

Hong Kong Disneyland Finance

Each group should hand in one copy (typed) of your analysis; please put the group's name on the write-up, as well as each team member's name. Each team member should also bring their own copy of the write up to class, as well as the case itself, so that we can refer to specific exhibits in our discussion. If your group does not write up the case, you are still responsible for being prepared and ready to discuss the case in class!

Your write-up should begin with an opening paragraph that defines the main problem in the case and your recommended solution. The remainder of your paper should support your conclusion and recommendations. This support should be based on your definition of the problem and inferences that you draw from the facts of the case. Structure is important for your argument to be lucid and transparent. You may use a bullet point format if you want, but be careful not to be so cryptic that your argument becomes unintelligible. Also, you may want to use exhibits to support your argument with some quantitative analysis.

You are free to draw on outside sources as well, but if you do you must be careful to include footnotes and references.

The grading will be based on:

Quality of the problem diagnosis: Have you defined the problem and identified the most important impediments to its solution?

Quality of analysis: Have you analyzed the pertinent issues correctly and avoided obvious repetition of facts in the case?

Quality of recommendations: Have you offered specific plans of action and backed these up with strong arguments?

Writing: Do you present the material in a logical, clear and concise way?

Below you will find a set of questions to guide your analysis. You should address all of these questions in your analysis. You must make your argument succinctly. I am going to strictly enforce a **maximum length** of 8 pages of text (12 point font; 8.5"x11" paper; standard margins), plus supporting graphs, figures or tables.

Questions

1. How should Chase have bid for the loan mandate? What are the risks of the loan to Chase? What are the potential rewards?

2. Would you recommend that Disney sign Chase's 'standard' commitment letter? Which parts might concern you (as Disney)? As Chase, which part might you alter or remove?

3. What syndication strategy would you recommend for the loan (see Exhibit 8)? Think in terms of the number of tiers, commitment amounts and fees, nationality of and number of banks, sub-

underwriting v. general syndication, etc. Also, be sure to work through Exhibit 10, which explains how fees get allocated across banks.

4. Why did Disney award the sole mandate to Chase? Do you think this was a good decision? In preparing the case, be sure to read the Case Appendix carefully, which gives a brief overview of syndicated lending. Also, read the “A Guide to the Loan Market” by S&P, which is posted at the course website.