

**Massachusetts Institute of Technology
Sloan School of Management**

15.434 Corporate Finance
Spring 2001

Assignment for Wednesday, May 9, 2001

Case: Cumberland Worldwide Corporation (A)

Questions:

1. What are Cumberland's current problems and how did it get to this point?
2. Is Cumberland viable as a going concern? If so, why is it so difficult to restructure?
3. What are the key elements which will determine if the proposed exchange will work? What should be changed? How?
4. How does the bankruptcy law encourage exchanges? Discourage exchanges? Resolve the issues raised in question 3 above?