

2014 VALCON 2014
February 26-28, 2014 • Four Seasons Hotel • Las Vegas, NV

Wednesday Afternoon, Feb. 26, 2014

Presiding Officer:

Samuel J. Gerdano, American Bankruptcy Institute - Alexandria, VA

12:15 pm	Registration Opens
----------	---------------------------

Track A: Bootcamp - Financials and Valuation Methodologies

Presiding Officer:

Samuel J. Gerdano, American Bankruptcy Institute - Alexandria, VA

12:50 pm	Welcoming Remarks
----------	--------------------------

1:00 pm 1.25 hrs	Accounting and Finance Basics
---------------------	--------------------------------------

This session will cover revenue and expense recognition, financial statement analysis, financial ratios, and the calculation and forecasting of firm free cash flow.

Jim Nolen, The University of Texas at Austin, McCombs School of Business - Austin, TX

2:15 pm	Break
---------	--------------

2:30 pm 1.25 hrs	Valuation Basics
---------------------	-------------------------

This session will take a look at the different valuation techniques including asset approaches, market approaches and income approaches. Concepts such as time value of money, discounted cash flows, determining the discount rate and cost of capital, and terminal value assumptions will be illustrated. Comparable companies and precedent transactions to establish the relative enterprise and equity value of firms will also be examined and discussed.

Cesare Fracassi, The University of Texas at Austin, McCombs School of Business - Austin, TX

3:45 pm	Break
---------	--------------

4:00 pm 1.25 hrs	Special Issues: Options, Bankruptcy/Restructuring and Corporate Governance
---------------------	---

This panel will feature a discussion of basic option concepts, debt and equity claims, bankruptcy priorities, and corporate governance issues.

Cesare Fracassi, The University of Texas at Austin, McCombs School of Business - Austin, TX
Jim Nolen, The University of Texas at Austin, McCombs School of Business - Austin, TX

5:15 pm	Adjourn
---------	----------------

Track B: Technical Valuation Issues

Presiding Officer:

Grant W. Newton, The Association of Insolvency and Restructuring Advisors - Medford, OR

12:50 pm	Welcoming Remarks
1:00 pm 2.00 hrs	Revenue and Cash Flow Forecasting <p>This session will explore methods of developing meaningful and timely revenue and cash flow forecasts for financially distressed businesses, including considerations management takes into account in developing its forecast; commentary on relevant case law concerning such matters; and factors that could be considered by interested third parties and practitioners regarding reasonableness of such projections, such as modeling techniques.</p> <p>Moderator: Joseph A. DiSalvatore, Grant Thornton LLP - New York, NY</p> <p>Panelists: Candice Irvin, AMR Corporation - Fort Worth, TX G. William Kennedy, Berkeley Research Group, LLC - Boston, MA James M. Lukenda, Huron Consulting Group - New York, NY Steven T. Waterman, Dorsey & Whitney LLP - Salt Lake City, UT</p>
3:00 pm	Break
3:30 pm 1.75 hrs	Markets vs. Models <p>This panel will consider the robustness of financial models and valuation techniques in assessing the value of financially distressed businesses vis-à-vis the market for debt and equity securities of such businesses. Market efficiency/accuracy will also be considered as well as the circumstances that might warrant abandoning the values determined by the market in favor of a model-driven value estimate.</p> <p>Moderator: Bernard Pump, Deloitte Financial Advisory Services, LLP - Chicago, IL</p> <p>Panelists: William P. Hrycay, NERA Economic Consulting - New York, NY Michael T. Roberts, Esq., Founding Member, Roberts Capital Advisors, LLC - New York, NY Martin G. Rodgers, THL Credit Senior Loan Strategies LLC - Oak Brook, IL Teri Stratton, Piper Jaffray & Co. - El Segundo, CA</p>
5:15 pm	Adjourn

Wednesday Evening, Feb. 26, 2014

5:15 pm	VALCON Opening Networking Reception (5:15 p.m. - 6:30 p.m.) <p>Join us for drinks and hors d'oeuvres with faculty and participants.</p> <p>Sponsored by PwC and Vinson & Elkins LLP</p>
---------	---

Thursday Morning, Feb. 27, 2014

Presiding Officer:

Randall S. Eisenberg, AlixPartners, LLP - New York, NY

8:00 am	Registration and Networking Breakfast Sponsored by McGuire Woods LLP
8:30 am	Welcoming Remarks
8:45 am 1.00 hr	Bankruptcy--When is it the Answer? Maximizing the Value of Distressed Debt In today's environment, several options exist for effectuating a restructuring of a company in distress. When is a Chapter 11 filing the best option given the costs, risks and potential for reputational damage, and when is it not? This panel discusses the fundamental questions to be asked when considering the alternatives to bankruptcy, and more specifically, addresses when bankruptcy preserves or creates value. Moderator: Randall S. Eisenberg, AlixPartners, LLP - New York, NY Panelists: Brad B. Erens, Jones Day - Chicago, IL Joshua S. Scherer, Perella Weinberg Partners LP - New York, NY Joseph H. Smolinsky, Weil, Gotshal & Manges LLP - New York, NY Bettina M. Whyte, Alvarez & Marsal - New York, NY
9:45 am 1.25 hrs	The Value Distribution Waterfall: Flows and Diversions This session will examine the legal issues which impact the flow and diversion of the value distribution waterfall, including identifying gaps between the scope of, and methodology for determining, enterprise value and collateral value; the impact of §§ 502, 506(a), 506(c) and 552 on the allowed amount of secured and unsecured claims; and contractual and non-contractual adjustments to legal priorities. Using a hypothetical case, the panel will illustrate these issues and the uncertain and complex valuation, allocation, and intercreditor issues that can arise. Moderator: Michael H. Goldstein, Stutman Treister & Glatt - New York, NY Panelists: Steven M. Abramowitz, Vinson & Elkins LLP - New York, NY Ephraim Diamond, Davidson Kempner Capital Management LLC - New York, NY David Hilty, Houlihan Lokey - New York, NY Paul C. du Vair, Mesirow Financial Consulting, LLC - Chicago, IL
11:00 am	Break Sponsored by Stutman, Treister & Glatt PC
11:15 am 1.00 hr	Valuation Standards: Market Test vs. Expert Valuations This panel will take a look at developments in the legal standards for determining the whole enterprise valuation, and their impact on valuation methodology. What drives the market definition and its underlying policy? And when is the market likely to be wrong (and how do you show when not to trust the market)? How reliable is a "robust auction" and why might the outcome differ from an expert valuation? And when is an expert valuation likely to be suspect? Plus, the status of the "new value doctrine" and related valuation issues will also be discussed. Moderator: Hon. Robert D. Drain, U.S. Bankruptcy Court, Southern District of New York - White Plains, NY Panelists: Allen Pfeiffer, Duff & Phelps, LLC - Morristown, NJ Geoffrey T. Raicht, Proskauer Rose LLP - New York, NY Mark J. Shapiro, Barclays - New York, NY
12:15 pm	Adjourn to Luncheon and Keynote Presentation

Thursday Afternoon, Feb. 27, 2014

Presiding Officer:

Isaac Lee, PwC - Los Angeles, CA

Keynote Luncheon Presentation

12:45 pm	KEYNOTE PRESENTATION Sponsored by KCC David Alan Tepper, Founder and President, Appaloosa Management L.P. - Short Hills, NJ
1:30 pm	Break
1:45 pm 1.00 hr	Valuation Game Theory: Constituents' Tactics and Perspectives How do different constituencies "play" the same valuation issue? This panel will explore how and why valuation is an art and not a science in Chapter 11. Further, it will take on the challenge of debating whether or not this should trouble us as bankruptcy professionals and investors. Moderator: Matthew A. Feldman, Willkie Farr & Gallagher LLP - New York, NY Panelists: Neil Augustine, Rothschild Inc. - New York, NY Daniel H. Golden, Akin Gump Strauss Hauer & Feld LLP - New York, NY Abid Qureshi, Akin Gump Strauss Hauer & Feld LLP - New York, NY
2:45 pm 1.00 hr	Making Your Case: Presenting Valuation Evidence This panel will cover strategies and tips for presenting financial evidence in chapter 11 cases. Panelists will discuss the selection, roles, and fee arrangements of financial advisors and experts, employment applications/standards under the Bankruptcy Code, disclosure, protecting privilege, opinion testimony, use of demonstrative evidence, witness preparation, and more. Moderator: Eric D. Schwartz, Morris, Nichols, Arsht & Tunnell LLP - Wilmington, DE Panelists: Van C. Durrer, Skadden, Arps, Slate, Meagher & Flom LLP & Affiliates - Los Angeles, CA Peter S. Kaufman, Gordian Group, LLC - New York, NY Andrew M. Leblanc, Milbank Tweed Hadley & McCloy LLP - Washington, DC Hon. Barry Russell, U.S. Bankruptcy Court, Central District of California - Los Angeles, CA
3:45 pm	Break Sponsored by Development Specialists, Inc.

4:00 pm 0.75 hr	<p>Are Blanket Liens Really Blanket? Allocating the Going Concern Surplus</p> <p>This panel will address the entitlement of a secured lender with a "blanket lien" on a company's assets to share in the going concern or enterprise value of that company when it is liquidated in a Section 363 sale or otherwise dealt with under a chapter 11 plan. The circumstances under which such sharing in "going concern" value has been permitted, the cases on both sides of the issue, and the policy arguments in favor and against the secured lenders' right to access such value to satisfy its secured claim will be explored.</p> <p>Moderator: Dennis F. Dunne, Milbank, Tweed, Hadley & McCloy LLP - New York, NY</p> <p>Panelists: David M. Hillman, Schulte Roth & Zabel LLP - New York, NY Melissa B. Jacoby, University of North Carolina School of Law - Chapel Hill, NC Roy A. Salter, FTI Consulting, Inc. - Los Angeles, CA</p>
4:45 pm 0.75 hr	<p>Deconstructing the Value Proposition Behind the American-US Airways Merger: How Extraordinary Value was Achieved for AMR's Creditors and Equity Holders</p> <p>From the outset of AMR's unanticipated chapter 11 filing in November 2011, the Creditors' Committee focused on working closely and collaboratively with the Debtors to craft innovative solutions for the airlines' labor and pension issues and to systematically evaluate AMR's restructuring alternatives, identify a path for emergence that maximized the value of the airline, and craft a confirmable plan of reorganization that would command the strong support of general unsecured creditors and other economic stakeholders. The reorganization plan that was adopted relied on the consummation of a merger with US Airways, in order to combine American's and US Airways' complementary networks, increase convenience and efficiency and provide more options for customers, as well as facilitate AMR's transformation into a profitable and sustainable global airline. This roundtable of advisors to the airline parties and the Creditors' Committee will discuss how early labor and pension strategies led to the development of a standalone business plan which then could be compared to a potential merger inside chapter 11 - preserving the synergy values for chapter 11 stakeholders. The roundtable will also discuss the unique distribution mechanism that was adopted which avoided valuation disputes during the plan confirmation process in favor of a post-emergence "market test." The market test provides each general unsecured creditor and equity holder (subject to certain exceptions) with a distribution based on the trading prices of the common stock of new American from and after the effective date of the merger and reorganization plan. At press time, AMR and US Airways were expected to close the merger in December 2013 and will be in the midst of the 120 day market valuation period during VALCON 2014.</p> <p>Moderator: John (Jack) Wm. Butler Jr., Skadden, Arps, Slate, Meagher & Flom LLP - Chicago, IL</p> <p>Panelists: Matthew Chou, Rothschild Inc. - New York, NY William Q. Derrough, Moelis & Company - New York, NY Brad Meyer, Millstein & Co. - New York, NY Fredrick Vescio, Houlihan Lokey - Minneapolis, MN</p>
5:30 pm	Adjourn

Thursday Evening, Feb. 27, 2014

5:30 pm	<p>VALCON Networking Reception (5:30 p.m. - 6:45 p.m.)</p> <p>Join us for drinks and hors d'oeuvres with faculty and participants.</p> <p>Sponsored by Rezerve Consulting LLC</p>
---------	--

Friday Morning, Feb. 28, 2014

Presiding Officer:

Donald S. Bernstein, Davis Polk & Wardwell, LLP - New York, NY

8:00 am	Networking Breakfast
8:30 am 1.00 hr	Judicial Panel A discussion of current issues of interest to bankruptcy judges and insolvency professionals. Moderator: Donald S. Bernstein, Davis Polk & Wardwell, LLP - New York, NY Panelists: Hon. Robert D. Drain, U.S. Bankruptcy Court, Southern District of New York - White Plains, NY Hon. Arthur J. Gonzalez, New York University School of Law, Former Chief Judge, U.S. Bankruptcy Court, Southern District of New York - New York, NY Hon. Barry Russell, U.S. Bankruptcy Court, Central District of California - Los Angeles, CA
9:30 am 0.75 hr	ResCap and the Use of Examiners in Chapter 11 Cases The strategic use of examiners in some of the largest and most complex Chapter 11 cases has become more frequent in recent years. This panel will explore the use of an examiner to investigate, analyze and value potential causes of action and other contentious issues in <i>ResCap</i> and other significant chapter 11 cases. Moderator: Ralph S. Tuliano, Mesirow Financial Consulting, LLC - New York, NY Panelists: Hon. Arthur J. Gonzalez, New York University School of Law, Former Chief Judge, U.S. Bankruptcy Court, Southern District of New York - New York, NY Howard Seife, Chadbourne & Parke LLP - New York, NY
10:15 am	Break Sponsored by Schulte Roth & Zabel LLP
10:30 am 1.00 hr ethics	Red Flags: When Your Valuation Expert's Report Doesn't Seem Right, What Are Your Options? After you've found your valuation expert, how do you know if that expert's report is accurate? We'll discuss some of the red flags that should cause you to raise some questions with your own expert (or to consider asking the other side's expert in cross-examination), and we'll discuss how organizations might make it easier or harder to catch red flags. Edward T. Gavin, Gavin/Solmonese LLC - Wilmington, DE Nancy B. Rapoport, William S. Boyd School Of Law, UNLV - Las Vegas, NV
11:30 am	Adjourn