

## Germany's A Company Emerges from Insolvency



A Company titles held up by the insolvency, including 'Madame Bovary' will now be released in Eastern Europe.

by Scott Roxborough

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### **Creditors approve a restructuring plan that will see the licensing group exit the German version of Chapter 11.**

A Company Film Licensing International, the Berlin-based film rights group, is set to emerge from insolvency after creditors and bankruptcy court approved a restructuring plan on Dec. 3.

The group, at its peak one of the leading licensing and distribution companies for Eastern Europe, with a library that included titles such as *The King's Speech*, *Sin City*, *Shutter Island* and the *Saw* franchise, A Company was hard hit by the crisis in Ukraine and a sharp downturn in the Russia market. It filed for the German equivalent of Chapter 11 bankruptcy protection earlier this year.

The restructuring deal will see A Company slash its debt but retain the bulk of its library of more than 400 films, with proceeds from licensing sales paying out to creditors. Ownership and management of A Company Film Licensing will shift to a holding company controlled by company founder Alexander van Dulmen and David Molner, a long-term associate and

former partner of van Dulmen's who stepped in earlier this year with a fresh line of credit to keep the company afloat.

“It's been an incredibly difficult few months but I finally slept well last night,” Van Dulmen told *The Hollywood Reporter*. “The plan will allow us to return to business. By Berlin (the European Film Market) David and I should have an idea of our strategy and how we want to reenter the market as A Company 2.0.”

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The restructuring plan, written by Oliver Damerius and Christoph Weber of Berlin law firm BBL and approved by liquidator Torsten Martini, will see A Company retain its network of eastern European distribution partners and the group will roll out a number of licensed titles that had been held up by the insolvency proceedings, including Sophie Barthes' literary adaptation *Madame Bovary*, starring Mia Wasikowska, which will have a theatrical bow across A Company's Eastern European footprint.

In a major change from the group's previous incarnation, however, Russia distribution subsidiary A Company Russia will likely be shut down. The Russian operation was the most ambitious aspect of A Company and the group scored a hit with sci-fi epic *Cloud Atlas*, which grossed more than \$17 million in Russia. But the fall of the Russian ruble, along with political and economic upheaval in the wake of the Ukraine crisis, exposed the risks of the Russian theatrical market. Van Dulmen said Russia will remain “strategically important” to A Company but that the group will take “a more cautious and definitely more humble” approach to the region going forward.

A Company Film Licensing will also sever ties with former owner, Russian media mogul Alexander Rodnyansky and his A.R. Films, who pulled out support for the company and was active in opposing the approved restructuring plan. Speaking to *THR* said that A.R. would “examine the current decision with our legal team and will take further appropriate action if needed,” but claimed to be “very much satisfied” with the court's decision, saying it would limit A.R.'s exposure to the “high risk/high expenses distribution business” and allow A.R. to shift focus to production. He argued that the dramatic depreciation of the ruble has made production costs in Russia “incredibly competitive” and that A.R. plans to expand its slate to produce two Russian and three English-language films.

While the restructured A Company will initially focus on exploiting its back catalog, van Dulmen and Molner are looking to secure a new line of credit to restart the group's licensing business and expect to begin actively acquiring new titles by the Cannes film market in 2016.

Nick Holdsworth in Russia contributed to this report.

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