

Industry: Hong Kong-Based Printing and Packaging Companies
 Solution: RMS Bankruptcy Services
 Results: Collected +75% (+\$750,000) of the claims in 20 months

Summary

Three Hong Kong businesses, in the printing and packaging industry, had all been named as creditors holding unsecured claims against a U.S. based publisher who had filed for bankruptcy protection in the United States. As they were facing a combined financial loss of just under \$1 million U.S. dollars, they contacted the RMS Hong Kong office to see what could be done to protect themselves while also positioning themselves to be able to collect as much of the outstanding debt as possible.

Customer Profile

These three printers of packaging and collateral materials are headquartered in Hong Kong, with multiple facilities throughout China. A significant part of their business is tied to the toy industry, driven by U.S. based businesses. At the same time as this bankruptcy was filed, the Chinese toy industry (and all related industries) were reeling from the negative impact of a sudden rash of quality and safety issues forcing these three printers into a financial position requiring them to be proactive concerning this bankruptcy.



RMS Solution

RMS' extensive international experience and knowledge of bankruptcy filings, allowed for a team to be immediately assembled and actions quickly taken within the specific time frames dictated by these types of legal proceedings.

- **Preference Demands** - The 3 creditors would be guided through the complicated process of determining whether an alleged preference payment was paid in the course of ordinary business. Failure to establish these 3 creditors as preferred vendors could result in the refunding of payments previously made to the them by the debtor.
- **Creditor Committee** - RMS would investigate becoming a member of the Creditors' Committee assigned to this bankruptcy case, thereby giving these 3 creditors a voice in the reorganization and repayment plans.

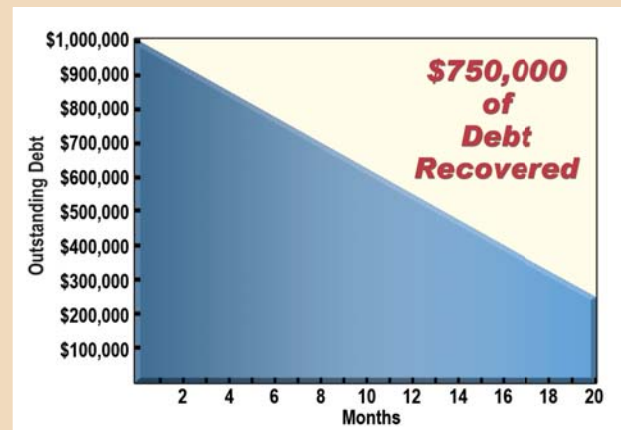
Results

Preference demands can be filed in the U.S. up to one year following the bankruptcy filing. RMS reviewed the case documentation



with each creditor and then worked with them to minimize any possible risk of having to refund to the debtor payments they may have previously made to them.

RMS successfully secured a position on the Creditors' Committee so that they could influence the bankruptcy reorganization and repayment plans in a manner that would best benefit these 3 creditors. Arrangements were finalized for payments to be made that resulted in 75% of the overall debt being recovered in less than two years time.



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