, as well as any handwritten notes that have been placed in them. You may place tabs in your books. You will not be permitted to refer to any other materials during the exam.

Prerequisite: Be advised that Business Organizations is a prerequisite for this course. This means that you must have taken, or be currently taking, Business Organizations to receive credit for this course.

Participation: Given the small number of students in the class, I expect each student to be prepared for each class. During each class, I expect each student to participate at some point during the class. I will grade class participation and reserve the right to raise or lower each student's exam grade one notch (i.e., one-third of a grade) based on class participation.

Grading: The grade will be derived from one two-hour exam given at the end of the course plus or minus any adjustment for class participation.

Attendance: Any student who misses more than four classes will lose one notch on his or her final grade. Any student who misses more than five classes will be dropped from the course. I am not in the excuse-taking business. It will inevitably occur that you will have to miss class for professional, medical, and other reasons. Use your allowed absences wisely. I take attendance by passing out a sign-up sheet at the beginning of each class. It is your responsibility to make sure you sign the roll each day before class is over. Be especially cognizant of this fact if you come late. You are permitted to sign the attendance sheet if you are present for a majority of the class. If you do not sign in before I leave the room with the roll sheet, you are absent. My Secretary, Sandra Jackson (713-743-2144), keeps the attendance records. She will be pleased to tell you how many absences you had as of the last time she updated the attendance records.

However, my Secretary performs this function only as a courtesy. You are required to know how many times you failed to sign the attendance sheet. I will not entertain arguments that my Secretary has in some fashion misled you with respect to how many times you were absent.

Office: My office is BLB 228 (713-743-2146). I am generally available following our class. However, feel free to come by at any time. If you would like to make an appointment for a specific time, you may do so either in person or by phone. Be advised that I do not answer substantive questions by phone or e-mail.