

MANDATE

13.01.2021

GLEISS LUTZ ADVISES LISTED COMPANY ADLER MODEMÄRKTE AG IN CONNECTION WITH SELF-ADMINISTERED INSOLVENCY

A team of Gleiss Lutz lawyers provided advice to textile retail chain Adler Modemärkte AG including three German subsidiaries of Adler Modemärkte Group in connection with the company's out-of-court attempt at restructuring by way of state subsidies (economic stabilisation funds) and also advises on its self-administered insolvency proceedings. The insolvency application prepared by the Gleiss Lutz team was based on the stricter requirements placed on self-administration under the German Act on the Further Development of Restructuring and Insolvency law (SanInsFoG) since 1 January 2021. Adler Modemärkte is the first (known) case of restructuring where the new restructuring and insolvency regulations were applied.

During this preliminary process of self-administration Adler Modemärkte AG's business will now continue to operate in full and the company will be restructured by way of an insolvency plan. The management of the company will still have administrative and decisionary powers, reinforced by Dr. Christian Gerloff from law firm Gerloff Liebler who holds general power of attorney. Aschaffenburg local court appointed Mr. Tobias Wahl from law firm Anchor Rechtsanwälte as preliminary trustee for all four insolvency proceedings.

The petition to open insolvency proceedings was filed on account of significant revenue losses the company had suffered due to the closure of most sales outlets ordered by the public authorities since mid-December 2020 as a result of the second coronavirus lockdown. The company had already raised additional funds to balance the significant revenue losses it had suffered after the first lockdown in spring 2020. The companies in Austria, Luxembourg and Switzerland are not affected by the insolvency.

Adler Modemärkte AG is a listed company and one of the leading textile retail chains in Germany. In 2018, trade magazine Textil-Wirtschaft ranked the company twenty-second among the top 100 companies. Adler employed approximately 3,350 staff as at 30 September 2020 and currently operates 171 fashion markets, of which 142 are located in Germany, 24 in Austria, three in Luxembourg, two in Switzerland and one is an online shop.

Gleiss Lutz has been working for Adler Modemärkte AG on a regular basis for many years, providing advisory services in connection with the IPO in 2011, takeover by S&E Kapital GmbH in 2013, purchase of fashion store Kressner in 2015 and financing round in spring 2020 on account of the first lockdown.

The following Gleiss Lutz team is advising Adler Modemärkte on the insolvency proceedings: Dr. Matthias Tresselt (partner, Restructuring, Stuttgart), Dr. Stephan Aubel (partner, Corporate and Capital Markets, Frankfurt, both lead), Dr. Kai Birke (partner, project financing, Frankfurt), Dr. Johann Wagner (partner, Tax, Hamburg.), Alexander Gebhardt (counsel, Corporate and Capital Markets, Frankfurt), Joachim Glöckler (Restructuring, Stuttgart), Moritz Lochmann (M&A, Munich), Dr. Walter Andert (Berlin), Jannik Hermes (Frankfurt, both Corporate and Capital Markets).

Daniel Getzin (general counsel) provides Adler Modemärkte AG with inhouse advice.

Gleiss Lutz is advising Adler Modemärkte as lead counsel, while Wolf Theiss in Austria, Wenger Plattner in Switzerland and Loyens & Loeff in Luxembourg are advising the subsidiaries abroad.

PRESS

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