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**PROPRIETARY**

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## Flacks Group to put in repeat offer for insolvent Rene Lezard; Livingstone, DLA Piper advising

02 MAY 2017

Flacks Group, a growth equity investor based in Miami, will bid for German fashion retailer Rene Lezard a second time, several sources close to the situation said.

Flacks is being advised by Livingstone and DLA Piper in the process, the sources said.

In order to promote growth, Flacks intends to focus on Rene Lezard's internationalisation and digitisation as well as brand extensions, should it succeed in its bid, the first source said. It would look to grow the firm in the all major cities in the US, followed by the UK and continental Europe, and latterly China, he added.

Rene Lezard is owned by two individuals: founder Thomas Schaefer, who owns 75% while CEO Heinz Hackl owns the remaining 25%, the first two sources said.

Flacks Group is focused on real estate and industrials across the US and Germany, but is aiming to channel its efforts more towards the German fashion market in the future, the first source said. This could include a variety of men and women's fashion and accessories brands, the second source said.

Flacks Group has more than EUR 50m available equity for acquisitions from private money, the first source said.

The German offline fashion market has been slow to adapt to the digital transformation of the sector, despite having much potential as brands, the first source said. In addition, retail bonds have been falling rapidly in value and have resulted in business going into liquidation, he said.

After Apollo-backed [NYSE:APO] Alteri Investors lost confidence and dropped out of the bidding lineup for Rene Lezard last November, Michael Flacks of Flacks Group put in an offer, it was confirmed.

Its main financial liability is resulting from bond issuance of EUR 15m; an interest payment due in November 2016 was postponed, as previously reported by *Mergermarket*. Lezard is expected to report a loss of EUR 2.6m in the 2015-16 financial year from turnover of EUR 44.6m, as reported.

Flacks's offer was subsequently rejected in January as Rene Lezard hoped to sort out the business on its own terms, the first and second source said. Competition for a rival bid now is limited as private equity houses tend to look at larger brands, the first source said.

CEO Michael Flacks has a background in clothing, originally from Manchester in the UK. Flacks Group was invested in Irish firm A-Wear for around 10 years, the first source said.

Its most recent acquisition was of German wood packaging firm Fuerstenberg Holz in January. The business generates around EUR 150m per year from business in Germany, the first source said. The investor was again advised by Livingstone on this transaction, the second source said.

Flacks Group was founded in 1993 and has a team of 12 people in Miami, London and in Germany.

Livingstone, DLA Piper and Flacks Group declined to comment.

by Emma-Victoria Farr in London

Grade: Strong evidence

## TARGET

**Rene Lezard Mode GmbH**

Financial advisor

[ACXIT Capital Partners](#)

## BIDDERS

**Flacks Group**

Financial advisor

[Livingstone Partners LLP](#)

Lawyer

[DLA Piper](#)

## OTHERS

**A-Wear Group**

**Alteri Partners LLP**

**Holzindustrie Fuerst zu**

**Fuerstenberg GmbH & Co. KG**

## Countries

Germany

USA

## States

Florida (FL)

## Sectors

Consumer: Retail

## Sub-Sectors

Apparel

## Topics

Advisory Appointment

Auction/Privatization

Bankruptcy/Administration

Companies for sale

Cross Border

Debt restructuring-related

M&A

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