

## Press Release

### **AWO OWL provides update on the state of proceedings**

21 November 2023 · Bielefeld · Business Area: Insolvency Administration

Workers' welfare district association AWO OWL (Arbeiterwohlfahrt Bezirksverband Ostwestfalen-Lippe e.V.) filed for debtor-in-possession proceedings last month with the intention of adapting with the required speed to the considerable internal and external challenges it faces and equipping itself for the future.

"We have reviewed the situation in great depth in recent weeks and held many discussions and negotiations. While some of the negotiations are still ongoing, we are pleased to be able to provide an initial positive update on our efforts," said chief executive Mr Thomas Euler. He and his fellow Board member Mr Christoph Lützenkirchen remain in charge of the association during the provisional debtor-in-possession proceedings. Working closely with restructuring expert and general agent Mr Andreas Budnik from law firm AndresPartner and provisional insolvency monitor Mr Stefan Meyer (PLUTA), as well as their respective teams, they have rigorously scrutinised AWO OWL's portfolio of over 200 institutions.

#### **No closures of nursery schools, homes for the elderly or residential youth care institutions**

The initial results of the reviews are now available; the restructuring concept and planned measures are

#### **PLUTA press contact**

Patrick Sutter  
relatio PR  
+49 89 210 257-22  
presse@pluta.net

#### **PLUTA expert**



#### **Stefan Meyer**

Rechtsanwalt,  
Fachanwalt für Insolvenz-  
und Sanierungsrecht



#### **Dr. Ria Brüninghoff**

Rechtsanwältin,  
Fachanwältin für Insolvenz-  
und Sanierungsrecht

#### **About PLUTA**

PLUTA assists companies facing legal and financial challenges. The firm provides support for reorganisations and transactions and helps companies to restructure and maintain their operations in crisis and insolvency situations. If necessary, PLUTA restructuring experts may also assume leadership roles in other businesses. Since the company was founded in 1982, PLUTA has constantly grown and today has a staff of approximately 500 employees in Germany, Spain and Italy. More than 290 business and management experts, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, banking and bookkeeping experts, engineers and insolvency administration specialists, many with multiple qualifications, ensure practicable and economically sound solutions. PLUTA is one of the top restructuring companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brand eins, Wirtschaftswoche and Focus. Further information is available at [www.pluta.net](http://www.pluta.net).

## Press Release

increasingly taking shape. For example, it has been decided that all nursery school facilities will continue operating for the coming years and there will be no closure of these as part of the debtor-in-possession proceedings. Neither will any residential youth care institutions be closed. Likewise, AWO OWL will continue to operate all nine existing homes for the elderly going forward. AWO's Spatzenberg residential facility in Löhne operated within the framework of integration assistance is intended to be transferred to a new operator in April 2024. Negotiations on the details, particularly on how the jobs can be saved, are currently ongoing. While the signs are promising and positive, the discussions have not yet been concluded.

### **Solutions for support services in optional full-day schools, secondary schools, etc.**

With regard to offerings in the area of optional full-day schools and school support at secondary level, already largely provided in the East Westphalia-Lippe region by the AWO subdistrict associations not involved in the debtor-in-possession proceedings, specific discussions are ongoing with the aim of having AWO subdistrict associations and other municipal providers take on this work. The plan is for the AWO subdistrict associations already active in this segment to now assume full responsibility for providing these within the context of the necessary adjustment of the district association's portfolio. Where it is not possible for the AWO subdistrict associations to take over these services, for whatever reasons, AWO OWL will itself continue to provide these optional full-day school and secondary school offerings.



**Dr. Christian Kaufmann**

Rechtsanwalt,  
Fachanwalt für Insolvenz-  
und Sanierungsrecht



**Christoph Chrobok**

Rechtsanwalt,  
Fachanwalt für Insolvenz-  
und Sanierungsrecht



#### **About PLUTA**

PLUTA assists companies facing legal and financial challenges. The firm provides support for reorganisations and transactions and helps companies to restructure and maintain their operations in crisis and insolvency situations. If necessary, PLUTA restructuring experts may also assume leadership roles in other businesses. Since the company was founded in 1982, PLUTA has constantly grown and today has a staff of approximately 500 employees in Germany, Spain and Italy. More than 290 business and management experts, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, banking and bookkeeping experts, engineers and insolvency administration specialists, many with multiple qualifications, ensure practicable and economically sound solutions. PLUTA is one of the top restructuring companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brand eins, Wirtschaftswoche and Focus. Further information is available at [www.pluta.net](http://www.pluta.net).

## Press Release

Accordingly, there will not be any closures in this area either.

The AWO vocational college in Herford will also continue operating. There are signs that this will involve a structural spin-off within AWO OWL and this matter is being worked on with great urgency at various discussion levels. Good progress has also been made here, especially in recent days. The parties responsible are therefore confident that they will soon have conclusive solutions to announce in this regard as well.

Promising acquisition talks are also ongoing in relation to the Kajüte holiday accommodation operated by AWO OWL on Langeoog. Irrespective of the outcome of these discussions, however, AWO OWL will only be able to continue its holiday offering until mid-January 2024. This facility is not a good fit for AWO OWL's direction and portfolio and, looked at in isolation, has also incurred considerable financial losses in recent years.

### **Day care centres to be maintained until late January 2024**

Unfortunately, the provision of day care services will have to be ceased on financial grounds. There are still far fewer people using day care services than was the case prior to the COVID pandemic. There is no immediate prospect of this situation improving, a problem faced not only by AWO but all providers across Germany to similar extents. The current average occupancy rate of just 74% means that the day care centres cannot be operated on a cost-covering basis. After very careful consideration of all aspects, the Board has therefore taken the strategic decision to cease

#### **Aina Karlström**

Rechtsanwältin,  
Master of Laws (LL.M.)



#### **Nadja Neuber**

Rechtsanwältin, Diplom-  
Betriebswirtin (BA)



#### **Dr. Uwe Paul**

Rechtsanwalt,  
Fachanwalt für Steuerrecht

#### **About PLUTA**

PLUTA assists companies facing legal and financial challenges. The firm provides support for reorganisations and transactions and helps companies to restructure and maintain their operations in crisis and insolvency situations. If necessary, PLUTA restructuring experts may also assume leadership roles in other businesses. Since the company was founded in 1982, PLUTA has constantly grown and today has a staff of approximately 500 employees in Germany, Spain and Italy. More than 290 business and management experts, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, banking and bookkeeping experts, engineers and insolvency administration specialists, many with multiple qualifications, ensure practicable and economically sound solutions. PLUTA is one of the top restructuring companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brand eins, Wirtschaftswoche and Focus. Further information is available at [www.pluta.net](http://www.pluta.net).

## Press Release

these offerings as of 31 January 2024. AWO OWL will no longer provide day care services in the future. A large majority of the current employees of the day care centres, especially all caregivers, will be offered jobs elsewhere within AWO OWL. This decision must yet be negotiated with the works council with regard to the impact on staff, and is therefore subject to the outcome of those talks.

### **AWO OWL to remain a reliable partner for non-profit welfare provision**

"We have made great strides in the provisional debtor-in-possession proceedings in recent weeks, even if our efforts are not always visible to the public," said attorney Mr Andreas Budnik, who is responsible for the restructuring as general agent for the district association.

Board member Mr Christoph Lützenkirchen said, "We would like to thank everyone involved, primarily the staff for their tireless efforts. We are pleased and relieved that we can say it will be possible to keep the nursery schools, homes for the elderly and residential youth care institutions in particular operating without restriction." Mr Thomas Euler added, "This means that AWO OWL will remain a reliable employer and partner for non-profit welfare provision to the people in the East Westphalia-Lippe region."

### **Proceedings to continue until summer 2024**

As things stand, AWO OWL anticipates that the Local Court in Bielefeld, as the competent court, will open the debtor-in-possession insolvency proceedings on 1 January 2024



**Dr. Ruth Rigol**

Rechtsanwältin,  
Fachanwältin für Arbeitsrecht,  
Fachanwältin für Insolvenz-  
und Sanierungsrecht

Further information about PLUTA and the contents of these Press information you will find under [www.pluta.net](http://www.pluta.net)

#### **About PLUTA**

PLUTA assists companies facing legal and financial challenges. The firm provides support for reorganisations and transactions and helps companies to restructure and maintain their operations in crisis and insolvency situations. If necessary, PLUTA restructuring experts may also assume leadership roles in other businesses. Since the company was founded in 1982, PLUTA has constantly grown and today has a staff of approximately 500 employees in Germany, Spain and Italy. More than 290 business and management experts, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, banking and bookkeeping experts, engineers and insolvency administration specialists, many with multiple qualifications, ensure practicable and economically sound solutions. PLUTA is one of the top restructuring companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brand eins, Wirtschaftswoche and Focus. Further information is available at [www.pluta.net](http://www.pluta.net).

## Press Release

as planned and that it will be possible to conclude the proceedings within the framework of a court-confirmed restructuring plan by summer 2024 at the latest.

Mr Stefan Meyer, the court-appointed provisional insolvency monitor, stated in this regard, "I am pleased with the specific and tangible progress in the development of the restructuring plan. This is still only possible because the employees are exceptionally motivated and remain loyal to AWO OWL, and are thereby supporting and facilitating the restructuring."

The debtor-in-possession proceedings only apply to the district association AWO Bezirksverband Ostwestfalen-Lippe e.V. Expressly not affected are the AWO local and subdistrict associations in the East Westphalia-Lippe region, other AWO district associations in the federal state of North Rhine-Westphalia and the AWO federal association.

### About PLUTA

PLUTA assists companies facing legal and financial challenges. The firm provides support for reorganisations and transactions and helps companies to restructure and maintain their operations in crisis and insolvency situations. If necessary, PLUTA restructuring experts may also assume leadership roles in other businesses.

Since the company was founded in 1982, PLUTA has constantly grown and today has a staff of approximately 500 employees in Germany, Spain and Italy. More than 290 business and management experts, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, banking and bookkeeping experts, engineers and insolvency administration specialists, many with multiple qualifications, ensure practicable and economically sound solutions.

PLUTA is one of the top restructuring companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brand eins, Wirtschaftswoche and Focus. Further information is available at [www.pluta.net](http://www.pluta.net).