

Minutes of the Debt Collection & Restructuring Practice Group Meeting

Cannes on Friday, 27th April 2012,

Chaired by Mr. Dr. Attila Kovács

The main aim of the Practice Group meeting was to allow participants to review and discuss individual experiences in the field of crossborder claim enforcement, with special emphasis on various legal environments of countries and harmonized legal provisions applicable in all member states of the European Union. Following this framework, the planned presentation of Mr. Petr Vrsecky aimed to introduce PG members to Australian debt collection and insolvency practice and the presentation of Mr. Mario Kapp intended to show difficulties related to the insolvency of company groups located in different countries and hence in different legal environments. Additionally, the agenda of the meeting also involved cases about bankruptcy and company reorganisation, both providing great opportunities for professional lawyers, tax advisors, auditors and accountants, within which topic, a presentation about the bankruptcy procedure of MALÉV Hungarian International Airlines was given by dr. Attila Kovács.

At the beginning of the PG meeting, participating members, i.e. Dr. Giovanni Bianchi, Mr. Adam Crowson, Dr. Alberto Dalla Libera, Mr. Mario Kapp, Dr. Attila Kovács, Mr. Johan F. Langelaar, Mr. Jeremy Lederman, Mr. Christian Seidl, Ms. Aurelia Tramposch and Mr. Petr Vrsecky introduced themselves, their firms, their activity in a few sentences, providing an insight for the others present.

Following the introduction, Mr. Petr Vrsecky gave a presentation about legal and general practice related to insolvency in Australia, the country where the company he works for as a business recovery, insolvency and forensic accounting specialist is located. He talked about personal and corporate insolvency, possibilities in the two aforementioned cases, and statistics for the years 2010-2011. He also detailed planned reforms, options and protection for employees of liquidated or bankrupt companies, Australia's "cross border position" under the Cross Border Insolvency Act, and its mechanics in practice. Mr. Vrsecky also discussed

the option of recognising foreign court orders in Australian liquidation procedures. He explained how the Personal Property Securities Register, which allows the registration of personal property securities, works and how it can be used in practice. Finally, he offered a summary on GGI benefits for insolvency practitioners.

After Mr. Vrsecky's presentation, Dr. Attila Kovács continued with his presentation on the bankruptcy procedure of MALÉV Hungarian Airlines. First, he gave some general information about the company and its privatization history. He explained how MALÉV got into a difficult financial situation, some solutions for the company's crisis and how a Russian bank obtained a part of MALÉV. He mentioned the European Commission's decision on Hungary providing an illegal state aid to the company and its consequences. He talked about the privatization of Budapest Airport Zrt. and the confidential clause of its privatization contract including the Hungarian State's warranty on covering losses. In the last part of his presentation Dr. Kovács talked about the consequences of MALÉV's shutdown, the special insolvency regulations applicable due to MALÉV's preferential status as an economic operator and the process of the company's liquidation.

Due to the length of the introductory session and the above two presentations, unfortunately, the time remaining was quite short, therefore, the group decided not to hold Mr. Mario Kapp's presentation on the introduction to the problems of the handling of insolvency of company groups at the given Practice Group meeting, but to postpone it to the next time when a Practice Group meeting takes place. Nonetheless, Mr. Kapp handed out the draft of his presentation and mentioned a few important facts about his topic explaining the problems posed by different jurisdictions in which specific members of the company group are placed and the need for a unified legislation.

Following Mr. Kapp's short introduction about his presentation to be held at the next Practice Group meeting, the participating members focused on discussing promotion possibilities for the Debt Collection & Restructuring Practice Group, since it is unarguably a significant part of their activity. The group decided to enhance their promotion in two major ways: by updating it's handbooks and flyers.

Since the Practice Group was created by merging two groups, namely debt collection and insolvency and restructuring, there were two handbooks previously prepared by the two

formerly independent groups, containing information about their members' countries. The participating members decided at the Practice Group meeting, to prepare the updates for these handbooks. In order to prepare the updated handbooks, members agreed to refresh information about the effective legislation of the countries already involved in the previous handbooks and new members committed themselves to write introductions about their own countries' legal provisions regarding debt collection, insolvency and restructuring.

Furthermore the participating members agreed that the flyer of GGI's Real Estate Practice Group turned out to be a very good solution of promoting the group and its activity; therefore, they agreed to prepare a similar flyer for the Debt Collection & Restructuring Practice Group as well. The group decided to put some articles into the flyer, providing information about them and their countries regarding debt collection, insolvency and restructuring. Dr. Giovanni Bianchi, Mr. Johan F. Langelaar, Mr. Jeremy Lederman, Mr. Petr Vrsecky, Mr. Mario Kapp and Dr. Attila Kovács offered to write such articles until 31st May 2012.

After discussing promotion options, participating members agreed to elect the chairmen of the Debt Collection & Restructuring Practice Group, representing the group. The group chose Dr. Attila Kovács as their World Chairman, Mr. Petr Vrsecky as their Vice Chairman of Asia-Pacific, and Mr. Mr. Christian Seidl as their Vice Chairman of Europe.

Considering the time elapsed, after mentioning some closing issues the Debt Collection & Restructuring Practice Group closed its meeting session at 5:30 p.m.