



Contents

Preface	ix
Acknowledgments	xiii
Section I. Investment Banking	1
1. Overview of Investment Banking	3
2. Regulation of the Securities Industry	21
3. Financings	41
4. Mergers and Acquisitions	63
5. Trading	97
6. Asset Management, Wealth Management, and Research	115
7. Credit Rating Agencies, Exchanges, and Clearing and Settlement	125
8. International Banking	137
9. Convertible Securities and Wall Street Innovation	155
10. Investment Banking Careers, Opportunities, and Issues	173
Section II. Hedge Funds and Private Equity	197
11. Overview of Hedge Funds	199
12. Hedge Fund Investment Strategies	219
13. Shareholder Activism and Impact on Corporations	241
14. Risk, Regulation, and Organizational Structure	257
15. Hedge Fund Issues and Performance	269
16. Overview of Private Equity	283
17. LBO Financial Model	307
18. Private Equity Impact on Corporations	325
19. Organization, Compensation, Regulation, and Limited Partners	347
20. Private Equity Issues and Opportunities	361

Section III. Case Studies	381
1. Investment Banking in 2008 (A): Rise and Fall of the Bear	383
2. Investment Banking in 2008 (B): A Brave New World	403
3. Freeport-McMoRan: Financing an Acquisition	419
4. The Best Deal Gillette Could Get?: Procter and Gamble's Acquisition of Gillette	435
5. A Tale of Two Hedge Funds: Magnetar and Peloton	451
6. Kmart, Sears, and ESL: How a Hedge Fund Became One of the World's Largest Retailers	469
7. McDonald's, Wendy's, and Hedge Funds: Hamburger Hedging? Hedge Fund Activism and Impact on Corporate Governance	489
8. Porsche, Volkswagen and CSX: Cars, Trains, and Derivatives	511
9. The Toys "R" Us LBO	521
10. Cerberus and the U.S. Auto Industry	539
 Sources List	 553
Reading List	559
References	561
Index	563