

ADDITIONAL MATERIALS ON CONTROL PREMIUMS

1. What are the respective claims of the Common Stock, Class A debentures and the Class B debentures on the income and the assets of Green Bay & Western Railroad Company (“Company”)?
2. To what extent do the financial rights of the debentures have equity-like features? How about debt-like features?
3. If you were representing the holders of the Class B debentures, what arguments would you make to support a claim that the consideration for the transaction were not properly allocated? Would those arguments change if the Class B debentures were regarded as the equivalent of either (i) capital stock, (ii) preferred stock or (iii) debt.
4. If you were representing the stockholders or the directors of the Company, how would you respond to those arguments?
5. If you had been involved in drafting the class B debentures, what could you have done to minimize litigation over the relative rights of the holders of the three instruments?