



The Trinitas Group in bankruptcy – an overview



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Trinitas Fastigheter AB (publ) ("TFAB") and its group companies (the "Trinitas Group") were declared into bankruptcy in 2019. The Stockholm District Court appointed Lars Wiking, partner at DLA Piper, as bankruptcy trustee.

Prior to the bankruptcy, TFAB had issued bonds in the principal amount of SEK 200 million to finance the acquisition and the development of real estate properties. In connection with the bankruptcy, the TFAB was in default of the terms and conditions of the bonds and the bonds had become due for payment. Further, all real estate properties of the Trinitas Group had been divested to companies which were deemed as closely related under the Bankruptcy Act for a purchase price amounting to approximately SEK 150 million.

The bankruptcy trustee found that the buyers had purchased the real estate properties by way of assuming the Trinitas Group's bank loans which were secured. Accordingly, the purchase price for the real estate properties had been set to an amount corresponding to the banks' total commitment and no cash payment were paid to the Trinitas Group.

In light of this, the bankruptcy estate had no funds to distribute to the unsecured creditors, including the bondholders. However, the bankruptcy trustee made the assessment that the purchase price for the real estate properties was less than the fair market value and the bankruptcy trustee decided to pursue claims based on claw-back, including litigation. As a consequence, substantial funds have been recovered to multiple bankruptcy estates with the Trinitas-Group, which resulted in distributions to unsecured creditors (including the bondholders).

In the aftermath of the bankruptcy proceeding, the ultimate beneficial owner of the Trinitas-Group was found guilty of multiple severe criminal offences, including fraud, tax offences and bookkeeping violations, and sentence to seven years imprisonment and a ten-year ban on business activities.

Services

Restructuring
