

# Outlet Galleria Moda bankrupt

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The outlet centre Galleria Moda near Ruzyně is heading for bankruptcy. UniCredit Bank has put this through at a creditors' committee meeting. For the centre's smaller creditors, this means that nothing will probably be left for them. Mladá fronta Dnes stated this adding this is one of the biggest bankruptcies of this year.

The insolvency trustee of the company Palcor Czech, which had built the 160-shop centre, has completed the list of company assets and liabilities. 32 creditors have submitted their claims for the total of CZK 2.47 bill. Palcor Czech nearly completed the building in 2008, however, it was never operational, wrote the daily newspaper.

UniCredit Bank provided CZK 1.2 bill. for the construction and it is the only secured creditor. The bank has the actual property as a collateral, which is a guarantee that proceedings of its sale will go to them in the first place. Smaller companies headed by the second largest creditor, the construction company Syner (constructor of the centre) were trying to push forward company reorganization, namely completion of the centre.

According to the newspaper, there have been and will probably continue to be disputes between the bank and the construction company. Syner started distraint of the Italian investor two years ago. Real estate - buildings and plots of the centre - were sold within the distraint proceedings as a single property. Syner got back CZK 164 mill., ie. approximately a half of what they still require for construction of the centre. The bank is disputing the sale. They have challenged Syner's claim stating that the Italian investors had paid Syner more than Syner was entitled to. According to the bank, the distraint and payment to Syner should never have happened. Roman Rygl's company 2R holding is also claiming the properties. Roman Rygl is a receivables trader and a frequent co-operator with Syner. He received the property for CZK 202 mill. in distraint proceedings this spring. The newspaper mentions that UniCredit Bank is blocking its registration in the land registry. Two smaller creditors have already submitted their actions against UniCredit Bank; they are Apris 3MP and Cieg Engineering which dispute bank's lien to the properties.

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