

Press Release

Creditor approval for insolvency plan for DIE DIAKONIE based in Lübbecke

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In the debtor-in-possession proceedings for DIE DIAKONIE – Pflege- und Gesundheitsdienst gGmbH based in Lübbecke, the discussion and voting meeting regarding the insolvency and restructuring plan submitted by the company, under the supervision of the general agents, took place today at the Local Court of Bielefeld. The creditors present at the meeting unanimously approved the insolvency plan solution (100% acceptance), paving the way for the company's restructuring. The insolvency and restructuring plan envisages the retention of the legal entity of DIE DIAKONIE – Pflege- und Gesundheitsdienst gGmbH. The two outpatient care services in Lübbecke and Pr. Oldendorf will be maintained and all current jobs there will be saved.

Nursing and health care provider DIE DIAKONIE based in Lübbecke has been engaged in debtor-in-possession restructuring proceedings since July 2023. Mr Stefan Meyer and Mr Torsten Gutmann, both specialist attorneys for insolvency and restructuring law from PLUTA Rechtsanwalts GmbH, have been acting as general agents to assist the non-profit company, as a debtor in possession, for the duration of the proceedings. The Local Court of Bielefeld appointed Mr Axel Geese (STREITBÖRGER), a specialist attorney for insolvency and restructuring law, as insolvency monitor. He has been

PLUTA press contact

Patrick Sutter
relatio PR
+49 89 210 257-22
presse@pluta.net

PLUTA expert



Stefan Meyer

Rechtsanwalt, Fachanwalt für
Insolvenz- und Sanierungsrecht



Torsten Gutmann

Rechtsanwalt, Fachanwalt für
Insolvenz- und Sanierungsrecht,
Diplom-Kaufmann

About PLUTA

PLUTA assists companies facing legal and financial challenges. The firm provides support for reorganisations and transactions and helps companies to restructure and maintain their operations in crisis and insolvency situations. If necessary, PLUTA restructuring experts may also assume leadership roles in other businesses. Since the company was founded in 1982, PLUTA has constantly grown and today has a staff of approximately 500 employees in Germany, Spain and Italy. More than 290 business and management experts, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, banking and bookkeeping experts, engineers and insolvency administration specialists, many with multiple qualifications, ensure practicable and economically sound solutions. PLUTA is one of the top restructuring companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brand eins, Wirtschaftswoche and Focus. Further information is available at www.pluta.net.

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overseeing the proceedings in the interests of creditors and strongly supporting the company's efforts to restructure itself in the meantime.

Unfortunately, as was previously made known, the inpatient facility run by DIE DIAKONIE at Kirchplatz had to be closed at the end of 2023 due to a lack of funding for necessary fire prevention measures. Alternative arrangements were offered to the facility's staff and some are now working in DIE DIAKONIE's outpatient care services.

Thanks to the restructuring solution approved by the creditors today with an overwhelming and unanimous acceptance rate, the jobs of 70 employees currently providing outpatient care to some 600 clients in need of such have been saved. The shareholders are making an important financial contribution in order to fund the insolvency plan and have therefore also created the foundations for the implementation of the same. This all means that DIE DIAKONIE's outpatient care services have been put on a viable footing that will allow it to operate cost-efficiently as a non-profit company and with balanced books. DIE DIAKONIE – Diakonisches Werk im Kirchenkreis Lübbecke e.V., an association funded by all Churches in the Lübbecke church district, will be the company's sole shareholder going forward; the Evangelical Church in Lübbecke will no longer be a direct (majority) shareholder, which has its background in the unavoidable closure of the inpatient care facility at Kirchplatz.

The PLUTA team has worked over recent months to draw up the insolvency plan with managing director Mr Lutz



Veronique Hoffmann
Rechtsanwältin



Jürgen Schendel
Diplom-Ökonom

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Schäfer and in close consultation with insolvency monitor Mr Axel Geese from STREITBÖRGER in Bielefeld. The plan was submitted to the Local Court of Bielefeld a few weeks ago, which reviewed it on points of law, and has now been confirmed following today's approval from the creditors at the Local Court of Bielefeld. This means that the insolvency proceedings can soon be terminated once the insolvency plan enters into legal force in a matter of weeks (probably late October 2024). This insolvency plan solution puts the creditors in a far better position than the only remaining alternative, which would have involved the company's liquidation. Given the importance of DIE DIAKONIE's work in the region, all stakeholders were determined to avoid this scenario and the suspension of both outpatient care services. The shareholders, essentially all Churches in the Lübbecke church district, and superintendent Dr Uwe Gryczan also supported this course to the best of their abilities, which culminated in the successful outcome.

Managing director Mr Lutz Schäfer said, "This is excellent news for DIE DIAKONIE as well as for Lübbecke and the surrounding area. I am delighted that we have been able to achieve this solution together. I would especially like to thank the employees and also the managers for their loyalty, patience and steadfastness. But I am also grateful to the shareholders for their material and personal support. Now we can plan with certainty for the future and focus again on our day-to-day work."

Today's decision at the Local Court of Bielefeld also gives wholly owned subsidiary Matthäus Seniorenzentrum gGmbH (MSZ) certainty about its future. MSZ employs

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around 100 staff and runs a retirement home (offering day care services as well) in Lübbecke with a total of 65 residential units and 25 day care places. MSZ was not involved in the (debtor-in-possession) proceedings and was operating without restriction. A new lease agreement with terms more in line with the market was negotiated for the business in recent weeks, ensuring its viability in the context of its parent company's debtor-in-possession proceedings.

Attorneys Mr Torsten Gutmann and Mr Stefan Meyer, in their capacity as general agents, said, "We would like to thank all stakeholders who have helped us to maintain the outpatient care services of DIE DIAKONIE and Matthäus Seniorenzentrum gGmbH in Lübbecke. The company will soon be able to exit the debtor-in-possession proceedings thanks to the insolvency plan solution now achieved. We would like to especially thank the employees at DIE DIAKONIE, who have stayed loyal to the company during the debtor-in-possession proceedings and shown exceptional commitment. The solution now presented would have been inconceivable without such dedication, which can by no means be taken for granted."

In addition to general agents Mr Stefan Meyer and Mr Torsten Gutmann, the PLUTA team also includes attorney Ms Veronique Hoffmann, business management expert Mr Jürgen Schendel and others.

"The cooperation of all stakeholders over recent weeks and months – each in their own capacity – has been highly constructive and purposeful. The insolvency plan represents the best possible outcome for the creditors and

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means this charitable organisation will avoid liquidation. I am delighted about that," said insolvency monitor Mr Axel Geese.

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