

## Press Release

# PASCHEN GmbH files for Debtor-in-Possession Proceedings – Restructuring Course will be continued

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Area: Restructuring

The company PASCHEN GmbH based in Wadersloh filed an application for debtor-in-possession proceedings with the Local Court of Münster last Thursday, which was subsequently approved by the court. The experienced insolvency and restructuring attorneys Dr Ruth Rigol and Dr Stefan Homann from the law firm Dr Ringstmeier & Kollegen will advise and lead the company through the restructuring proceedings. Furthermore, the insolvency court has appointed Mr Stefan Meyer from PLUTA Rechtsanwalts GmbH in Münster, a restructuring expert and attorney for insolvency law, as the provisional insolvency monitor.

The reason for filing the application is the liquidity shortfall which has occurred during the predominantly successful restructuring course already embarked upon. Following the initial insolvency in January 2015, PASCHEN GmbH was founded to take over the insolvent company's resources. As a consequence of this, the investors continued to pursue their plans for revitalising the brand intensively and invested an additional amount of approximately two million euros so that new products could be developed,

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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 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](http://www.pluta.net)

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production optimised and the brand relaunched. The relaunch following the initial insolvency was adversely affected by the loss of two trading partners. This meant that significant revenues were lost at the beginning and these had to be recuperated, which was a laborious task.

### Ensuring future prospects

The company will continue the comprehensive restructuring process as part of the debtor-in-possession proceedings. For example, in order to strengthen the distribution area on a sustained basis, process optimisation will be continued systematically. A solid financing concept will have to be devised as a further important component.

“The debtor-in-possession proceedings give us the chance to keep the long-established PASCHEN brand and to structure the company in such a way that it has a viable future. Although a second insolvency within a year has not by any means created the ideal prerequisites, initial signals from customers and associations give cause for confidence,” said the PLUTA attorney Stefan Meyer. The managing director Mr Frieder Löhner added, “I am delighted that everybody concerned is doing their utmost to support the restructuring course we have set. The management is being supported by a strong workforce. Business operations will be continued without restriction. As usual, our customers and business partners can rely on the quality of our products.”

The pre-financing of the so-called insolvency substitute benefits will be arranged as part of the restructuring

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process. Employee salaries are secure for a period of three months thanks to these substitute benefits. The employees were given detailed information on the situation during an initial staff meeting last week. The greatest challenge is to maintain sufficient liquidity. Continuing business relations with the factoring company is of existential significance for this.

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