

KEPLER-KARST ADVISES ON THE SALE OF THE PRODUCTION UNIT OF CIFE EMOTION

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Kepler-Karst has advised on the sale of CIFE Emotion's production unit to Mexico's Distroller



Part of the Spanish toy company CIFE group, CIFE Emotion, has integrated into the Mexican company Distroller. This includes the transfer of contracts with customers, suppliers and, most importantly, the subrogation of jobs. The transfer of production units involves saving the tangible and intangible value of a company, from the products it markets or produces to the brand and human capital.

The CIFE group filed for insolvency proceedings in 2020 due to a situation of one-off financial stress, not structural, which according to the law firm "is a clear advantage when it comes to wanting to sell the production unit, as it is a business that works and maintains its value. Moreover, by carrying out the transaction within the framework of the insolvency proceedings, both seller and buyer have legal protection which, if the deal had been structured outside this framework, they would not have had."

Kepler-Karst advised the seller with a team led by partner head of Restructuring & Insolvency Davinia Sánchez (pictured left) and partner head of M&A Eduardo Frutos (pictured right).

"Being able to save a company from liquidation, with all that this means for the business and social fabric, is the greatest satisfaction of this work. The case of CIFE Emotion should be an example for all those companies that find themselves in similar situations of financial stress, because they can see that there is hope. Hope to save what has been created, to save jobs, and also to be able to continue undertaking," said Davinia Sánchez.

For his part, Eduardo Frutos, commented: "It has been a real pleasure to have participated in this operation that will allow Grupo Cife to redirect its efforts towards the new lines of business they are working on. I am confident that they will once again become a pioneer in the sector."

Following the transaction, the rest of the Spanish group's entities will continue to operate with new business lines focused on the digitalisation of the company.

On the other hand, AGM advised Distroller on the purchase of Cife's production unit. The M&A team of AGM Abogados in Madrid, led by Partner Julio Rocafull Rodríguez, has been in charge of the implementation of the subsidiary of Distroller in Spain and has been responsible for all the negotiations with the selling part, the monitoring of the Bankruptcy proceedings and the preparation of the contract for the purchase and sale of the production unit.