

# ECM may not sell assets

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The Prague Municipal Court has issued a precaution prohibiting the indebted property developer ECM Real Estate Investments (ECM) to sell their company assets. The court published its ruling in the Insolvency Register. The proposal was filed by a group of ECM's creditors on Tuesday. Conversely, the court rejected another creditors' proposal to restrict the rights and obligations of ECM in their subsidiaries.

Before a decision has been reached on how to resolve the bankruptcy of ECM, the firm may not dispose of their assets worth than CZK 150, 000 without the consent of the insolvency administrator, according to the court ruling. If a company wants to tamper with the assets worth more than five million CZK, they will also need a provisional approval of the creditors' committee.

A group of creditors is concerned that ECM wants to continue to sell their assets or property of their subsidiaries even after bankruptcy. This applies for example to office projects City Deco and City Element in Prague's Pankrác or ECM's stake in a shopping centre in China. The creditors' concerns are based on the allegations that ECM has sold their stakes in some subsidiaries after the commencement of insolvency proceedings. They pointed out the transactions with the companies Palisády, ECM Byty and Empiria Building. According to the creditors, ECM's stakes in these companies were acquired by the company Torsar for one crown.

Review of the filed claims will take place on 20th July. On the same day, after the review of claims, the first meeting of creditors will be held. The list of filed claims must be submitted to the court by the bankruptcy administrator by 5th July.

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