

Press Release

Investor found for G-fashion Group in spite of the pandemic

17 July 2020 · Bayreuth · Business Area: Insolvency Administration

A follow-up solution has been achieved for the G-fashion Group in spite of earlier store closures during the coronavirus pandemic. Effective 1 July 2020, an investment company has acquired two of the clothing retailer's stores in Munich as well as the group's headquarters in Bindlach.

The group comprises three companies (G-fashion Goldberg GmbH, Argo Textilfacheinzelhandel GmbH and Arac GmbH) and operates eleven brick-and-mortar stores under the G-fashion and G-point brands in Coburg, Schweinfurt, Regensburg, Munich, Bayreuth and Erlangen and at the company's headquarters in Bindlach. The entire group has been involved in structured debtor-in-possession insolvency proceedings involving restructuring measures since autumn 2019. The stores have remained operational since the application was filed.

The management team has been supported during the debtor-in-possession proceedings by the attorney Mr Gunther Neef from the firm Neef Schwarz + Kollegen Rechtsanwaltsgesellschaft mbH, with practices in Fürth and Hof, who has been acting as Chief Restructuring Officer. The Local Court of Bayreuth appointed three insolvency monitors: Mr Ulrich Pfeifer for Argo Textilfacheinzelhandel GmbH, Mr Peter Roeger for G-

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About PLUTA

PLUTA helps companies in legally and economically difficult situations. Since the company was founded in 1982, PLUTA has constantly grown. Today PLUTA has a staff of about 500 employees in Germany, Spain and Italy including more than 290 graduates in business economics and business management, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, bankers, bookkeepers, engineers and insolvency administration specialists. Many of them own multiple qualifications what ensures practicable and economically sensible solutions. In particular, PLUTA provides support in restructuring companies affected by a crisis or insolvency and in continuing business operations, if necessary by involving restructuring experts in a responsible role. PLUTA is one of the top enterprises specialising in restructuring and turning around companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brandeins, and Focus. Further information at www.pluta.net

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fashion Goldberg GmbH and Mr Holger Christian Buehler for Arac GmbH. These restructuring experts from PLUTA Rechtsanwalts GmbH have been supporting the proceedings in the interest of the creditors.

Investor process affected by the pandemic

The process of finding an investor for the company already began last year. "We spoke with numerous interested parties. In spite of the difficult situation in the retail clothing market, there was still great interest from investors. While we knew from experience that the coordination work with the various landlords of the stores, all large real estate companies, would be difficult, it actually went very well. We were within sight of achieving an asset deal," explained attorney Mr Neef.

However, all stores had to close on 18 March 2020 while discussions were still ongoing due to the coronavirus lockdown in Bavaria. The contracts for an asset deal, which had already been finalised, could no longer be concluded as planned.

Last-minute solution

Management had no choice but to prepare to cease trading on 30 June 2020. Following the partial re-opening of the stores from mid-May onwards, a clearance sale was held to dispose of the remaining goods.

Even in these circumstances, restructuring expert Mr Neef continued to hold discussions with a potential investor. In spite of the difficult situation created by the pandemic, constructive negotiations finally culminated in a last-



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Diplom-Wirtschaftsjurist

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minute agreement.

Effective 1 July 2020, the investor has acquired the two stores with the highest sales, Munich Pasing and Munich Riem, and the headquarters in Bindlach. Ms Heike Goldberg, the previous managing director, will remain on board. The parties involved have agreed not to disclose further details, such as the purchase price.

Mr Gunther Neef summarised the situation: "I am particularly pleased that many employees in the company's busiest stores will retain their jobs in spite of the crisis in the retail sector and the coronavirus. This is a very welcome outcome, even though it went down to the wire!". Insolvency monitor and PLUTA restructuring expert Mr Peter Roeger added: "The solution that has now been reached represents the best possible result for creditors."

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