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Higher Regional Court of Düsseldorf entirely follows ValueTrust’s expert opinion rendered in the appraisal proceedings regarding the squeeze-out of minority shareholders of Gerling and reverses first-instance court decision

In its decision dated November 7, 2022, the Higher Regional Court (“HRC”) of Duesseldorf, Germany reversed the previous decision of the Regional Court (“RC”) of Cologne, Germany in the appraisal proceedings regarding the squeeze-out of minority shareholders of the German insurance company Gerling-Konzern Allgemeine Versicherungs-Aktiengesellschaft (“Gerling”). Due to the decision by HRC Duesseldorf, the appraisal proceedings, which had lasted for c. 14 years, have been concluded without a court-adjudicated increase of the appropriate exit compensation.



In the first instance of the appraisal proceedings, RC Cologne entirely followed the court-appointed independent valuation expert Niethammer, Posewang & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft (“NPP”), who had determined that the appropriate exit compensation per Gerling share should have been EUR 11,26. This valuation result would have represented an increase of more than 100% over the appropriate exit compensation of EUR 5,47 per share determined by the court-appointed auditor and an increase of more than 30-40% (depending on the share class) over the settlement price paid to settle legal challenges in connection with the general assembly’s resolution in favor of the squeeze-out.

The initial engagement of ValueTrust took place in the second instance of the appraisal proceedings when ValueTrust was retained to render an expert opinion (“ValueTrust Opinion”) to review NPP’s expert reports. The HRC Düsseldorf entirely overturned RC Cologne’s first instance ruling and stated in

its decision that ValueTrust had “convincingly confirmed” the relevant value drivers and that NPP’s unusual restriction to a national peer group “was rightly emphasized by ValueTrust”. Furthermore, the HRC Düsseldorf followed ValueTrust’s view that an exit compensation of EUR 11,26 per share represented a significant contradiction to Gerling’s share price and the overall market valuation level of insurance companies at the time. Citing the ValueTrust Opinion in its decision multiple times, the HRC Duesseldorf was able to determine without scheduling an additional hearing that an increase of the exit compensation beyond the settlement price was not required.

About ValueTrust

ValueTrust provides expert-based business valuation and financial advisory for executives and investors in demanding situations: transactions, restructuring and reorganization, dispute and arbitration as well as strategic value and portfolio management. ValueTrust supports its clients in an experience-based, partnership-based and independent spirit by clearly focusing on sustainable, practicable solutions that are both theoretically and legally sound. ValueTrust’s advisory approach is based on years of project experience, the skills of its professionals, trustful cooperation with its clients as well as the support of industry-experienced senior advisors.

Best regards,

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ValueTrust

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