

FINANCIAL POLICY / SENIOR SEMINAR – SPRING 2020

General Course Information

Course No. **FIN 4443**
CRN **12663/13358**
Course Title **Financial Policy/Senior Seminar**

Description A capstone course for seniors majoring in finance. The work entails quantitative and qualitative analysis of financial policies; critical thinking exercises; independent readings and empirical research, as well as emerging threats, recent trends, and opportunities. The learning approach integrates all areas of business into “real world” case work format.

College: Lutgert College of Business
Department: Economics & Finance
Credit Hours: 3

Class Info

Start	End	Days	Time	Room
Jan 7, 2020	Apr 28, 2020	T R	1:30 - 2:45pm	LCB 1205
			12:00 - 1:15pm	

Distance Learning/Off Campus Course Information

Is this a DL Course? No, it is an on-campus course.

Lecture Capture Technology

This course may employ technology that will allow for audio and/or video recording of live classroom sessions. This lecture capture technology is utilized for the sole purpose of enhancing student learning. It may provide for supplemental student instruction via secure links to recorded session(s,) the live stream of courses, presentations of off-site guest speakers and/or the delivery of course instruction utilizing “flipped classroom” methodologies. Student questions and/or comments may be included as a part of any session being recorded. See <http://aets.fgcu.edu/fgcucapture.as> for additional details.

FINANCIAL POLICY / SENIOR SEMINAR – SPRING 2020

Instructor Information

Instructor Michael Zahaby

E-Mail Address mzahaby@fgcu.edu

Phone Number (646) 708-5771

Office Location: Adjunct Lounge, Lutgert Hall, 3rd FL.

Office Hours Students should make an appointment whenever possible.
Tuesday & Thursday 10:00 - 11:30 am; and or by appointment.

Teaching Philosophy

This class will utilize mostly the case method. Students will work collaboratively in groups preparing and presenting cases and assignments throughout the semester. Each group will submit a written analysis of assigned cases and research assignments.

Each group will perform the analysis for each case, prepare a presentation, and come to class prepared to present on the days that cases are due to be presented. **THIS INCLUDES BEING DRESSED IN A MANNER APPROPRIATE FOR DELIVERING A PROFESSIONAL PRESENTATION.**

Conduct & Behavior

Students are expected to show respect for all people. We expect the climate in classrooms to be professional at all times and encourage you to do your part. Unacceptable behavior includes harassment, inappropriate comments, or conduct that might create a hostile environment. All concerns should be addressed to the instructor or with the department chair, Prof. Weeks.

Cell phones, messaging, texting and emailing are not permitted in this class. If you bring a cell phone to class, TURN IT OFF, or leave class to take or make a call.

Course Materials

Required Course Materials

Access to pre-requisite course materials is available through the Finance e-library. You should also use Bloomberg, the Wall Street Journal, www.sec.gov/edgar/searchedgar/companysearch.html, SEC.gov, and the Internet

Class lectures may not be recorded in any form unless coordinated via university procedures.

FINANCIAL POLICY / SENIOR SEMINAR – SPRING 2020

Course Policies/Grading

30% Completion of Homework Assignments

(Written Communication)

- Group Papers Analysis
- Written Reports Evaluation
- PowerPoint Presentations

25% Attendance, Class Participation & Engagement, Networking

(Including Oral Communication)

- Oral Presentations & Participation
- Presentations
- Mock Networking Event Exercise
- Community Networking Event Exercise

20% Group Presentations

- Group Dynamics & Collaboration
- Peer Evaluation & Assessment

15% Bloomberg Markets Concepts

Completion of Online Course – [four (4) modules]




5% QEP: Critical Thinking Assignment – DISRUPTION

- Individual Paper Assignment

No assignments will be accepted after the due dates.

Attendance: Failure to attend class will result in a zero class participation grade for that day. In the event a student is not available to participate in group activities for any reason (travel, sickness, etc.), the student should make every possible effort to contribute to group's preparation for the upcoming case, assignment, or exercise.

Financial Policy is the capstone course for Finance senior students. The research-focused methodology utilized in teaching the course is designed to marry financial concepts learned with real world, case orientated work. We will utilize writing, critical thinking, and current finance nomenclature to prepare and equip graduates for successful careers in finance.

Learning Objectives		Assessment Strategy
Explain key financial theories, concepts and practices.		Completing Assignments & Written analysis of cases.
Analyze financial issues in corporate and investment settings.		Written analysis of cases.
Demonstrate an understanding of the working of financial markets.		Written analysis of cases & Oral Presentations.

FINANCIAL POLICY / SENIOR SEMINAR – SPRING 2020

CLASS AGENDA (Subject to Change)

Class N"	DATE	CLASS AGENDA & TOPICS	HOMEWORK ASSIGNMENTS
1	Jan 7	Introductions, Grades & Admin: <ul style="list-style-type: none"> o Ice Breaker o Business Cards & Students Names "Table Tents" o Grades & 360 Evaluations Bloomberg: Lab Access & Ground Rules PowerPoint Presentations <ul style="list-style-type: none"> o Format & Approach o Team Assignment Syllabus "drive by" Work Group Assignments	Group Homework: Regulations & Impact - Due Jan 9 <ol style="list-style-type: none"> 1. Proxy Access & Say on Pay 2. Sarbanes Oxley - <i>"Trigger" & Impact</i> 3. Dodd Frank Impact on Banks, Banking & Capitalization 4. Glass Steagall: Origins & demise; and Volker Rule
2	Jan 9	Group Presentations – Financial Regulations Impact <ol style="list-style-type: none"> 1. Proxy Access & Say on Pay 2. Sarbanes Oxley, <i>"Trigger" & Impact</i> 3. Dodd Frank Impact on Banks & Capitalization 4. Glass Steagall: Origins & demise; and Volker Rule 	Group Homework: Fin'l Reporting - Due Jan 14 What's in Each of these? <ol style="list-style-type: none"> 1. Annual Repots & Statement Notes 2. SEC forms 10-K; 10-Q, and 8-K 3. Should Co.'s stop giving quart guidance, Forms S-1 and S-4 4. C-Corp, S-Corp, LLC – drivers for elections
3	Jan 14	Group Presentations - Financial Reporting: What's in Each of These: <ol style="list-style-type: none"> 1. Annual Reports & Statement Notes 2. SEC forms 10-K; 10-Q, and 8-K 3. Should Co.'s stop giving quart guidance? Forms S-1 & S-4 4. C-Corp, S-Corp, and LLC drivers for elections 	Group Homework: Financial Statements Primer - Due Jan 16 What questions do these Statements answer about a Company, Mgt., and its Industry? <ol style="list-style-type: none"> 1. Income Statement; 2. Balance Sheet; 3. Cash Flow (Direct & Indirect Methods), and 4. Financial Ratios (Liquidity, Leverage, Cash Flow)
		Bloomberg Terminal Training "Soft launch"	
4	Jan 16	Group Presentations - Financial Statements What questions do these Statements "tell" us about a Company, Mgt. and Industry? <ol style="list-style-type: none"> 1. Income Statement; 2. Balance Sheet; 3. Cash Flow (Direct & Indirect), and 4. Financial Ratios (liquidity, Leverage and Cash Flow) 	Group Homework: Financial Statements Analysis Module - Due Feb 4 <ul style="list-style-type: none"> o Groups Meet & Select Analysis Case (FL Based Company: FISERV, Hertz, Chico's, Lennar, Darden, Pulte, Darden, Carnival, Raymond James CSX.....);
		Bloomberg Terminal Training "Soft launch"	
5	Jan 21	Financial Statements Analysis Module - Primer <ul style="list-style-type: none"> o Income Statement - <ul style="list-style-type: none"> ▪ Corp. Bus Model & Revenue Drivers: Organic, Subscription; Disruption; "Moats" and "Core" and Ancillary earnings); ▪ Tax shields (Depreciation, Inv. Valuation); ▪ GPM; OPM; NIM o Balance Sheet <ul style="list-style-type: none"> ▪ Liquidity & Working Capital ▪ Leverage & Capital Structure (the capital "stack") o Cash Flow & Ratios 	Group Homework: Financial Analysis Module - Due Feb 4 <ul style="list-style-type: none"> o Study IBK Investment Analysis Memorandum Format, and Sections; and o Assign each Group member an IBK Memorandum Section

FINANCIAL POLICY / SENIOR SEMINAR – SPRING 2020

		<ul style="list-style-type: none"> ✓ EBITDA, EBITDAR vs. Net Income ▪ Operating; Investment & Financing Cash 	
6	Jan 23	Bloomberg Training (Bloomberg on-site or via Webinar) <ul style="list-style-type: none"> ○ Account Set-up; ○ Intro to Bloomberg Capabilities <ul style="list-style-type: none"> ○ Develop facility with various Analysis Modules ○ Exporting Bloomberg Data to Excel 	Group Work: Financing Vehicles (On/Off Balance Sheet) - Due Jan 28 <ol style="list-style-type: none"> 1. Debt: Bank & Private Placement (Secured vs. Unsecured; Sr. & Jr.) <ul style="list-style-type: none"> ▪ Indentures & Covenants: Affirmative, Negative, and Financial 2. Hybrid vehicles – Convertible 3. Equity (Underwriting vs. Direct) 4. Priority Pecking order; Taking & Filing a lien, UCC-1 Form; Obtaining a judgement & Foreclosure
7	Jan 28	Group Presentations: Financing Vehicles (On/Off Balance Sheet) <ol style="list-style-type: none"> 1. Debt: Difference between Bank & Private Placements (Secured vs. Unsecured; Sr. & Jr.) <ul style="list-style-type: none"> ▪ Indentures and Covenants: Affirmative, Negative, & Financial 2. Hybrid vehicles – Convertible 3. Equity (Underwriting vs. Direct) 4. Priority Pecking order; Taking & Filing a lien, UCC-1 Form; Obtaining a judgement & Foreclosure 	Group Work: Capitalization - Due Jan 30 <ol style="list-style-type: none"> 1. IPOs: Process & Steps 2. IPO (When?) vs. staying Private. Which is better? Why? 3. 2019 IPOs: 2 Successes & 2 Flops (Reasons) 4. IPOs: <ul style="list-style-type: none"> ▪ Purpose: Earnings or Growth ▪ de novo, vs. using a Special Acquisition vehicle
8	Jan 30	Group Presentations: Capitalization (Guest Speaker) <ol style="list-style-type: none"> 1. IPOs: Process & Steps 2. IPO vs. staying Private. Which is better? Why? 3. 2019 IPOs: 2 Successes & 2 Flops (Reasons) 4. IPOs: <ul style="list-style-type: none"> ▪ Purpose: Earnings or Growth ▪ de novo, vs. using a Special Acquisition vehicle 	Group Homework: Capitalization – Due Feb 4 <ol style="list-style-type: none"> 1. Capital Distribution (Cash Dividends, Share Repurchase, CAPEX, M&A). Which is best to maximizing shareholders value 2. Capital Structures (use a public company to illustrate) for: <ul style="list-style-type: none"> ▪ Tech & Communications ▪ Industrial companies ▪ Wholesale Distribution ▪ Banking & Financials 3. Activism (Why? Who? Methodology?) 4. Capital Structures: <ul style="list-style-type: none"> ▪ Difference in Capitalization of Financial & Non-Financial Firms
FEB 1		QEP Assignment: Individual Analysis (2-pager essay) - Disruption Due April 1 <ul style="list-style-type: none"> • Risk Level(s) of Disruption at Assigned Company; • Identify the Elements of disruption, provide evidence, show your approach to the problem, analyze the existing information and facts, and • Synthesize findings along with your own perspective. • Formulate Response 	
9	Feb 4	<ul style="list-style-type: none"> ○ Group Presentations: Capitalization <ol style="list-style-type: none"> 1. Capital Distribution (Cash Dividends, Share Repurchase, CAPEX, M&A). Which is best to maximizing shareholders value 2. Capital Structures (use a public company to illustrate various structures) for: <ul style="list-style-type: none"> ▪ Tech & Communications ▪ Industrial companies 	Group Homework: Financial Statements Analysis PowerPoint Presentations – Due Feb 13 <ul style="list-style-type: none"> ○ Commence Fr'n'l Analysis & IBK's IAM ○ Start Work on PowerPoint Presentations (max 8 slides) ○ Business & Competitive Descriptions

FINANCIAL POLICY / SENIOR SEMINAR – SPRING 2020

		<ul style="list-style-type: none"> ▪ Wholesale Distribution <p>3. Activism (Why? Who? Methodology & Playbook?)</p> <p>4. Capital Structures:</p> <ul style="list-style-type: none"> ▪ Difference in Capitalization of Financial & Non-Financial Firms <ul style="list-style-type: none"> ○ Rating Agency Risk Grading ○ IBK Investment Analysis Memorandum 	<ul style="list-style-type: none"> ○ Strengths & Concerns ○ Company 3 Statements, and Ratio Highlights
10	Feb 6	<p>Financial Statements Analysis: Group & Instructor 1 on 1 with each Team</p> <ul style="list-style-type: none"> ○ Bloomberg “High Level” Analysis on Companies 	<p>Group Homework: Financial Statements Analysis - Financial Analysis on Selected FL Company</p> <ul style="list-style-type: none"> • PowerPoint Present – Due Feb 13 • IBK IAM – Due Feb 18
12	Feb 11	<p>Group Case Presentations: Assigned FL Company</p> <p>PowerPoint Presentations (max 8 slides)</p> <ul style="list-style-type: none"> ○ Business & Competitive Descriptions ○ Strengths & Concerns ○ Company 3 Statements, and Ratio Highlights 	<p>Group Homework: Fixed Income Module Primer - Due Feb 18</p> <ol style="list-style-type: none"> 1. Municipal Market size, Growth & Participants; 2. Issue Types & Purpose; 3. Dynamics and Drivers, and 4. Default Causes
11	Feb 13	<ul style="list-style-type: none"> ○ Federal Reserve Bank of Miami Guided Tour <ul style="list-style-type: none"> ▪ Depart at 7:00AM ▪ Return at 3:30 ○ Bloomberg Lab Day for non-participants 	<p>Group Homework: Financial Statements Analysis IBK IAM – Due Feb 18</p>
13	Feb 18	<p>Fixed Income Primer Module – Primer (Wasmer Schroeder)</p> <ul style="list-style-type: none"> ▪ Group Case Assignments 	
14	Feb 20	<p>Professional Development - Networking Event #1 (Atrium Reception)</p>	<p>Group Homework: Fixed Income – Due Feb 27</p> <p>Utilize Bloomberg to work Case Assigned by Wasmer Schroeder</p>
15	Feb 25	<p>BMC Day (NOT AN OFF DAY)</p> <ul style="list-style-type: none"> ▪ Lab work day to complete Bloomberg Certification ▪ Work on Fixed Income Case Presentations 	
16	Feb 27	<p>Fixed Income Module: Case Presentations (Wasmer Schroeder)</p>	<p>Group Homework: Governance Primer - Due Mar 10</p> <p>Utilizing Bloomberg’s Governance Module,</p> <ul style="list-style-type: none"> • All Teams select a Company of their choice, and research their Company’s degree of compliance with ESG, Diversity metrics, and separately address the following topics, according to group N” • Team #1: The roles of Boards of Directors versus Proxy Advisors (congruent, or conflicting?). Is there room left for the retail investor to exercise Governance • Team #2: Single Class stock vs Multi-Class. Founder’s prerogative or erosion of Governance? The cases of Facebook & WeWork

FINANCIAL POLICY / SENIOR SEMINAR – SPRING 2020

			<ul style="list-style-type: none"> • Team #3: Did the CBS' Board of Directors handle the Les Moonves case appropriately. • Team #4: Role of Boards in promoting Corporate Diversity. Is it good business? Or, good for business? Do Boards with women perform better than Boards without woman?
17	Mar 3	Professional Development (Guest Lecturer Rob Oberwise) <ul style="list-style-type: none"> ▪ Presentation skills ▪ Decision Making 	Governance Module: DEBATES – Due Mar 12 PRO & CON <ul style="list-style-type: none"> • The American Capitalism Act. Corp Governance versus Gov't dictates. Impact on Free Enterprise, Shareholder Value, and Capital formation • Business Roundtable Revised Letter
18	Mar 5	Governance Module: (Michael Duke, Guest Speaker) <ul style="list-style-type: none"> ▪ Issues impacting Corporate Governance today 	
17	Mar 10	Governance Topics Presentations (Jim Hale, Esq. & Jim Portnoy, Esq)	
18	Mar 12	Governance Debates (Jim Hale & Jim Portnoy) <ul style="list-style-type: none"> • The American Capitalism Act. Corp Governance versus Gov't dictates. Impact on Free Enterprise, Shareholder Value, and Capital formation • Business Roundtable Revised Letter 	Group Homework: Financing Sources - Due Mar 17 <ol style="list-style-type: none"> 1. Family Office 2. Private Equity <i>KKR; Apollo; TPC; Frostmann Little, Cerebus; Blackstone; Carlyle Group; Bain Capital</i> 3. Hedge Funds 4. Venture Capital - Stages I & II
19	Mar 17	Financing Sources (Guest Speakers: Dan Hall, and P. J. Marinelli) <ol style="list-style-type: none"> 1. Family Office 2. Private Equity 3. Hedge Funds 4. Venture Capital - Stages I & II 	Group Homework: REIT Primer - Due Mar 19 What is a REIT? Mechanics? Structure? <ol style="list-style-type: none"> 1. Risk Levels in REITs 2. Successful vs. Unsuccessful REITS. Share Examples, and Why 3. REIT categories: Advantages and disadvantages of Specialization. Characteristics of: <ul style="list-style-type: none"> ▪ Office ▪ Retail ▪ Hotels & Resorts ▪ Healthcare
20	Mar 19	REITs Prep (Guest Speakers: Nelson, King & Pollert)	Group Homework: REIT Assignment. Presentations – Due Mar 24
21	Mar 24	REITs: Group Case Presentations (Guest Speakers: Scott Nelson and Bill Pollert) <ol style="list-style-type: none"> 1. Office 2. Retail 3. Hotels & Resorts 4. Healthcare 	Group Homework: FinTech - Due Mar 31 <ol style="list-style-type: none"> 1. Block chain-Impact Positives & Negatives 2. Bitcoin as an alternative currency 3. Impact on traditional Banks & Financial Sources 4. Regulatory & Consumer Protection

FINANCIAL POLICY / SENIOR SEMINAR – SPRING 2020

22	Mar 26	BMC Day (<i>NOT AN OFF DAY</i>) <ul style="list-style-type: none"> ▪ Lab work day to complete Bloomberg Certification ▪ Work on FinTech Presentations 	
23	Mar 31	Group Presentations - FinTech (Guest speaker) <ol style="list-style-type: none"> 1. Block chain-Impact Positives & Negatives 2. Bitcoin as an alternative currency 3. Impact on traditional Banks & Financial Sources 4. Regulatory & Consumer Protection 	<u>Group Homework – Federal Reserve Primer - Due Apr 2</u> <ol style="list-style-type: none"> 1. <i>Why a Central Bank? History.</i> This is the third attempt at building a Central Bank in the U.S. For the first half of its history, the Fed had a narrowly circumscribed role. More recently, the Fed's role's and powers have expanded. 2. Federal Reserve Structure and Independence 3. Interest rates & “new normal”. The “curve” and impact of inversions 4. Fed Balance Sheet & QE. Does the Fed have any tools left to fight a slowdown
24	Apr 2	Federal Reserve Primer (Guest Speaker: Dick Eide, FGCU Trustee) <ol style="list-style-type: none"> 1. Structure & History. Why a Central Bank 2. Interest rates & “the new normal” 3. Fed Balance Sheet & QE 4. Market Efficiency 	<u>Federal Reserve Module: FOMC “Mock” Meeting – Due April 7</u> Read the March 2020 Meeting Minutes; and Press release, and adjust language accordingly
25	Apr 7	Federal Reserve (Guest Speaker R. Eide) FMO “Mock” Meeting	<u>Group Homework: Mergers & Acquisitions Primer - Due Apr 9</u> <ol style="list-style-type: none"> 1. Why? Motivations? “Fit & Focus” 2. Hostile, Friendly, “Bear hug” 3. Types of buyers: Strategic & Financials 4. Types of Transactions: LBO, MBO
26	Apr 9	M & A Case Debate <ul style="list-style-type: none"> ○ Team Selection ○ Case Selection Debate ○ Protocol Discussion 	<u>M & A Module: Debates Group Preparations</u>
27	Apr 14	M & A – Case Debate Practice (Guest M&A Coaches)	<u>M & A Module: Debates Group Preparations</u>
28	Apr 16	M & A – Case Debates (Guest M&A Coaches)	
29	Apr 21	M & A – Case Debates	<u>Group Homework - Free Trade & Tariffs, Impact Primer - Due Apr 23</u> <ol style="list-style-type: none"> 1. Smoot Hartley Act 2. Protection of US jobs & Industry, Intellectual Property and national security 3. Globalism, Consumer prices and producers competitive advantage 4. USMC Trade Agt, NAFTA, TPP
30	Apr 23	Group Presentations - Free Trade & Tariffs Impact on: <ol style="list-style-type: none"> 1. Smoot Hartley Act 2. Impact on US jobs & Industry, Intellectual Property and national security 	<u>Middle-Market Private Equity Investment Proposal – Due Apr 28</u> PROs & CONS: Each Team will decide whether

FINANCIAL POLICY / SENIOR SEMINAR – SPRING 2020

		3. Globalism; Consumer and producers prices, and competitive advantage 4. USMC Trade Agt, NAFTA, TPP	they are supporting the Investment or Against the Investment
31	Apr 28	Middle-Market Private Equity Investment Committee Meeting Assessment Test	

University Statements

Academic Behavior Standards and Academic Dishonesty

All students are expected to demonstrate honesty in their academic pursuits. The university policies regarding issues of honesty can be found in the FGCU Student Guidebook under **the Student Code of Conduct and Policies and Procedures** sections. All students are expected to study this document which outlines their responsibilities and consequences for violations of the policy. The FGCU Student Guidebook is available online at <http://studentservices.fgcu.edu/judicialaffairs/new.html>

University Nondiscrimination Statement

Florida Gulf Coast University is committed to ensuring equity and fairness for all University employees, students, visitors, vendors, contractors and other third parties. As such, the University prohibits discrimination on the bases of race, color, national origin, ethnicity, religion, age, disability, sex (including sexual harassment/assault), gender identity/ expression, marital status, sexual orientation, veteran status or genetic predisposition with regard to admissions, employment, programs or other activities operated by the University. This prohibition extends to enforcement of **Title IX** of the Education Amendments of 1972. Questions or complaints should be directed to the Office of Institutional Equity and Compliance (OIEC). The OIEC’s phone number is (239)745-4366; the OIEC email address is OIEC@fgcu.edu.

Disability Accommodations Services

Florida Gulf Coast University, in accordance with the Americans with Disabilities Act and the university’s guiding principles, will provide classroom and academic accommodations to students with documented disabilities. If you need to request an accommodation in this class due to a disability, or you suspect that your academic performance is affected by a disability, please see me or contact the Office of Adaptive Services. The Office of Adaptive Services is located in the Wellness Building. The phone number is 239-590-7956 or Video Phone (VP) 239-243-9453. In addition to classroom and campus accommodations, individuals with disabilities are encouraged to create their personal emergency evacuation plan and FGCU is committed to providing information on emergency notification procedures. You can find information on the emergency exits and Areas of Rescue Assistance for each building, as well as other emergency preparedness materials on the Environmental Health and Safety and University Police Department websites. If you will need assistance in the event of an emergency due to a disability, please contact Adaptive Services for available services and information.

FINANCIAL POLICY / SENIOR SEMINAR – SPRING 2020

Counseling and Psychological Services (CAPS)

CAPS provides free counseling and therapy services (including psychiatry) to all FGCU students. Please walk in to the second floor Howard Hall office any week day between 8:30 and 4:30 to schedule an initial contact appointment. Visit the CAPS website at www.fgcu.edu/caps for more information. CAPS offers a 24/7 Helpline at (239) 745-3277 (EARS).

Student Observance of Religious Holidays

All students at Florida Gulf Coast University have a right to expect that the University will reasonably accommodate their religious observances, practices, and beliefs. Students, upon prior notification to their instructors, shall be excused from class or other scheduled academic activity to observe a religious holy day of their faith.

Students shall be permitted a reasonable amount of time to make up the material or activities covered in their absence. Students shall not be penalized due to absence from class or other scheduled academic activity because of religious observances. Where practicable, major examinations, major assignments, and University ceremonies will not be scheduled on a major religious holy day. A student who is to be excused from class for a religious observance is not required to provide a second party certification of the reason for the absence.