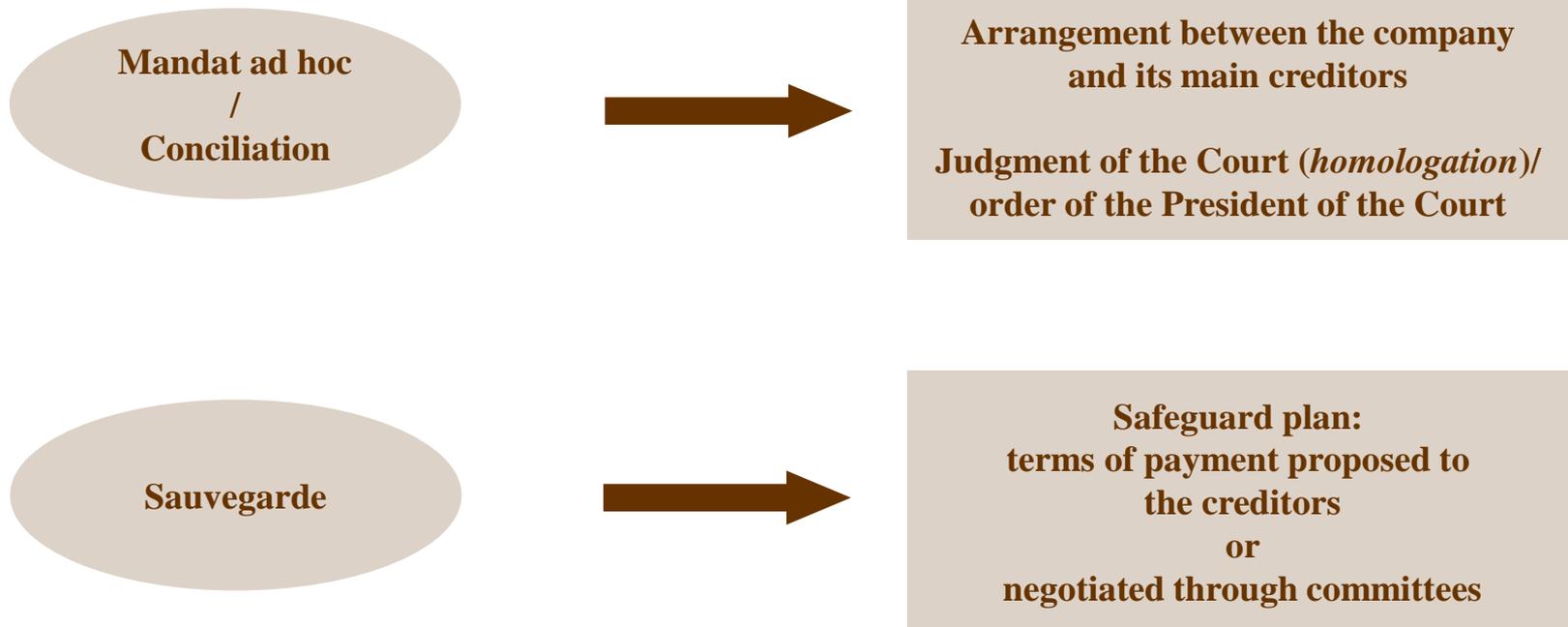
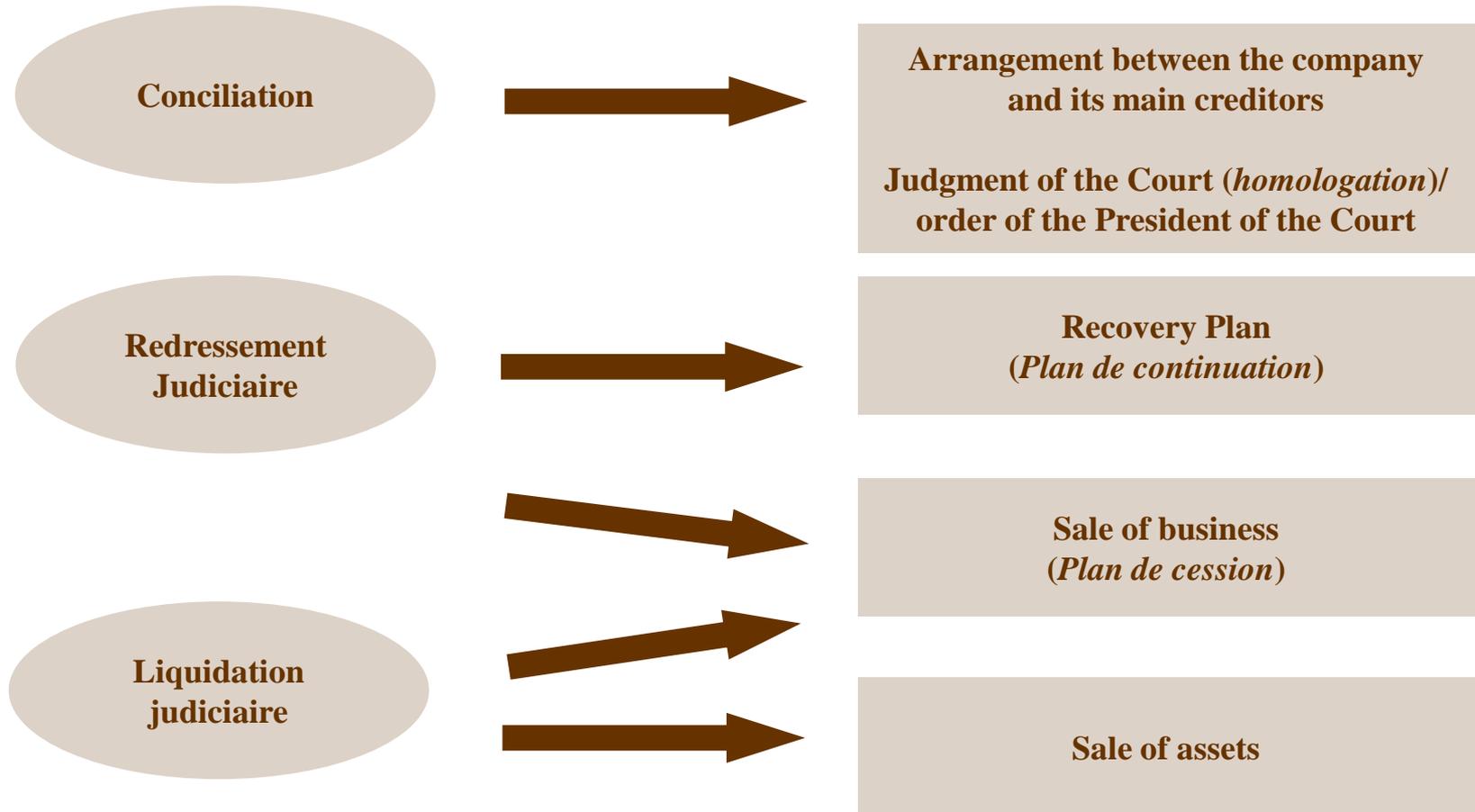


Preventative and insolvency proceedings : before default of payements



Preventative and insolvency proceedings :

once default of payments has occurred



Preventative and insolvency proceedings :
before default of payments

AD HOC MANDATE - *MANDAT AD HOC*

Art L 611-3, L 611-13 to L 611-15

- . A case law initiative from Commercial Court of PARIS
- . Reduced formalism
- . Practitioner appointed by the President of the Court petition filed by the manager

AD HOC MANDATE

- Will provide manager assistance
- When problems have an effect on good business management
- With the task to set amicable agreements allowing the Company to continue
- Rights of creditors are not affected

AD HOC MANDATE

Report at the end of the mission to the
Président of the Court

One of the main interest is : confidential
proceeding

Preventative and insolvency proceedings :
before default of payments

SAFEGUARD PROCEEDINGS

Loi du 26 juillet 2005 : part of the commercial code
(livre VI)

The safeguard proceedings : terms of payment
proposed to all the creditors or negotiated through
committees

SAFEGUARD PROCEEDINGS

- . Judicial proceedings
- . Only the debtor can file a petition to the Court
- . Default of payments not occurred
- . Default of payments is going to occur

SAFEGUARD PROCEEDINGS

- . The Court order affects rights of all the creditors : No individual creditor can take initiative
Stay of individual enforcement actions
- .No divestment (dessaisissement) of the debtor (from managing the business)

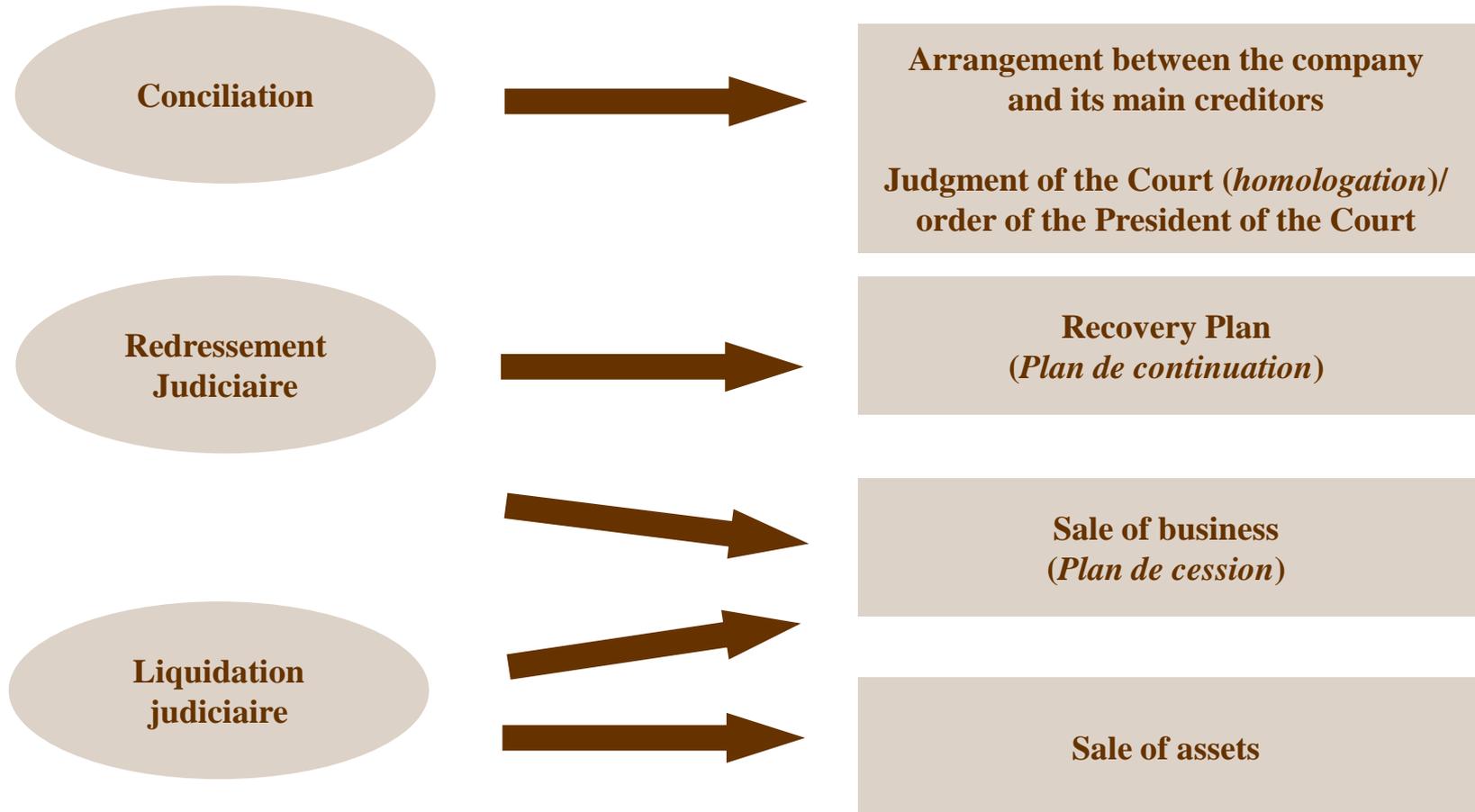
SAFEGUARD PROCEEDINGS

- . Safeguard plan proposed to all creditors
- . Negotiation through committees

- . The Court is asked to ratify
- . The Court can refuse

Preventative and insolvency proceedings :

once default of payments has occurred



**Preventative and insolvency proceedings :
once default of payments has occurred**

CONCILIATION

Art L 611-4 and L 611-5

Before default of payments or very recent one
: less than 45 days

- . Proceeding to be opened on decision of the President of the Court
- . Petition filed by the manager

Preventative and insolvency proceedings :
once a cessation of payments has occurred

CONCILIATION

Art L 611-4 and L 611-5

***Before cessation of payments or very recent
one : less than 45 days***

- . Proceeding to be opened on decision of the
President of the Court***
- . Petition filed by the manager***

CONCILIATION

- Rights of creditors are not affected
- . But court order not possible for the commencement of insolvency proceedings during duration of conciliation
- . Duration : 4 months and 1 month extra

CONCILIATION

- . The mission : to come to a draft agreement (treaty) with main creditors
whereby main creditors accept postponement of debts and a redefinition of payment delays
- . The agreement will affect rights of only contracting parties

CONCILIATION

- . The President of the Court is requested to record (by the manager)
confidential issue
- . The President of the Court is requested to ratify (by the manager)
non confidential issue

CONCILIATION

Agreement not achieved : the practitioner
will report to the President of the Court

Once default of payments has occurred

REDRESSEMENT JUDICIAIRE

Loi du 26 juillet 2005

- . Judicial proceedings
- . The debtor or a creditor (several) can file a petition to the Court
- . Cessation of payments has occurred

REDRESSEMENT JUDICIAIRE

Loi du 26 juillet 2005

- . Judicial proceedings
- . The debtor or a creditor (several) can file a petition to the Court
- . Default of payments has occurred

REDRESSEMENT JUDICIAIRE

The Court order affects rights of all the creditors : No individual creditor can take initiative

Stay of individual enforcement actions from all the creditors

.Partial or total divestment

(dessaisissement) of the debtor (from managing the business)

REDRESSEMENT JUDICIAIRE

- . Recovery plan is submitted for all the creditors
- . Sale of business (plan de cession)
- . The court is asked to ratify the issue: not after 18 months after opening the proceedings
- . The court can refuse issue proposed

REDRESSEMENT JUDICIAIRE

IF no recovery plan ratified

No sale of business

The court is supposed to decide opening liquidation proceedings

**Preventative and insolvency proceedings :
once a cessation of payments has occurred**

LIQUIDATION PROCEEDINGS

Loi du 26 juillet 2005

- . Judicial proceedings
- . The debtor or a creditor (several) can file a petition to the Court
- . The Court can choose to open a liquidation proceedings immediately

LIQUIDATION PROCEEDINGS

The Court order affects rights of all the creditors : No individual creditor can take initiative

Stay of individual enforcement actions from all creditors

.Total divestment (dessaisissement) of the debtor (from managing the business)

LIQUIDATION PROCEEDINGS

- . Sale of business
- . Sale of assets

LOI DE SAUVEGARDE

Loi N° 2005-845 du 26 juillet 2005

Décret 2005-1677 du 28 décembre 2005

Livre VI du Code de Commerce

Active rules since 01/01/2006