

Press Release

Insolvency Proceedings for the Assets of E.V.G Erkheim opened

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Following today's decision, the Local Court of Memmingen has opened ordinary insolvency proceedings for the assets of the buying and selling cooperative E.V.G – Ein- und Verkaufsgenossenschaft eG Erkheim. The court has appointed Dr. Thomas Karg from the Memmingen law firm Dr. Karg Puhlmann & Kollegen, who has until now acted as the insolvency monitor, as the insolvency administrator.

The preliminary proceedings, until now conducted with the debtor in possession, will continue as ordinary insolvency in the main proceedings. Therefore, Dr. Karg, the insolvency administrator appointed by the court, will now be solely responsible for conducting the proceedings.

E.V.G's financial and structural problems were so profound that it was not possible to eliminate them to a sufficient degree in such a short period. In spite of intensive efforts and a large number of talks, no investor was prepared to implement an overall solution. Therefore, 193 employees have to be laid off. The employees have already been informed of this in a staff meeting. The step was unavoidable since the cooperative society cannot operate economically without an investor.

Now, stand-alone solutions are being considered for many of the 16 branches. As part of the ordinary insolvency proceedings, the individual branches are to be sold to

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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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individual interested parties. Ms Martina Hengartner, a business management expert who relinquishes her duties as the chief restructuring officer and leaves the cooperative society with effect from today, has held many talks in the past days. Further negotiations will now be held by the insolvency administrator Dr. Karg. However, no acceptable offers have been received yet.

"I would like to thank everybody concerned and above all the staff for their tireless efforts in the past weeks. Unfortunately, we did not succeed in finding an overall solution for the cooperative society. The financial and structural problems accumulated were too serious for this," commented Martina Hengartner.

The insolvency administrator Dr. Thomas Karg explained, "In the past days, it has become more and more apparent that at most individual solutions are possible. My aim is now to sell as many branches as possible individually."

E.V.G. had filed for debtor-in-possession proceedings with the Local Court of Memmingen on 24 August 2016. This step became inevitable due to a cash shortage.

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