

Class Outline -- Guest Speaker Lecture

Corporate Finance Class of Professor Viktoria Dalko [via Zoom]

Hult Business School, Boston, MA; November 20, 2020, 12 - 1 p.m.

Bankruptcy, Bank Resolution, Bank Bailout, and the Bail-in: What Businesspersons Need to Know

- *Guest Speaker's Short Bio:*

Virág Blazsek (JD, LL.M., SJD/PhD) is an Attorney at the United Nations Joint Staff Pension Fund's Office of Investment Management in New York, NY.¹ She has a decade-long experience in working as an Attorney in the financial sector in the U.S. and in Hungary. She is the Author of the book, *Banking Bailout Law* (Routledge U.K. & U.S., Oct. 2020).² She earned her Juris Doctor degree from Eötvös Loránd University in Budapest, Hungary and her SJD/PhD in International Business Law from the Central European University in Budapest, Hungary (now Vienna, Austria, registered and accredited in the United States). In 2016-2017, she was a Visiting Scholar at Fordham University School of Law and Columbia Law School. In 2019, she also earned an LL.M. in Business and Finance Law from the George Washington Law School in Washington, D.C., where she served as a Buergethal Scholar.

- *Topic:*

We will discuss the legal-regulatory framework of bankruptcies, bank resolutions, bank bailouts, and the bail-in from a practical perspective. This lecture will provide a globally applicable frame of reference based on which financial sector and investment-professionals will be able to identify, assess and manage legal-regulatory risks related to future financial crises. The approximately 40-minute lecture will be followed by a 20-minute Q/A session.

- *Structure: 40-minute lecture + 20-minute Q/A*

- 1) The cyclic nature of financial crises and government interventions
- 2) Definitions:
 - a. "Illiquidity" versus "insolvency"
 - b. "Bankruptcy" versus "bank resolution"
 - c. "Bailout" versus "bail-in"
- 3) Bankruptcy, bank resolution, bank bailout, and bail-in in the U.S., and the E.U. through some examples (e.g. Bear Stearns; Fannie Mae & Freddie Mac; Royal Bank of Scotland; Bankia; Banco Popular)
- 4) How to identify, assess and manage the risks related to financial crises:
 - a. Chief sources of information (international and national)
 - b. The Doing Business Reports of the World Bank³ (comparing business regulation including bankruptcy regimes in 190 economies)
- 5) Must-knows about deposit insurance and investor compensation schemes
- 6) Conclusions
- 7) Q/A session

¹ The material presented does not reflect the positions of the institutions to which Ms. Blazsek affiliate. Do not publish the handouts or presentation slides of this lecture without the written consent of Ms. Blazsek.

² The Book is available at https://www.amazon.com/Banking-Bailout-Law-Comparative-Routledge/dp/0367410338/ref=tmm_hrd_swatch_0?encoding=UTF8&qid=1602977498&sr=1-1-catcorr

³ Available at <https://www.doingbusiness.org/en/data/exploretopics/resolving-insolvency>.