

CLEANTECH FIRM SUCCESSFULLY EXECUTES ASSIGNMENT FOR THE BENEFIT OF CREDITORS



Challenge

Failure to secure new investor support and follow-on financing



Solution

Assignment for the Benefit of Creditors (ABC)



Result

The ABC was executed in an orderly fashion, with a successful IP auction and subsequent wind-down.

This promising California-based solar technology firm was backed by a leading Washington, D.C. cleantech VC investor. Despite unique software and hardware solutions for commercial-grade solar installations and a growing customer base, the company ran out of money and failed to secure new investor support and follow-on financing.

In the face of its insolvency, the company elected to enter into an Assignment for the Benefit of Creditors (ABC) approved by its board and shareholders. It retained Armanino as the Assignee to then wind down the corporate shell.

Per California statute, the ABC was executed in an orderly fashion, with Armanino successfully performing an auction of intellectual property (IP) to two buyers and subsequently managing the wind-down of the corporate shell. The engagement was complicated only by the presence of a resident office in China, which local authorities made very difficult and expensive to shut down.

CONTACT:

Michael Hogan

Managing Director
Armanino Advisory LLC
408 240 4908

Michael.Hogan@armanino.com

Alex van Dillen

Director
Armanino Advisory LLC
408 240 4906

Alex.VanDillen@armanino.com