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BOSNIA-HERZEGOVINA

CORE TRAINING PROGRAM OF BIH NEW BANKRUPTCY AND LIQUIDATION LAWS

USAID FOSTERING AN INVESTMENT AND LENDER-FRIENDLY
ENVIRONMENT (FILE)

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CASE STUDY RESOURCES (not included in this document):

Gibson, *Valuing Companies in Corporate Restructurings* (December 18, 2000)

Reiferson, *Sunbeam-Oster Company, Inc.* (July 14, 1993)

Bustamante, *Buenos Aires Embotelladora S.A. (BAESA)* (June 23, 2003)

BiH NEW BANKRUPTCY AND LIQUIDATION LAWS

CORE TRAINING PROGRAM

INTRODUCTION TO THE 17 TRAINING MODULES

The 17 Training Modules which follow are designed to present a carefully integrated Training Program which combines economic and legal issues in equal parts and in a synergistic way.

These Modules have been designed with the benefit of input from our local partners and with the intention that further input from the actors and persons likely to be actors in the BiH bankruptcy system will help revise and improve them.

Another important aspect of this Program is the inclusion of eight factual case studies drawn from business bankruptcy situations which occurred in the United States and other countries. These cases are relevant because the BiH's new bankruptcy and liquidation laws (the "New Laws") are based on the same internationally-recognized legal principles as those of the countries represented in these cases. The American cases are especially relevant because the innovations pioneered in Chapter 11 of the United States Bankruptcy Code provided, indirectly, the model on which the BiH's New Laws are based. The German *Insolvenzordnung* of 1994 draws heavily from Chapter 11, with adaptations appropriate to a European civil law environment and a change in emphasis toward creditor control. This *Insolvenzordnung* is the model from which the BiH's New Laws are derived, again with adaptations appropriate for the BiH legal system and regional economic conditions.

This Program is intended to be interactive. After our local partners have had the opportunity to become more fully involved in the process of revising and improving this Program, their input may help us generate supplemental and/or alternative case studies drawn from local experience, which can be further illustrative of the Program's objectives.

Also, by interacting on a one-on-one basis with our local contacts in the context of this Program, we hope to better develop a sound understanding of the criteria for identifying potential cases, to identify the potential Pilot Cases themselves, and to identify the professionals and other actors who will take on the critical responsibilities in these key liquidations and reorganizations.

The Modules, as drafted, are intended not merely to inform but also to build confidence and, with it, enthusiasm, for the implementation of the bankruptcy program.

By completing the whole of the Program, or most of it, participants can gain a credential which may help them obtain recognition as experts and qualified bankruptcy

implementers. These “graduates” of the Program should receive a Certificate, evidencing their qualification and enhancing their status.

The Program as a whole is designed to proceed from a general overview of the issues and skills needed to implement the system toward more specific matters. Consideration also is given to the concerns and training needs of specific audiences. Certain Modules are intended to be of special benefit to attorneys, trustees, judges, financial and/or other professionals, respectively. Many of the participants will also receive individual hands-on training from the FILE Project, particularly the judges, attorneys, and other professionals involved in the Pilot Cases. This way, the participants will obtain greater exposure to, and with it, confidence, in their ability to fulfill the responsibilities which may be incumbent upon them in the fully-functioning system.

As presently designed, the Program consists of the 17 Modules which follow. These Modules are intended to be presented in the order given, but they may be re-ordered, as well as supplemented or modified, based on inputs received from participants and our local partners.

Two introductory Modules, one short and one long, will introduce as broad a bankruptcy-related audience as possible to the most important principles and concepts – both legal and economic. These threshold presentations and workshops will also serve the critical purpose of establishing a common philosophy and shared baseline for an implementation program that is practical and flexible.

The Third Module, also intended for a fairly broad audience, will provide a thorough exposition of the New Laws, in detail. Participants who have already benefited from the Introductory Modules will become familiar with every significant task, step and issue presented by the statute in this Module. At the same time, they will encounter and have the opportunity to explore and discuss the questions of statutory interpretation and the ambiguities, which are certain to arise when applying the statutory scheme to particular cases. In this regard, sharing a common philosophy that is flexible enough to lead to practical results is critical.

The Fourth Module is intended to help the main actors in the bankruptcy process, trustees, attorneys and judges, in particular, deal with the more difficult situations they are likely to encounter. This is a confidence-building and experience-sharing exercise.

The Fifth and Sixth Modules are case studies of actual business insolvency situations. The participants will become comfortable with their potential roles by working through these cases in a seminar-type setting.

The Seventh and Eighth Modules are specially-designed workshops aimed at trustees and judges, respectively. These Modules are intended to follow-up on the case studies and preceding parts of the Program by dealing in detail, and in the context of likely actual situations, with the administrative duties and decision-making responsibilities imposed on trustees and judges, respectively.

The Ninth Module is an additional case study, similar to those employed for Modules Five and Six, but which will be presented in the context of the special workshops which have preceded it.

The Tenth Module is planned as a presentation of a selected, actual Pilot Case.

The Eleventh through Fifteenth Modules are additional case studies. Those who participate in the whole of the Program through this point, and especially in all eight of the selected case studies, will have become well-rounded and confident analysts and potential role-players in bankruptcy situations.

The Sixteenth and Seventeenth Modules, covering Plan design and management and marketing in a distressed business situation, respectively, are intended to be capstone workshops, with a clear focus on the practicalities, both legal and economic, of reorganization. These Modules will explore the various possibilities for designing desirable and feasible bankruptcy Plans and solving management and marketing problems, using the eight case studies and other examples from the participants backgrounds and experience as a framework.

By, thus proceeding from the general to the particular, along the lines of a common and flexible philosophy, this Training Program should accomplish its principal purpose: Preparing and motivating the actors who will bring about the implementation of an on-going and vital bankruptcy and liquidation system in BiH.

The restructuring processes which should follow will not only have a great impact on the business environment but, in the bigger picture, on society as a whole as well. Accordingly, this Training Program intended for appropriate professionals should not be presented in a vacuum, but should be accompanied by an appropriate public education program based on a strategic communication plan and careful information management, which would aim to clearly explain the system's impact on the public, promote the benefits of adapting to the reforms by businesses, and link the reforms to attracting foreign investment and the creation of new jobs.

MODULE ONE: INTRODUCTION TO BANKRUPTCY PRINCIPLES AND PRACTICES
(Introductory Unit One)

TITLE: Overview of Bankruptcy (Reorganization) Law Principles, Procedures and Practices.

INTENDED AUDIENCE: As broad as possible --

All potential “stakeholders,” including:

- responsible Ministry officials,
- supervisory board members,
- owners and managers of potential debtor companies;

All potential significant creditors, including:

- bankers,
- tax administrators,
- employees’ representatives, and
- managers of entities that are likely to have claims against the potential debtors, and professionals including:
 - lawyers,
 - judges,
 - accountants,
 - appraisers,
 - bankers,
 - managers,
 - company “liquidators”,
 - potential bankruptcy trustees,
 - examiners of bankruptcy trustees.

PREREQUISITES FOR PARTICIPANTS: Minimal

GOAL(S) OF THIS MODULE:

- Introduce participants to the New Laws. Familiarize them with their general principles.
- Familiarize participants with bankruptcy procedures and the roles of the different participants.

This training will prepare participants to advance to additional, more detailed and sophisticated Training Modules. In addition, the training will enable the FILE Project to:

- Obtain the cooperation of a substantial number of participants and build enthusiasm towards implementation of a workable bankruptcy system.
- Obtain feedback on the laws and procedures, as well as on our training and Pilot Case programs.
- Begin a dialogue among the stakeholders addressing the practical application of the laws and procedures, identifying potential issues.
- Generate referrals of potential Pilot Cases.

FORMAT OF PRESENTATION: Presentation with Charts and Handouts, followed by facilitated roundtable.

LENGTH OF PRESENTATION: 3.5 hours

LESSON PLAN CONTENTS:

- This Training Module is intended to provide an overview of bankruptcy and liquidation concepts, laws, procedures and practices and ensure that a broad group of stakeholders shares a common understanding of the bankruptcy system, the roles allotted to the various participants in it, and the ways it will benefit the BiH economy. The Module will include, specifically, an introduction to the FILE Project and its bankruptcy Pilot Case program.
- The purpose of bankruptcy and objective of the New Laws.
- Overview of the new Bankruptcy and Liquidation Laws.
- Participants in the proceedings.
- Overview of the process.
- Reorganization or Liquidation.
- Guidance on identifying cases that should go through restructuring or liquidation procedures.
- Discussion of practical application of the law, the responsibilities of the participants, and potential problems and solutions related to restructuring or liquidation.
- Present a persuasive “consensus” approach towards the application of the new laws to any particular case
 - Emphasizing “Balance,” referring specifically to balancing the rights of the debtor against those of its creditors and balancing the rights and interests of the various creditors among themselves
 - and “Flexibility,” meaning specifically that critical statutory provisions need not be interpreted in a rigid or restrictive way, but, rather, that ambiguities in the statutory scheme allow for a more lenient interpretation where the circumstances of the case indicate that a reorganization of the debtor is feasible and the best interests of the parties would be served.
- Provide knowledge of the New Laws’ specific strictures so that participants will be able to identify the issues likely to arise in specific, potential cases.
- The lesson plan will proceed from such overriding and internationally-accepted principles as “collective execution,” creditor equality, change of entity, creation of the estate or “mass,” and desirability of preserving going-concern value toward more specific procedural steps such as the initial filing by the creditor or the debtor itself, the staying of actions, the adjudication of bankruptcy, the appointment of the interim trustee and trustee and his role, the verification of claims, the realization of assets, the potential for reorganization and the procedures for effecting a reorganization, and/or a distribution among the creditors.

**MODULE TWO: INTRODUCTION TO FINANCE AND ACCOUNTING IN A
BANKRUPTCY CONTEXT**
(Introductory Unit Two)

TITLE: Principles of Corporate Finance and Accounting as Applied in Bankruptcy Situations.

INTENDED AUDIENCE: Persons likely to be involved in bankruptcy cases – including a good portion of those for whom Module One is intended.

PREREQUISITES FOR PARTICIPANTS: Completion of Module One. Some familiarity with finance and accounting terms.

GOAL(S) OF THIS MODULE: This training will familiarize or re-familiarize participants with basic finance and accounting principals, but in the context of a bankruptcy framework. The training will:

- Prepare participants to think critically about cost accounting, business valuation, and corporate finance issues where a debt-burdened enterprise goes into bankruptcy.
- Prepare participants to read basic appraiser's reports, understand an appraiser's methodology for preparing an initial bankruptcy/liquidation balance sheet; and encourage appraisers to apply international standards in their appraisal methodology - This may be presented as a separate one or two week training program.
- Prepare participants to take part in the case studies planned for Modules Five through Seventeen.
- Generate more understanding and enthusiasm for the implementation of a workable bankruptcy system.
- Generate referrals of potential Pilot Cases.

FORMAT OF PRESENTATION: Interactive presentations and breakout sessions with charts and handouts.

LENGTH OF PRESENTATION: One day.

LESSON PLAN CONTENTS:

This Training Module is intended to provide an overall understanding of corporate finance and accounting principles, especially those related to cost accounting and business valuation, to be used in evaluating bankruptcy situations and cases.

- Interpret the Balance Sheet
- Interpret the Income Statement (Profit and Loss)
- Describe the character and values of assets and liabilities in the Balance Sheet
- Describe the various entries in the Income Statement

- Calculate indicative financial ratios from the Balance Sheet and Income Statement, which provide indicative measures of financial standing and prospects
- Interpret the performance measures identified

Training materials will be based on standard textbook principles, but will be tailored toward bankruptcy situations and take account of the target audience's level of sophistication and interest.

A specific target of this training will be to prepare participants to take part in case studies planned for subsequent Modules. The training materials will be tailored accordingly, i.e., based on prior analyses or workups of the case studies.

Resource: “Valuing Companies in Corporate Restructurings”

(not included in this document)

MODULE THREE: ANALYSIS OF THE STATUTORY SCHEME
(Intermediate Unit One)

TITLE: Detailed Analysis of the New Laws and of the Laws Cross-Referenced Within Them.

INTENDED AUDIENCE:

- Attorneys;
- Judges;
- Trustees;
- Select Others.

PREREQUISITES FOR PARTICIPANTS: Completion of Module One. Appropriate professional backgrounds.

GOAL(S) OF THIS MODULE: This module will provide a detailed statutory overview for professionals likely to be actors in the bankruptcy system The Module will:

- Generate debate within this audience concerning statutory interpretation, ambiguities within the statutory scheme, and the relevant importance of competing, overriding principles.
- Create deeper consensus with respect to placing appropriate emphasis on the principles of balance and flexibility.
- Create a deeper common understanding of bankruptcy procedures and the roles of the various participants. Prepare participants to take part in case studies (Modules Five and Six, Nine, and Eleven through Fifteen) and to become actors in Pilot Cases.
- Build enthusiasm towards implementation of a workable bankruptcy system.
- Generate referrals of potential Pilot Cases.

FORMAT OF PRESENTATION: Workshop(s) with Leader(s), Charts and Handouts

LENGTH OF PRESENTATION: One day.

LESSON PLAN CONTENTS:

This Training Module will focus in detail on the intricacies of the New Law. Specifically it will cover major concepts arising from specific provisions of the Statutory Scheme, including:

- Conditions for opening of bankruptcy proceedings.
- Preliminary proceedings.
- Bankruptcy Estate and grouping (classification) of bankruptcy creditors.
- Opening of the bankruptcy proceedings.
- Institutions of the bankruptcy proceedings.
- Legal consequences of the opening of the bankruptcy proceeding.

- Administration and realization of the assets of the bankruptcy estate.
- Settlement of the creditors.
- Conclusion of the bankruptcy proceedings.
- Preparation of the reorganization of the debtor.
- Acceptance and approval of the reorganization plan.
- Legal effects of the approved Plan and supervision over the implementation of the Plan.
- International bankruptcy proceedings.

MODULE FOUR: PRACTICAL PROBLEM SOLVING WORKSHOP
(Intermediate Unit Two)

TITLE: Presentation and Discussion of Specific Problems Likely to Arise in Specific Bankruptcy Cases and of Practical Solutions to these Problems.

INTENDED AUDIENCE:

- Trustees;
- Debtors and Managers;
- Attorneys;
- Appraisers;
- Auctioneers/Salvagers.

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Three, or Equivalent.

GOAL(S) OF THIS MODULE: This Module will familiarize professionals with practical problems likely to arise in bankruptcy cases and the relevant solutions or approaches to dealing with these issues. If necessary, this Module could be split into two modules (one for reorganization/restructuring and second one for liquidation). The Module will:

- Outline potential issues, with instructors and participants identifying the issues.
- Give the professionals confidence that they can deal successfully with these issues.
- Give the professionals tools to identify problems and identify solutions.
- Prepare participants to become actors in Pilot Cases.

FORMAT OF PRESENTATION: Workshop(s) with Breakout Session(s).

LENGTH OF PRESENTATION: One day.

LESSON PLAN CONTENTS:

This Training Module will be drawn from practical experience, particularly of trustees and attorneys. The examples used will be specific and the suggested solutions will be practical. The Module will cover the bankruptcy and liquidation issues which are likely arise, such as:

- Bankruptcy of “fictitious” companies;
- Commingling of debtor’s personal and corporate assets;
- How to determine an accurate value of accounts receivable and payable;
- How to identify market value of assets (overestimated or underestimated);
- How to motivate managers to initiate and follow through with bankruptcy procedures;
- How to draw employees’ representatives into the process.

MODULE FIVE: CASE STUDY SEMINAR [Sunbeam-Oster]
(Case Study Unit One)

TITLE: Presentation, Analysis and Discussion of the Sunbeam-Oster Company, Inc., Case.

INTENDED AUDIENCE:

- Potential Debtors and Managers;
- Potential Investors and Lenders;
- Creditors;
- Trustees;
- Attorneys;
- Other Stakeholders and Actors.

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Three, or Equivalent.

GOAL(S) OF THIS MODULE:

- Familiarize participants with an appropriate analytical approach to a bankruptcy case.
- Exercise appropriate analytical disciplines.
- Build confidence in the practicality and benefits of bankruptcy.
- Prepare participants to be actors in Pilot Cases.
- Generate referrals of potential Pilot Cases.

FORMAT OF PRESENTATION: Case Study, with prior handout and reading, followed by workshop with lecturer(s)/leader(s) and seminar-type discussion.

LENGTH OF PRESENTATION: Approximately 3 Hours.

LESSON PLAN CONTENTS :

This Training Module will be a Harvard Business School Case Study of a successful, complex bankruptcy reorganization of a diversified American company, a manufacturer and marketer of consumer products and household appliances. The emphasis of the study will be divided equally between (1) the financial and business practicalities of the restructuring the subject company and (2) the legal issues which would apply to such a restructuring in the context of BiH's New Laws.

Resource: “Sunbeam-Oster Company, Inc.” case study

(not included in this document)

MODULE SIX: CASE STUDY SEMINAR [Buenos Aires Embotalladora]
(Case Study Unit Two)

TITLE: Presentation, Analysis and Discussion of the Buenos Aires Embotalladora S.A. (BAESA) Case.

INTENDED AUDIENCE:

- Potential Debtors and Managers;
- Potential Investors and Lenders;
- Creditors;
- Trustees;
- Attorneys;
- Other Stakeholders and Actors.

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Three, or Equivalent.

GOAL(S) OF THIS MODULE:

- Familiarize participants with an appropriate analytical approach to a bankruptcy case.
- Exercise appropriate analytical disciplines.
- Build confidence in the practicality and benefits of bankruptcy.
- Prepare participants to be actors in Pilot Cases.
- Generate referrals of potential Pilot Cases.

FORMAT OF PRESENTATION: Case Study, with prior handout and reading, followed by workshop with lecturer(s)/leader(s) and seminar-type discussion.

LENGTH OF PRESENTATION: Approximately 3 Hours

LESSON PLAN CONTENTS:

This Training Module will be a Harvard Business School Case Study of an investment bank's approach towards the restructuring of large soft-drink bottling company in Argentina, which encountered unexpected financial difficulties. The emphasis of the study will be divided equally between (1) the financial and business practicalities of the restructuring of the subject company and (2) the legal issues which would apply to such a restructuring in the context of BiH's New Laws.

Resource: “Buenos Aires Embotalladora” case study

(not included in this document)

MODULE SEVEN: TRUSTEE'S WORKSHOP – TRUSTEE'S DUTIES
(Advanced Unit One)

TITLE: Enumeration, Analysis and Discussion of Each of the Specific Duties and Responsibilities Imposed Upon the Trustees Under the New Laws.

INTENDED AUDIENCE:

- Trustees;
- Trustee Examiners;
- Potential Trustees;
- Other Interested Persons.

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Six, or Equivalent.

GOAL(S) OF THIS MODULE: This Module will familiarize Trustees with the specific duties and responsibilities imposed on them by the New Laws. The Module will:

- Generate discussion and focus the attentions of Trustees on practical demands and likely problems imposed on them, in particular, in hypothetical cases, such as the cases studied in Modules Five and Six.
- Encourage them to consider various alternative methods or approaches to meeting these requirements.
- Give them confidence that they can deal successfully with these obligations.
- Prepare participants to become actors in Pilot Cases.

FORMAT OF PRESENTATION: Presentation with Handout followed by Workshop(s) and Breakout Session(s).

LENGTH OF PRESENTATION: One day.

LESSON PLAN CONTENTS:

This Training Module will focus intensively on the duties imposed upon Trustees, their responsibilities in terms of case management and company management, and specific issues that they will be confronted with. The Module will cover:

- The statutory and regulatory framework for Trustees;
- Ethics and penalties;
- Routine duties and problem issues;
- Relations with company management, workers, judges, attorneys, appraisers, and accountants;
- Simulations using hypothetical cases, including issues arising from the cases studied in Modules Five and Six, assuming the New Laws applied and a Trustee had been appointed.

Participants will be given, and will be expected to volunteer additional, specific, practical solutions.

MODULE EIGHT: JUDGE’S DECISION-MAKING WORKSHOP
(Advanced Unit Two)

TITLE: Enumeration, Analysis and Discussion of Each Issue Which, Under the New Laws, Could be Presented for a Judicial Decision.

INTENDED AUDIENCE:

- Judges (and Their Clerks and Assistants);
- Potential Judges;
- Attorneys and Other Interested Persons (except where the Judges present want their discussions to be confidential and among themselves only);

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Six, or Equivalent.

GOAL(S) OF THIS MODULE:

- Familiarize Judges with the specific issues which may be presented to them for a judicial resolution under the New Laws.
- Use the cases studied in Modules Five and Six to focus attention on issues which could have come before their court, demanding a judicial resolution, if the case were in their jurisdiction and the New Laws applied to it.
- Encourage the Bankruptcy Bench, as a whole, to agree upon a consensus “decision-making model” emphasizing balance and flexibility, so that lenient and creative interpretations of statutory provisions will be deemed appropriate where a continuation of the debtor’s business appears feasible and the results are not inequitable to the creditors.
- Establish some baseline of judicial predictability which can be used when selecting appropriate Pilot Cases and shepherding them through the reorganization process.

FORMAT OF PRESENTATION: Presentation with Handout combined with Seminar.

LENGTH OF PRESENTATION: One day.

LESSON PLAN CONTENTS:

- This Training Module will focus exclusively on the decision-making demands which may be imposed upon the Bankruptcy Bench when actual cases begin to work their way into and through the system.
- Hypothetical judicial decision-making situations, including specifically those which arose or could have arisen in the cases studied in Modules Five and Six, assuming the BiH Law applied, will be used as a device to focus attention on these potential decision-making demands and generate a practical, shared consensus approach towards such decision-making.

MODULE NINE: CASE STUDY SEMINAR [Marvel Entertainment]
(Case Study Unit Three)

TITLE: Presentation, Analysis and Discussion of the “Bankruptcy and Restructuring at Marvel Entertainment Group” Case.

INTENDED AUDIENCE:

- Potential Debtors and Managers;
- Potential Investors and Lenders;
- Creditors;
- Trustees;
- Attorneys;
- Other Stakeholders and Actors.

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Three, or Equivalent.

GOAL(S) OF THIS MODULE:

- Familiarize participants with an appropriate analytical approach to a bankruptcy case.
- Exercise appropriate analytical disciplines.
- Build confidence in the practicality and benefits of bankruptcy.
- Prepare participants to be actors in Pilot Cases.
- Generate referrals of potential Pilot Cases.

FORMAT OF PRESENTATION: Case Study, with prior handout and reading, followed by workshop with presentation(s)/leader(s) and seminar-type discussion.

LENGTH OF PRESENTATION: Approximately 3 Hours.

LESSON PLAN CONTENTS:

This Training Module will be a Harvard Business School Case Study of a recapitalization of an American publishing company. The emphasis of the study will be divided equally between (1) the financial and business practicalities of the restructuring the subject company and (2) the legal issues which would apply to such a restructuring in the context of BiH’s New Law.

MODULE TEN: PILOT CASE PRESENTATION

TITLE: Presentation, Analysis and Discussion of the Pilot Case.

INTENDED AUDIENCE:

- Potential Debtors and Managers;
- Potential Investors and Lenders;
- Creditors;
- Trustees;
- Attorneys;
- Other Stakeholders and Actors;
- Media.

PREREQUISITES FOR PARTICIPANTS: None.

GOAL(S) OF THIS MODULE: This Module will present the participants with one pilot restructuring case and one pilot liquidation case. The Module will:

- Present the challenges and successes of the pilot cases.
- Generate discussion on specific issues that arose in the cases and how they were resolved.
- Publicize the pilot cases and bankruptcy in general.
- Allow participants in the pilot cases to discuss their experiences with their colleagues.
- Prepare participants to become actors in Pilot Cases.

FORMAT OF PRESENTATION: Presentations with handouts followed by facilitated discussion.

LENGTH OF PRESENTATION: One day.

LESSON PLAN CONTENTS:

This Training Module will be a forum for presentation and discussion of the results of the first pilot cases and will serve to attract more companies to use restructuring or liquidation procedures. The Module will include:

- Overview of FILE Project and its bankruptcy component;
- Overview of Pilot Case program;
- Presentation of liquidation case by Project;
- Judge's perspective on liquidation case;
- Trustee's perspective on liquidation case;
- Attorneys' perspectives on liquidation case;
- Debtor's management's perspective on liquidation case;
- Creditors' perspectives on liquidation case;
- Presentation of restructuring case by Project;

- Judge's perspective on restructuring case;
- Trustee's perspective on restructuring case;
- Attorneys' perspectives on restructuring case;
- Debtor's management's perspective on restructuring case;
- Creditors' perspectives on restructuring case;
- Discussion of specific issues that arose.

MODULE ELEVEN: CASE STUDY SEMINAR [FAG Kugelfischer]
(Case Study Unit Four)

TITLE: Presentation, Analysis and Discussion of the “FAG Kugelfischer – A German Restructuring” Case.

INTENDED AUDIENCE:

- Potential Debtors and Managers;
- Potential Investors and Lenders;
- Creditors;
- Trustees;
- Attorneys;
- Other Stakeholders and Actors.

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Three, or Equivalent.

GOAL(S) OF THIS MODULE:

- Familiarize participants with an appropriate analytical approach to a bankruptcy case.
- Exercise appropriate analytical disciplines.
- Build confidence in the practicality and benefits of bankruptcy.
- Prepare participants to be actors in Pilot Cases.
- Generate referrals of potential Pilot Cases.

FORMAT OF PRESENTATION: Case Study, with prior handout and reading, followed by workshop with presentation(s)/leader(s) and seminar-type discussion.

LENGTH OF PRESENTATION: Approximately 3 Hours.

LESSON PLAN CONTENTS:

This Training Module will be a Harvard Business School Case Study of a reorganization of a financially-strained German company, having a dominant position in a critical industry, i.e., the manufacture of ball bearings. The emphasis of the study will be divided equally between (1) the financial and business practicalities of the restructuring the subject company and (2) the legal issues which would apply to such a restructuring in the context of BiH’s New Law.

MODULE TWELVE: CASE STUDY SEMINAR [Prochnik]
(Case Study Unit Five)

TITLE: Presentation, Analysis and Discussion of the “Prochnik: Privatization of a Polish Clothing Manufacturer” Case.

INTENDED AUDIENCE:

- Potential Debtors and Managers;
- Potential Investors and Lenders;
- Creditors;
- Trustees;
- Attorneys;
- Other Stakeholders and Actors.

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Three, or Equivalent.

GOAL(S) OF THIS MODULE:

- Familiarize participants with an appropriate analytical approach to a bankruptcy case.
- Exercise appropriate analytical disciplines.
- Build confidence in the practicality and benefits of bankruptcy.
- Prepare participants to be actors in Pilot Cases.
- Generate referrals of potential Pilot Cases.

FORMAT OF PRESENTATION: Case Study, with prior handout and reading, followed by workshop with presentation(s)/leader(s) and seminar-type discussion.

LENGTH OF PRESENTATION: Approximately 3 Hours.

LESSON PLAN CONTENTS:

This Training Module will be a Harvard Business School Case Study of a successful privatization of a Polish clothing manufacturer. The emphasis of the study will be divided equally between (1) the financial and business practicalities of the restructuring the subject company and (2) the legal issues which would apply to such a restructuring in the context of BiH’s New Laws.

MODULE THIRTEEN: CASE STUDY SEMINAR [Alphatec]
(Case Study Unit Six)

TITLE: Presentation, Analysis and Discussion of the “Alphatec Electronics Pcl” Case.

INTENDED AUDIENCE:

- Potential Debtors and Managers;
- Potential Investors and Lenders;
- Creditors;
- Trustees;
- Attorneys;
- Other Stakeholders and Actors.

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Three, or Equivalent.

GOAL(S) OF THIS MODULE:

- Familiarize participants with an appropriate analytical approach to a bankruptcy case.
- Exercise appropriate analytical disciplines.
- Build confidence in the practicality and benefits of bankruptcy.
- Prepare participants to be actors in Pilot Cases.
- Generate referrals of potential Pilot Cases.

FORMAT OF PRESENTATION: Case Study, with prior handout and reading, followed by workshop with presentation(s)/leader(s) and seminar-type discussion.

LENGTH OF PRESENTATION: Approximately 3 Hours.

LESSON PLAN CONTENTS:

This Training Module will be a Harvard Business School Case Study of a bankruptcy reorganization of a diversified, technology-intensive company based in Thailand. The emphasis of the study will be divided equally between (1) the financial and business practicalities of the restructuring the subject company and (2) the legal issues which would apply to such a restructuring in the context of BiH’s New Laws.

MODULE FOURTEEN: CASE STUDY SEMINAR [Finova]
(Case Study Unit Seven)

TITLE: Presentation, Analysis and Discussion of the “The Finova Group, Inc.” Cases.

INTENDED AUDIENCE:

- Potential Debtors and Managers;
- Potential Investors and Lenders;
- Creditors;
- Trustees;
- Attorneys;
- Other Stakeholders and Actors.

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Three, or Equivalent.

GOAL(S) OF THIS MODULE:

- Familiarize participants with an appropriate analytical approach to a bankruptcy case.
- Exercise appropriate analytical disciplines.
- Build confidence in the practicality and benefits of bankruptcy.
- Prepare participants to be actors in Pilot Cases.
- Generate referrals of potential Pilot Cases.

FORMAT OF PRESENTATION: Case Study, with prior handout and reading, followed by workshop with presentation(s)/leader(s) and seminar-type discussion.

LENGTH OF PRESENTATION: Approximately 3 Hours.

LESSON PLAN CONTENTS:

This Training Module will be a Harvard Business School Case Study of a successful bankruptcy reorganization of an American finance company. The emphasis of the study will be divided equally between (1) the financial and business practicalities of the restructuring the subject company and (2) the legal issues which would apply to such a restructuring in the context of BiH’s New Laws.

MODULE FIFTEEN: CASE STUDY SEMINAR [Cumberland]
(Case Study Unit Eight)

TITLE: Presentation, Analysis and Discussion of the “The Cumberland Worldwide Corporation” Case.

INTENDED AUDIENCE:

- Potential Debtors and Managers;
- Potential Investors and Lenders;
- Creditors;
- Trustees;
- Attorneys;
- Other Stakeholders and Actors.

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Three, or Equivalent.

GOAL(S) OF THIS MODULE:

- Familiarize participants with an appropriate analytical approach to a bankruptcy case.
- Exercise appropriate analytical disciplines.
- Build confidence in the practicality and benefits of bankruptcy.
- Prepare participants to be actors in Pilot Cases.
- Generate referrals of potential Pilot Cases.

FORMAT OF PRESENTATION: Case Study, with prior handout and reading, followed by workshop with presentation(s)/leader(s) and seminar-type discussion.

LENGTH OF PRESENTATION: Approximately 3 Hours.

LESSON PLAN CONTENTS:

This Training Module will be a Harvard Business School Case Study of a complex bankruptcy reorganization of a multinational conglomerate. The emphasis of the study will be divided equally between (1) the financial and business practicalities of the restructuring the subject company and (2) the legal issues which would apply to such a restructuring in the context of BiH’s New Laws.

MODULE SIXTEEN: PLAN PREPARATION WORKSHOP
(Advanced Unit Three)

TITLE: Workshop on Crafting Potential Bankruptcy Reorganization Plans.

INTENDED AUDIENCE:

- Attorneys;
- Trustees;
- Other Interested Persons Likely to be Involved in Plan Preparation.

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Fifteen except for Module Eight, if not allowed). (Persons with equivalent preparation may also be admitted in the seminar leader's discretion).

GOAL(S) OF THIS MODULE:

- Familiarize the major actors in potential reorganization cases with the various alternative ways to structure a Plan of reorganization, which meets statutory requirements and can win creditor and other stakeholder acceptance (or, if necessary, be approved on a "cram-down" basis).
- Build confidence in the ability to prepare Plans.
- Prepare participants to prepare Plans in Pilot Cases.
- Presentation of a computerized financial model for an enterprise undergoing restructuring -- This may be presented as a separate 2-week training program.

FORMAT OF PRESENTATION: Presentation with Handout followed by Workshop(s) and Breakout Session(s).

LENGTH OF PRESENTATION: One day.

LESSON PLAN CONTENTS:

- This Training Module will focus intensively on the statutory-imposed requirements for the contents and approval of Plans.
- The emphasis will be on the structuring and actual drafting of Plans which will be needed when actual cases, appropriate for final reorganizations, begin to come into the system.
- Hypothetical plan-crafting situations, including specifically those which arose or could have arisen in the cases studied in Modules Five, Six, Nine, Ten (the Pilot Case), Eleven, Twelve, Thirteen, Fourteen and Fifteen (assuming BiH Law applied) will be used to build confidence and demonstrate the flexibility of the plan process.

**MODULE SEVENTEEN: MANAGEMENT AND MARKETING OF
DISTRESSED ENTERPRISES**
(Advanced Unit Four)

TITLE: Workshop on Managing and Marketing for Distressed Enterprises.

INTENDED AUDIENCE:

- Trustees;
- Other interested persons likely to be involved in management of companies pre-bankruptcy and during restructuring.

PREREQUISITES FOR PARTICIPANTS: Completion of Modules One through Fifteen (Persons with equivalent preparation may also be admitted in the seminar leader's discretion).

GOAL(S) OF THIS MODULE:

- Familiarize the trustees and others involved in restructuring/reorganization cases with management and marketing issues and solutions that may help improve companies' financial situation by increasing revenues and strategically reducing expenses.

FORMAT OF PRESENTATION: Presentations with Handouts followed by workshop(s) and breakout session(s), and case study.

LENGTH OF PRESENTATION: One day.

LESSON PLAN CONTENTS:

This Training Module will focus on management and marketing to turnaround distressed enterprises. The training will include:

- Basic management, operations, and marketing concepts;
- Identifying potential areas for improvement in management, operations, and marketing;
- Understanding when a turnaround is possible and impossible based on companies' ability to create and meet customer demand;
- Techniques for evaluation of management and operations;
- Conducting market analysis;
- Case studies for discussion of issues which may arise in Bosnian companies.