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Recap: "Practitioner Speaker Series - Life of a Corporate Finance Attorney: A Conversation with Philip Jonathan Tendler, Partner in Pillsbury's SF Office"

By Vartika Jain, LL.M. Candidate 2016 | October 26, 2015

On October 22, 2015, the Berkeley Center for Law, Business, and the Economy (BCLBE) welcomed Philip J. Tendler, Partner in Pillsbury's SF Office, for a Q&A discussion about his career and how law school can arm students with the skillset needed to succeed in the wild world of debt finance.

A former equity securities analyst in the Global Energy and Power Group at Schroders, Mr. Tendler joined Pillsbury after graduating from Boalt in 2000.

Travelling back in time, Mr. Tendler reflected on the things he learned in law school that helped him demystify the concepts and themes of finance in his practice. The conversation was weaved around two anecdotes that he shared from his time at Boalt.

Mr. Tendler first shared a rhetorical question that was asked in his bankruptcy class: "How many people think that more debt as against more equity is raised in the U.S.?" He then let the numbers speak for themselves in today's context by highlighting that close to $250 billion in equity has been raised so far in the U.S. as against a whopping $2.5 trillion in debt finance. Mr. Tendler also listed the different types of products out there in the debt market including venture debt, asset based lending facilities which are usually revolving loans, term loan facilities, and convertible debt.

The second anecdote was set in a class on lending transactions that Mr. Tendler took. The professor gave students a prototypical credit agreement which, as he now recalls, was the most vanilla credit agreement he has seen in his 15 years of practice. Thinking back on this agreement, he compared a badly drafted credit agreement to poorly written code for software programs that constantly need to be fixed.

When asked about what it is like to walk clients through credit agreements on a regular basis, Mr. Tendler highlighted a pattern of going straight to the heart of the agreement - the negative covenants provision. He also gave students a great tip on how to find all the aspects of a credit agreement by reading the audited financial statements of public companies containing the company's notes that feature its long term liabilities, contingent liabilities, material losses, assets, history of acquisitions, and plans to raise capital in the future.

He also advised students interested in the practice of debt finance to consider taking a class in corporations or business associations for setting the foundation in stone, a bankruptcy law class to learn the different flavors of subordination of debt, a basic class in intellectual property and an environmental regulations class for those interested in energy or project finance.