

ags  
40 yearS  
OF SOLIDARITY  
& COMMITMENT  
1974 / 2014

2014

# BUSINESS REPORT

EXPERTISE  
COMMITMENT  
COOPERATION



## The 2014 *interactive report*

SCAN ME



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in this business  
report.

**T**he Association for the Management of Employee claims (French acronym AGS), an employer organization founded in 1973 is tasked with guaranteeing, in the event of a protection, receivership or liquidation procedure for businesses, the payment of wage claims resulting from the performance of employment contracts. Pursuant to a management agreement between AGS and Unédic, the technical and financial management of AGS is handled by an exclusively dedicated institution: the Délégation Unédic AGS. Together with the AGS authorities, the Délégation Unédic AGS carries out three fundamental missions at the service of the employee wage claim scheme:

- Advancing the funds required to settle employee claims,
- Recovering the sums advanced on the basis of monitoring protection proceedings, receivership proceedings and disposal proceedings and the liquidation of the company's assets through judicial liquidation,
- Defending the legal interests of the guarantee scheme.

The wage guarantee scheme is financed by employer contributions. The AGS Board of Directors sets the amount of contribution to be paid by employers and is responsible for ensuring the balance of the scheme. The Board maintains a balanced fund by ensuring that the level of advances, recoveries and contributions are always on an even keel.

# In this Business *Report*

**06**  
**2014 in images**

**08**  
**The key figures of 2014 activity**

**10**  
**Business & key figures**

**10**  
Companies & insolvency proceedings

**23**  
Advances

**27**  
Recoveries

**30**  
Contributions

**32**  
Litigations

**36**  
**AGS: 40 years of solidarity**

**42**  
**Statistical appendices**

**44**  
**Organisation chart of DUA**

**46**  
**Network & contacts**

# Galvanised

*and prepared to face the future*

Jean-Charles *Savignac*

Chairman of AGS

## **What is your assessment of the event organised to celebrate the 40th anniversary of the AGS?**

The 7th March 2014 symposium offered perspective on the significant events that have marked the existence of the guarantee scheme. It brought together many specialists in insolvency proceedings during a very successful event. The highly positive positions defended by the participants, through both public authorities and respected academics and professionals involved in insolvency proceedings underline the profound attachment to the social responsibility of AGS to serve companies in difficulty and their employees.

The day was also an opportunity to remind participants that employers as a whole play an essential role in addressing economic and social difficulties by financing and managing this solidarity scheme. As a representative of the MEDEF, I would like to stress the interest of this organisation in the situation of AGS.

This dedication is clearly demonstrated at each meeting of AGS bodies and leads to in-depth exchanges on new developments in regulations and legal precedence affecting the scheme.

Mr. Pierre Gattaz, Chairman of the MEDEF, was keen to attend this symposium and keeps a close eye on the figures of the AGS activity. He constantly evaluates the scope of the difficulties encountered by the companies and has initiated a comprehensive review of these issues.

We are of course galvanised and prepared to face the future. We seek to protect our capacity to adapt in order to efficiently meet the challenges facing us, in a fast-changing world.

## **How do you explain the record level of advances given by the AGS in 2014?**

For the second consecutive year, we exceeded 2 billion euros in payments. This extremely high intervention level reflects the magnitude of the economic crisis in France for several years now and its impacts on the number of insolvency proceedings. Although there appear to be glimmers of a turnaround of the situation, it is still too early to claim an economic take-off and expect to see any positive impact on company failures.

In such an uncertain environment, the ability of AGS to rapidly respond and release to receivers the funds needed to pay wage claims is a powerful factor for maintaining social peace. Employees need to be reassured, as rapidly as possible, that their wage claims will be paid. Maintaining a non-degraded peaceful social climate makes it easier for judicial representatives to work out solutions for the insolvency of companies or their acquisition by third parties if that is the only possible outcome. AGS accompanies the partners of businesses in difficulty to allow the conclusion of rescue and job protection efforts.

## **What role does AGS play today among the parties to insolvency proceedings?**

As recalled by its partners, AGS is essential to the process of addressing the difficulties of companies. Over time, it has developed a constructive and permanent dialogue with all insolvency proceedings players, with the public authorities (Ministry of Labour, Ministry of Justice), judicial representatives (national and professional bodies) and commercial courts. These close contacts have established a climate of trust conducive to consultation. Against this background, it's not surprising that the order of 12 March 2014 gave AGS prerogatives in the procedures

for appointing receivers for cases of a certain size or in the nomination of an inspector. AGS therefore has a recognised role and can contribute its experience to the optimal management of insolvency proceedings with high stakes, which also have their specific difficulties.

## **What is your opinion of the Délégation Unédic AGS' plans for insolvency proceedings professionals?**

The trusting relationship that currently exists between AGS and judicial representatives is an opportunity to go further and introduce a certification system for the firms of receivers. The aim is to strengthen the processing standards that will be expected of certified firms in order to speed up the time required to release funds and reduce the red tape, while maintaining selective inspections after the fact.

The more intensive use of technologies which has led to the gradual dematerialisation of exchanges, is perfectly in line with this logic. The AGS must constantly adapt to the use of these new technologies, by striving to strengthen the partnership relationship with its direct contacts. Although early 2015 is showing signs of an economic recovery, AGS intends to continue its efforts to maintain the excellent level of its services.

“  
*The 40th anniversary of AGS has shown the depth of our solidarity initiatives to meet the multiple challenges facing us in a fast-changing world.*  
”





# AGS

*is more than ever committed  
to serving companies in  
difficulty and their employees*

Thierry *Méteyé*

National Director  
of the Délégation Unédic AGS

**2**014 was extremely hectic both for the AGS and for the DUA.

For the AGS, it's been 40 years since the guarantee scheme was voted into existence, through 27 December 1973 Act. The symposium organised on 7 March 2014 highlighted the major role played by the AGS as a factor of social peace in companies in difficulty, throughout these years.

The very spontaneous and multiple expressions of support that the AGS received from its numerous contacts have contributed to the recognition of the work quietly accomplished in the background. Bearing these messages in mind, The DUA teams remain highly motivated and dedicated to their mission, conscious of the high expectations of our environment.

Indeed, the testimonies heard throughout 2014 during the various events, have demonstrated the strong attachment of all insolvency proceedings parties to the AGS. The AGS is an essential link in the process to ensure the effective and highly responsive protection of employees exposed to the risk of their employers' default.

Personally, I have always sought to instil a culture of responsiveness and pragmatism into our institution, in the way we carry out our mission. The goal is to provide unfailing support to companies in difficulty in order to protect their activity and their jobs. activity and jobs. The intervention of AGs also facilitates the search for long-term solutions through judicial representatives, through insolvency procedures to help companies that are still viable get back on their feet.

2014 also saw the completion of previously-launched consultations in preparation for the project to reform the law applicable to companies in difficulty, with the adoption of the order of 12th March 2014 on the prevention and reform of insolvency proceedings and their implementation.

The new text strengthens the AGS's role in insolvency proceedings as it grants it the right to express an opinion, which may or may not be heeded by the commercial courts, on the appointment of official receivers at the commencement of insolvency proceedings for cases involving at least 50 employees. Similarly, AGS will be automatically designated as inspector whenever it makes such a request.

These legislative and regulatory changes occurred against a still uncertain economic background, characterised by the persistently high number of new insolvency proceedings.

A total of €2.2 billion were paid out in advances exceeding for the second consecutive year another historic record. In spite of these difficulties, the DUA was able to cope with the activity peaks of 2014, by absorbing the work load, including for extremely expensive cases such as Mory Ducros, the transport company, whose persistent difficulties were widely covered by the media.

However, glimmers of hope appeared at the end of the year such as the slowdown in the commencement of insolvency proceedings affecting businesses with a significant workforce (threshold of 20 employees or more). The confirmation of this trend in upcoming months would no doubt give us a glimpse of a certain improvement of the situation on the front of business failures.

We are still receiving contradictory signals about the state of the economic situation in France and its impacts on the financial health of companies,

particularly in the case of very small, small and medium-sized companies. Lastly, another significant event in 2014 for the DUA was the first effects of the application of «Ambition 2013», the three year plan which changed its organisation.

The greater autonomy given to business units within the Network management has begun yielding fruit. As such, the CGEA teams noticed the changes in working methods, involving renewed relations both with respect to the outside world as to our institution, in direct exchanges with the support functions.

The experimentation of these new operating methods also gave positive results for supervisors with the try-out of new organisations such as the network monthly committee and periodic meetings with the legal department.

All these transformations are supposed to boost the capacities of the various DUA departments to fulfil their duties as best as possible, by relying on effective tools, in line with the technological developments of our environment.

I would also like to stress the importance of the partnership with judicial representatives. In this respect, the implementation of the certification project for the firms of receivers will enable us to continue in this track, by relying on the experience acquired from the assessments made under the three-year inspections organised by the CNAJMJ.

Even if early 2015 seems to reflect a decline with respect to opened new insolvency proceedings, it is too early to draw the conclusion of a genuine, long-term inversion of the trend. In the persistently uncertain environment, the AGS continues to fulfil its social responsibility of serving companies in difficulty and their employees with the same dedication.

*AGS seeks  
to provide unfailing  
support to companies  
in difficulty  
in order to protect  
their activity and  
their jobs.*



# 2014 in images



## The AGS is 40

7th March 2015 was a highly emotional day for the AGS. Judicial representatives, top civil servants, lawyers, legal experts, academics, key persons and journalists and more... nearly 500 guests, involved in various capacities in dealing with the difficulties faced by companies attended the AGS National Meeting. Special opportunity to take stock of the 40 years of action of the wage guarantee scheme at the service of activity, employment and social peace in companies in difficulty, this event also proposed a review of the latest changes in its missions and a look at the future. An exceptional encounter, placed under the sign of solidarity and commitment.

## Securing Employment

As part of the application of the Law on Security Employment (LSE), the consultation continued in 2014 between the AGS, judicial representatives and the Direcctes to facilitate the conclusion of redundancy plans and explain the changes in the AGS guarantee, especially the assistance measures of redundancy plans. The Délégation AGS was thus confronted with the conclusion of redundancy plans by judicial representatives with repercussions on the guarantee for the applicable deadlines and the new claims accepted under certain conditions. In 2014, we also saw a number of disputes brought by employees before the administrative courts seeking to obtain the cancellation of certain redundancy plans.



Prévention & lutte contre la fraude

## Anti-fraud measures

There was an increasing number of exchanges between the AGS and the various national and local parties involved in preventing and fighting fraud. New technical means and an information brochure were developed to intensify control actions and develop synergies with our partners.

## Major cases

In 2014, the AGS intervened in several high-profile cases such as the winding up of RAPP (FLY-CROZATIER-MOBILIER EUROPEEN) – 2,515 employees –, of the GAD Group (slaughter houses) – 950 employees –, of BIJOUX GL – 628 employees –, receivership of SNCM – 2,000 employees.



## Revision of the European regulation

AGS expected from the revision of Regulation 2000 a combination of the procedures applicable in the various States of the EU concerning the ranking of the claims of Guarantee fund and methods for recovering advances granted. This aspect was overlooked. The new text focuses on the introduction into European law of the notion of groups of companies and reforms the juxtaposition of primary and secondary procedures in cross-border bankruptcies.



## AGS Label

The process for AGS labelling has been officially launched. The first communication actions to Official Receivers began on 06 October 2014. This service offer involves shared commitments seeking to raise the quality of cooperation on each file.

## The order of 12 March 2014

Two new significant provisions introduced in the order reforming the prevention of corporate hardships and insolvency procedures, entered into force on 1st July 2014, strengthened the role of the AGS..



## Dematerialisation

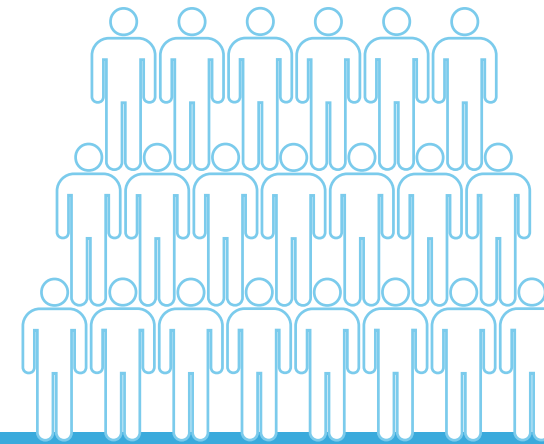
Electronic signature and setting of initials, upgrade of the Extranet dedicated to AGS lawyers, experimentations with the digital transmissions of summons by the registries of labour courts....

In 2014, the Délégation AGS implemented a plan to optimise its technical resources and strengthen its dematerialisation process with the goal of simplicity, responsiveness and secure exchanges.



# THE KEY FIGURES of 2014 activity

The key figures for 2013 business activity, at 31 December 2013, show a reliable trend and a comprehensive vision of the various parameters linked to the missions of the AGS.



## 273,700

beneficiaries of the guarantee

### -4.2%

compared to 2013

After progressing in the previous two years and reaching in 2013 a level close to the 2009 level, the number of the guarantee's beneficiaries fell in 2014.



## COMPANIES & INSOLVENCY PROCEDURES

### 27,445 -1.9%

new AGS cases

compared to 2013

The number of new AGS cases \* began falling after rising for two years.

	Number of new AGS cases	Trend compared to 2013
Companies with less than 10 employees	23,675	-1.2%
Companies with 50+ employees	375	-19.4%
Companies with 100+ employees	150	-9.6%

\* The number of new cases during the period corresponds to the number of cases with an initial advance claim for the period (independently of the opening judgment date which must pre-date the period under study).



## RECOVERED AMOUNT

### €778 +6.0%

million recovered

compared to 2013

Recovered amounts increased substantially compared to 2013, peaking at its highest level since the creation of the AGS.



## 2014 GUARANTEE CEILINGS

< 6 months ceiling 4 = €50,064	6 months to 2 years ceiling 5 = €62,580	> 2 years ceiling 6 = €75,096
--------------------------------------	-----------------------------------------------	-------------------------------------

The ceiling changes according to the age of the employment contract on the day of commencement of the insolvency procedure.



## CONTRIBUTION RATE

Since 1 April 2011

### 0.30%



## ADVANCES PAID

### €2,203 +0.5%

million advanced

compared to 2013

The amount of the advances increased for the third consecutive year. It reached a record high, exceeding that of 2013 (€2,192 million).



## LITIGATION

### 49,000 -5.0%

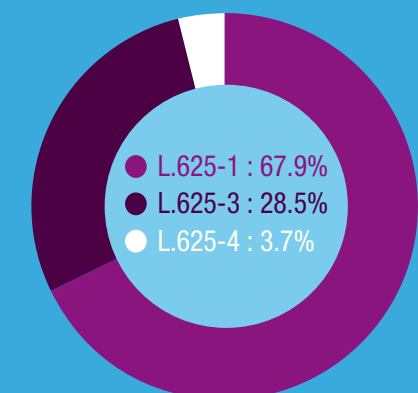
labour court summons  
(in number of employees)

compared to 2013

Labour court proceedings, which had increased in 2013 and reached a record figure, dropped in 2014 while remaining at a high level, the second highest of their history.



## BREAKDOWN BY TYPE OF SUMMONS





## Company failures & AGS interventions slightly down

As in previous years, 2014 was marked by a high number of company failures. After rising for two years, the rate of interventions fell compared to 2013, virtually a record year, albeit very slightly to remain above 62,000 units. Correlatively, the number of cases opened under the AGS guarantee also dropped, while remaining at a significant level.

24,133

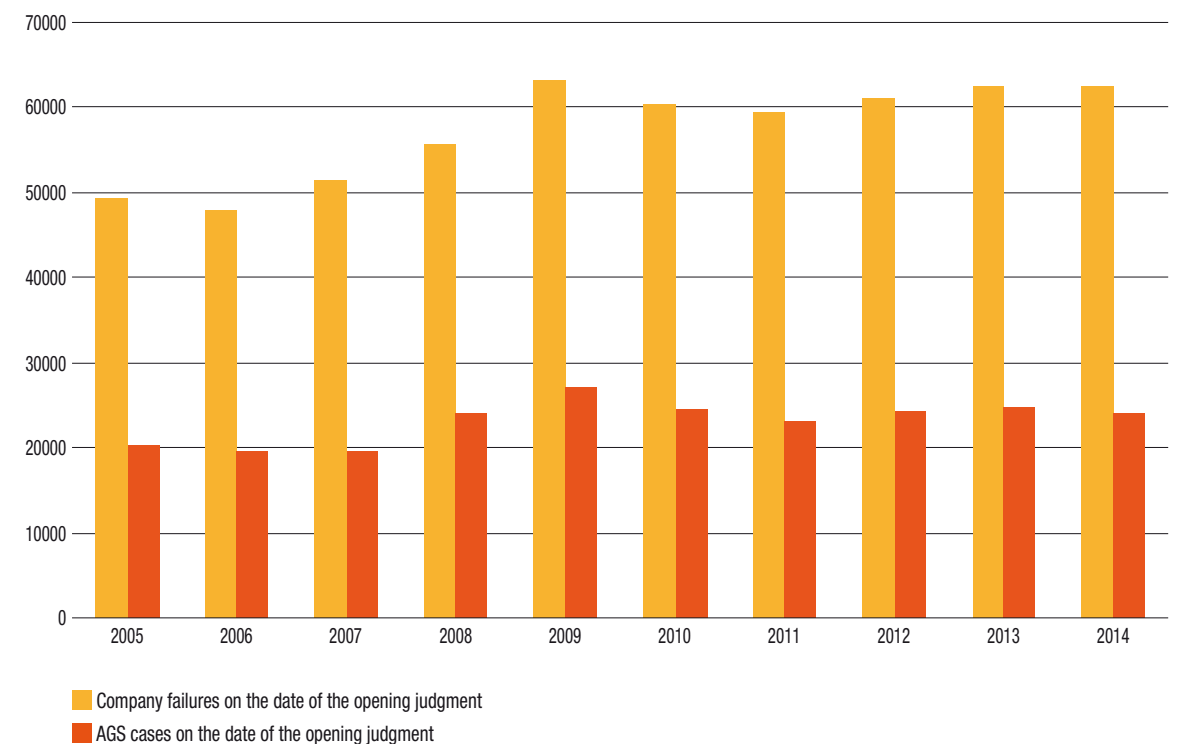
NEW AGS CASES  
IN 2014  
at 31 March 2015

## Company failure rate: **-0.2%**

Economic activity remained sluggish in 2014. According to the INSEE, France's Gross Domestic Product (GDP) increased by +0.4% as in 2013, a performance that is too low to signify true recovery. In this context, and after rising for two years, the number of company failures - excluding protections - fell slightly: -0.2% (according to the figures published by Banque de France on 10th March 2015).

The drop in the annual number of total bankruptcies can be seen in most business sectors and primarily in the transport and warehousing sector (-9.9%). Nevertheless, the number of failures increased in the hospitality and catering sector (+3.5%) and construction (+1.0%). Altarès stresses, in its 2014 assessment of company failures, that the number of companies with 1 or 2 employees in receivership or liquidation jumped by +18.4% between 2013 and 2014 to reach 21,775, a new record ■

### Changes in number of company failures (excluding protection) and the number of AGS cases from 2005 to 2014



Sources : Banque de France (company failures); Délégation Unédic AGS (AGS cases – figures at 31 March of the following year).

## More than 24,100 new AGS cases opened

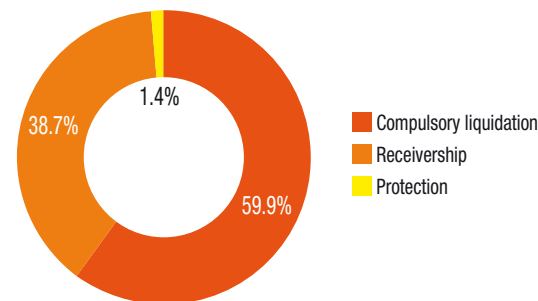
After rising in 2012 and 2013, the number of company failures that led to the intervention of AGS fell in 2014. At 31 March 2015, 24,133 cases were opened under the AGS guarantee for 2014, representing a -2.5% drop with respect to the number of opened cases at 31 March 2014 for 2013. Although lower than the 2009 figure (27,113 cases in 31 March 2010), this number is significantly higher than the average pre-crisis level. Note that 54.3% of these procedures were pronounced in the first half of 2014.

### Nearly 60% of mandatory liquidation actions

In accordance with their representativeness in all company failures, the bulk of cases handled by AGS are court-ordered liquidations with a first opening judgement in 2014. The weight of the different types of procedure has been relatively stable for several years now.

Ile-de-France and Alsace have the highest compulsory liquidation rates with respectively 70.8% and 69.4%. Basse-Normandie, Poitou-Charentes, Corsica and Guyana also have a proportion of receiverships exceeding 50% for the period ■

**New cases in 2014 by opening stage**

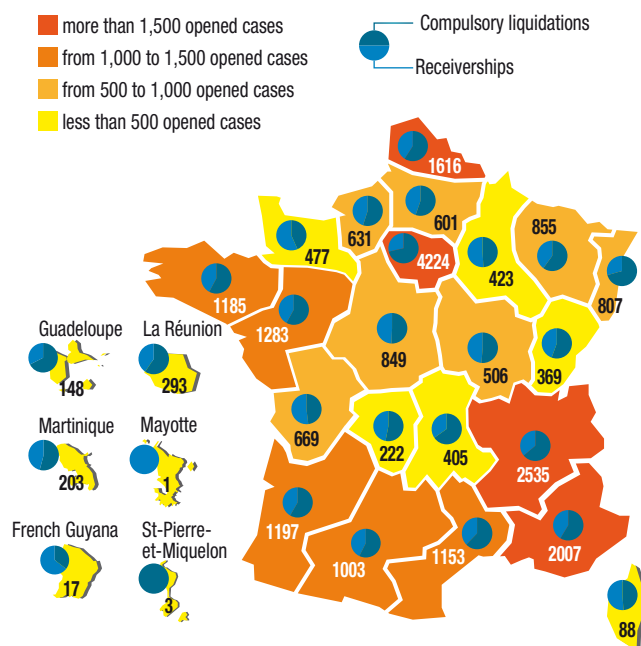


### More than one third of cases in the three major business centres

The number of AGS cases opened in 2014 is down compared to 2013, in most regions. In metropolitan France, this drop is proportionately higher in Franche-Comté (-14.1%), in the Centre (-12.5%) and in Burgundy (-12.0%). Conversely, Alsace (+20.6%) and Picardie (+11.4%) reported the most significant increases.

The three regions constituting the main areas of French activity always concentrate more than one third of actions (36.8%): 17.7% in Ile-de-France, 10.7% in Rhône-Alpes and 8.4% in Provence-Alpes-Côte d'Azur. The metropolitan regions accounting for 2.0% or less of cases are as in previous years Champagne-Ardenne, Auvergne, Franche-Comté, Limousin and Corsica ■

**Number of AGS cases opened by region in 2014 (excluding protection)**



### SCOPE

The statistics on cases opened under the AGS guarantee concern failed companies for which the opening judgment for insolvency procedures was delivered during the reference year and for which AGS intervened at 31 March of the following year.

### CROSS-BORDER CASES

In 2014, AGS was solicited in 152 new cross-border cases, i.e., three more than in 2013. The AGS had intervened in more than 10 of these cases as at 31 March 2015 for a total advanced amount of €261,414, lower than the amount recorded at 31 March 2014 for 2013 cases (€379,883). These cases are broken down as follows: 3 for Belgium and the Netherlands, 1 for Germany, Spain, United Kingdom and Luxembourg.

Pursuant to the provisions of Directive 2002/74/EC of 23 September 2002 regarding the protection of salaried workers in case of the employer's insolvency, AGS intervenes each time that a claim for advance is presented by a judicial representative in the context of an insolvency procedure started in another European Union State.

## A STABLE NUMBER OF PROTECTION PROCEDURES

The number of protection procedures in 2014 is nearly identical to the number recorded in 2013, which was a record year. Regarding the number of cases that required action from AGS, including after conversion into liquidation or receivership, it is very provisional and can only be definitively analysed from a perspective of several months ■

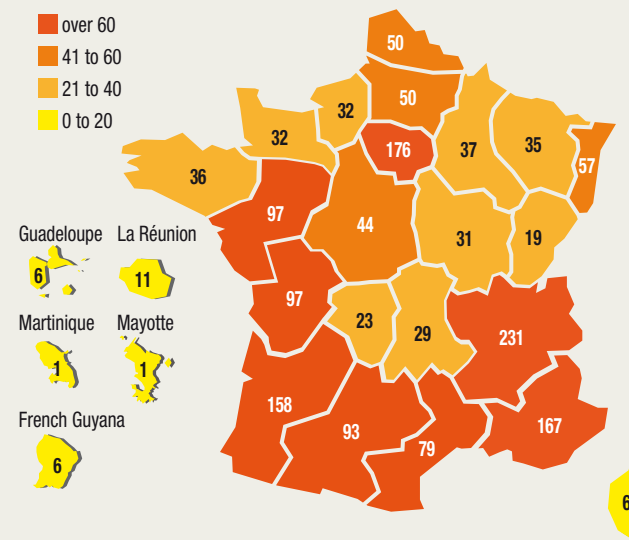
**Assessment of the last five years of implementation (position at 31 March 2015)**

Year	Number of open procedures	Including number of AGS* cases
2010	1,316	582
2011	1,416	586
2012	1,540	560
2013	1,678	494
2014	1,674	333 (interim)

\* including after conversion into liquidation or into receivership

Since 2006 and the entry into application of the company protection law, the Délégation Unédic AGS has been recording the statistical trend linked to the implementation of protection procedures and the related AGS interventions.

**Number of protection procedures opened by region in 2014 (position at 31 March 2015)**

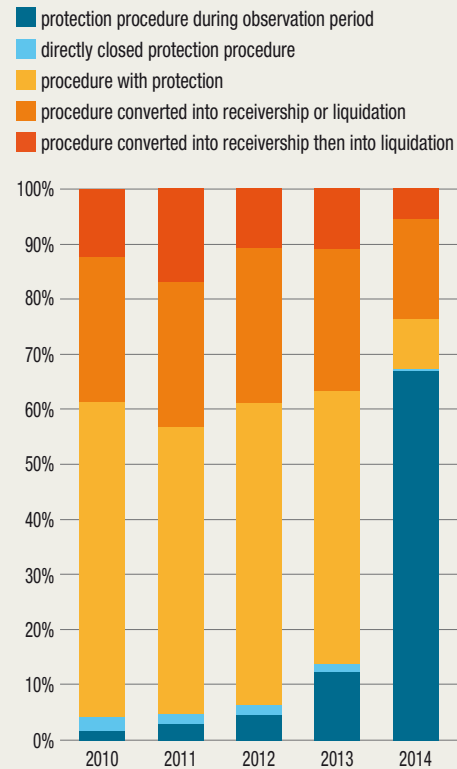


The region with the highest number of protection procedures in 2014 is the Rhône-Alpes region (231). After that is Ile-de-France (176), the Provence-Alpes-Côte d'Azur region (167), Aquitaine (158) and Pays de la Loire (97). The most represented sector in 2014, with more than one-fifth of procedures (21.6%) was commerce. Followed by hospitality and catering (13.4%), construction (12.1%) and services (10.0%). As in previous years, AGS interventions relating to protections opened in 2014 mainly took place after the conversion into liquidation and rarely after a protection plan.



## PROTECTION PROCEDURES: (continued)

### Change in protection procedures since 2010 (at 31 March 2015)



#### PROTECTIONS STARTED IN 2010, 2011 AND 2012

At 31 March 2015, more than half of these procedures were the subject of a protection plan: 57.0% for protections in 2010, 51.9% for those of 2011 and 54.5% for those of 2012. Around 40% of them were converted into receivership or liquidation. The average deadline for preparing these plans is 13 months after the commencement of the procedure. It is shorter for direct conversions: 7 months on average for receivership, 8 months for liquidation.

#### PROTECTIONS STARTED IN 2013

49.7% of these procedures have already been covered by a protection plan at 31 March 2015, 36.5% were directly converted into receivership or liquidation and 12.5% are still under observation considering the periods for preparing plans and conversions into receivership or liquidation.

#### PROTECTIONS STARTED IN 2014

While 67.1% of these procedures were still under observation at 31 March 2015, 9.0% have already obtained a protection plan and 23.6% were directly converted into receivership or liquidation. Compared to the rates observed at 31 March 2014 for procedures started in 2013 (respectively 8.5% and 22.5%), these results seem to indicate shorter observation periods.

## The economic forecast of the Délégation Unédic AGS' interventions

**The amount of the interventions of the Délégation Unédic AGS is highly correlated to the change in the macroeconomic environment. Contributions to AGS depend in fact on the employment and wage trajectories in the merchant sector and naturally on the call rate fixed by the AGS Board of Directors. Company failures, which trigger in certain cases advances for unpaid wages, are linked to the change in the level of economic activity.**



**By Michel DIDIER,**  
Chairman of Coe-Rexecode, Centre d'observation économique et de Recherche pour l'Expansion de l'économie et le Développement des Entreprises.

The observation over more than 30 years of advances paid and their change in volume, once adjusted for inflation, shows a strong inverted relation which the economy growth rate. The amount of these advances increases significantly when GDP growth slows down, especially when it becomes negative. The annual amount of the advances peaked in 1993, 2003, 2009 and 2013, four years of low growth or recession (1993 and 2009).

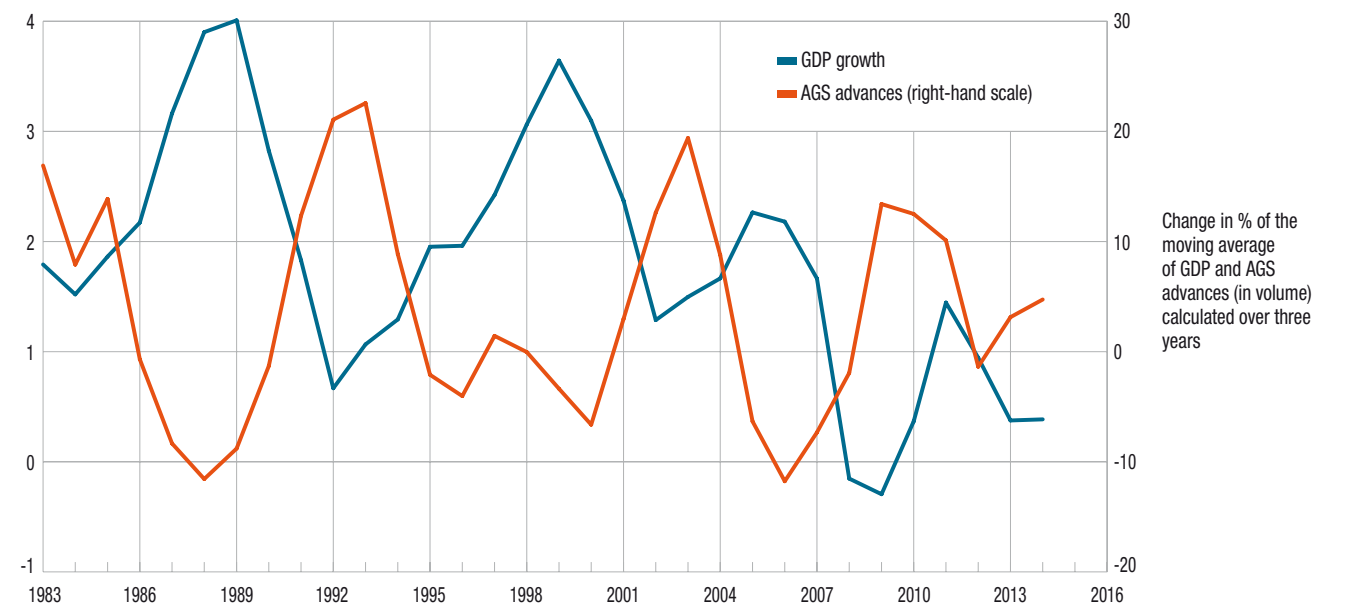
Thanks to its nearly 60 years of experience in economic forecasting, Institut Coe-Rexecode carries out twice a year using econometric methods a forecast of changes in major interventions (advances, contributions, recoveries) of the Délégation Unédic AGS. The purpose of this forecast is to anticipate the change in the technical balance of the AGS account and of its cash. This forecast entails a first stage, where we anticipate the number of company failures which itself depends on the economic context. The figure for the anticipated failures is then used as a basis to predict the advances made by the AGS.

2014 ended with a significant slowdown in advances paid by the AGS. This moderation is associated with slower progress in company failures compared to previous years which can be surprising because economic activity remained particularly sluggish in 2014. The French economy grew by 0.4% for the third consecutive

year. However, several indicators in 2014 pointed to an interruption to the deterioration of the financial situation of companies observed in previous years. It is too early to talk about economic recovery and even a genuine improvement in the financial situation of companies, but the drop the number of failures in recent years seems to continue in early 2015. The reasons for this upturn can be found in the economic environment which has become more favourable thanks to low oil prices, the continued decline in interest rates and the depreciation of the euro. These environmental data have created in the short term, theoretically, more favourable conditions for purchasing power and the competitiveness of exported products. The implementation of the Responsibility Pact with a reduction of wage-related costs for as much as 1.6 times the Minimum wage and a first reduction of the C3S(1) further completes the CICE to trigger an improvement of margins for companies.

Margins are still low. They grew on average by barely 0.2% in 2014 compared to 2013 and they still remain down by more than 4% compared to their highest point in 2007. The profitability of companies for their activity in France is thus far from being restored which means that we have to remain cautious in the parameters that we choose to regulate the balance of the wage guarantee scheme ■

### France / GDP growth with AGS advances



Sources : INSEE, AGS / © Coe-Rexecode

(1) C3S : Corporate social solidarity contribution (to finance the social protection scheme of self-employed professionals).

## Outlook for AGS cases opened in 2012 and 2014

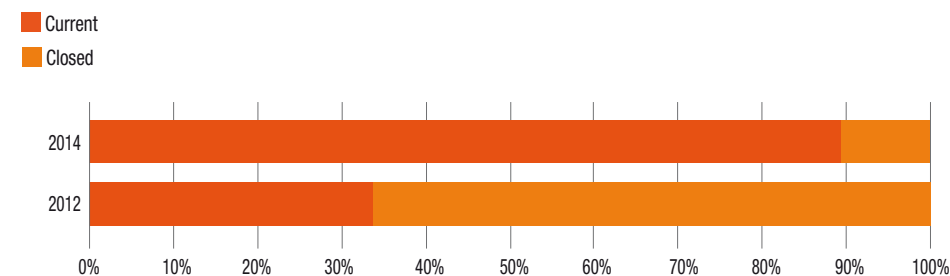
The change in cases opened in 2012 and 2014, and in which AGS has been solicited, is described through their situation at 31 March 2015.

### 8 out of 10 receiverships started in 2012 failed

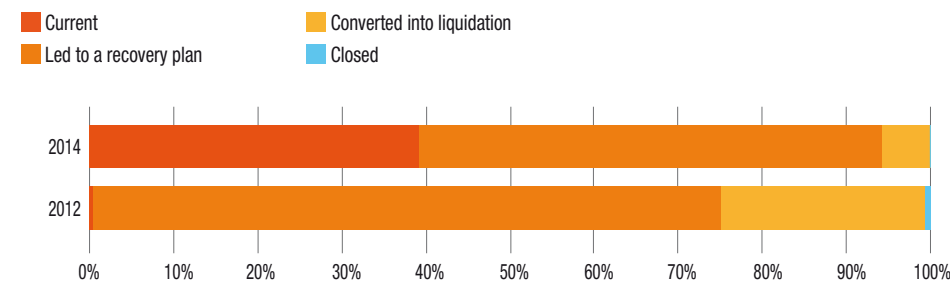
72.5% of 2012 receiverships started in 2012 were directly turned into liquidation. Out of the 26.8% which resulted in a recovery plan, 25.8% failed. With respect to receiverships opened in 2014, more than half of them (55.2%) have already been converted into liquidation.

Out of the affairs opened in compulsory liquidation in 2012, 66.1% are closed at 31 March 2015. This rate is 11.0% for judicial liquidations in 2014 ■

### Compulsory liquidations started in 2012 and 2014 (at 31 March 2015)



### Receiverships started in 2012 and 2014 (at 31 March 2015)



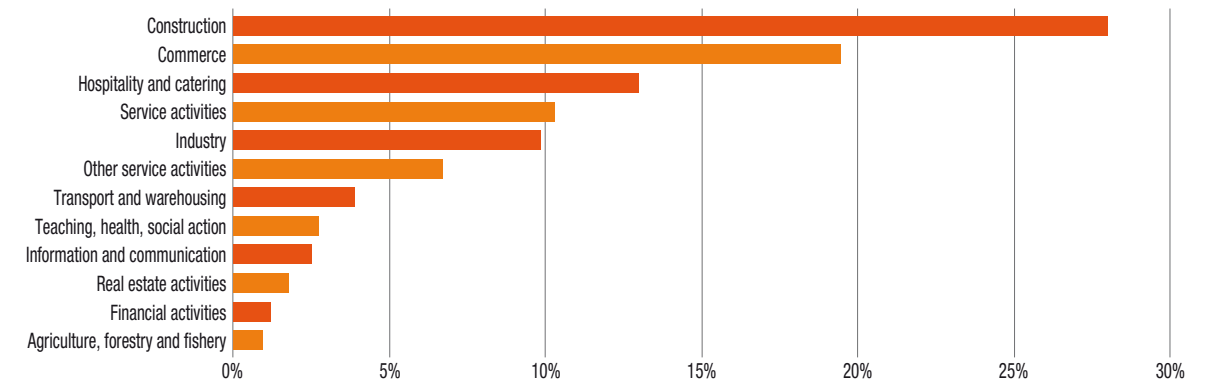
## Analysis of actions according to the company's criteria

### Decline in AGS actions in most sectors

As of 31 March 2015, the breakdown of AGS cases started in 2014 according to the business sector is very close to the breakdown recorded last year for 2013 cases. Construction is still the most represented sector, with more than a quarter of interventions, followed by commerce, followed by hospitality and catering. These three sectors take up nearly 60.7% of actions. The share of the industry is around 10.0%.

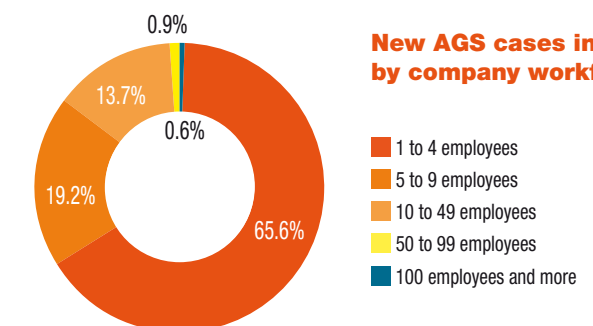
Compared to the previous year, the number of new AGS cases in 2014 fell in most sectors. The most significant relative drops were recorded for real-estate activities (-18.6%), transport and warehousing (-16.0%) and the information and communication sector (-18.8%). Conversely, the teaching, health, social action (+10.6%), linked to its development in all failures, financial activities (+2.3%) reported the most significant increases ■

### AGS cases started in 2014 by business sector (according to the NAF rév. 2, 2008 nomenclature)



### Companies with less than 10 employees in more than 80% of cases

The analysis of AGS actions by the company size is relatively stable from one year to another. The great majority of AGS cases opened in 2014 concern companies with less than 10 employees (84.8%). Concerning companies with 100 employees or more, they represent less than 1% of started AGS cases ■



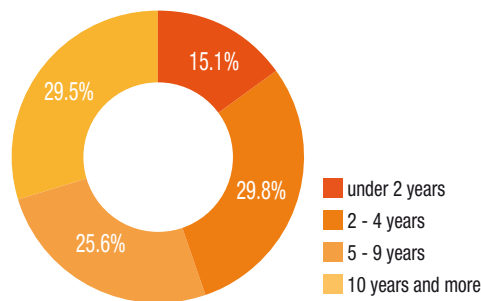


## In 55% of cases, the company has been in existence for five years or more

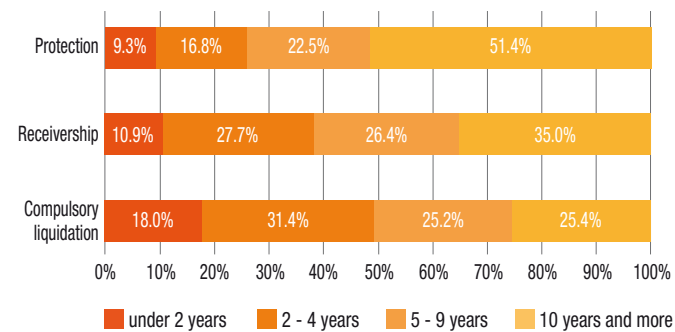
As in 2012 and 2013, companies in existence for less than 5 years represent less than half of AGS cases opened in 2014 (44.9% versus 47.3% in 2013 and 48.7% in 2012). Their proportion has been dropping since 2006. An interesting fact, these young companies are no longer predominant in AGS cases relating to mandatory judicial liquidations (49.4% versus 51.6% in 2013 and 53.3% in 2012).

Regarding receiverships, they were already and are still mostly linked to companies in existence for five years or more, in the same proportion as for protection procedures. Furthermore, it must be noted that 73.9% of protections started in 2014 and in which AGS intervened concern companies that have been in existence for at least 5 years and half of them are companies in existence for 10 years and more ■

**New AGS cases in 2014 by company age**



**Proportions of different age categories by stage in new 2014 procedure**

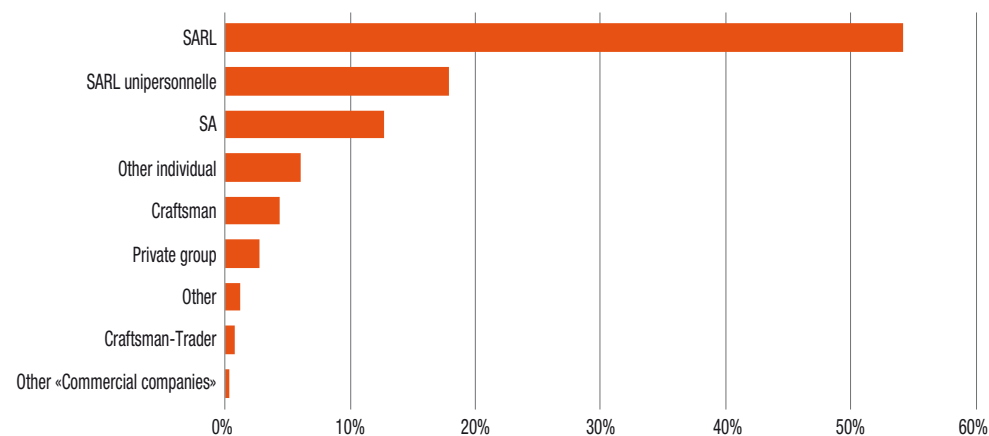


## Over 70% of all cases involve SARL companies

The breakdown of new AGS cases in 2014 by company legal status (INSEE nomenclature) shows that 85.4% of actions involved commercial companies (versus 84.9% in 2013). 72.10% of actions specifically concerned SARLs [private limited companies] (including SARL unipersonnelles - limited

sole traders). This result is close to the figure observed at 31 March 2014 for new cases in 2013. New cases involving craftsmen and craftsmen/traders fell again and settled at 4.9% (versus 5.5% in 2013 and 6.3% in 2012) ■

**New AGS cases in 2014 by company legal status**



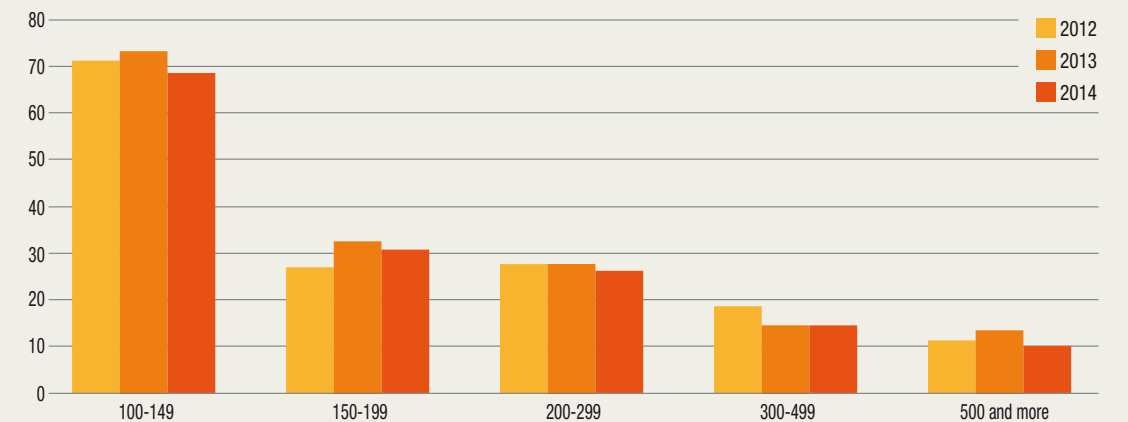
## CASES INVOLVING 100+ EMPLOYEES: -6.9%

### Huge financial stakes for the wage guarantee scheme

Each year, cases involving 100 employees or more account for less than 1% of opened AGS cases. However, they represent a major financial challenge for the wage guarantee scheme. At 31 March 2015, 140 cases had been opened under the AGS guarantee in respect of 2014 compared to 160 as of 31 March 2014 in respect of 2013. This represents a drop of -6.9%. These cases were mostly opened in the second half of 2014. As in previous years, cases concerning companies with 100 to 149 employees

were the highest (68 versus 73 in 2013). The number of cases concerning companies with 150 to 499 employees dropped from 74 in 2013 to 71 in 2014 and the number of companies with 500 employees and more from 13 in 2013 to 10 in 2014 ■

**Cases involving 100+ employees by company workforce**



# INTERVIEW

## Maître Franck MICHEL

(Administrateur Judiciaire) Trustee in bankruptcy

Maître Franck Michel is a trustee in bankruptcy in Paris, Versailles, Tours, Orléans, Créteil (SELARL AJAssociés). He recently intervened in the insolvency proceedings of GMD Pack-LH2 and Laguarigue.

### Does the Law on Securing Employment make it easier to finalise redundancy plans?

Yes the LSE helps to anticipate difficulties, strengthen social dialogue and shorten deadlines. Whenever we deal with a complex or iconic case, the issue of what type of system often comes up: unilateral document at the employer's initiative or majority agreement in close collaboration with union organisations. In the case of GMD Pack, the solution of majority collective agreement was chosen in agreement with the representative union organisations. Works Council members were invited to meetings with union representatives for consultation on this agreement and validation by the Direccte. This case also raised the frequently-encountered difficulty of opposition between the superpriority claim of the AGS and the wish of employee representative bodies and employees in general to receive an «extra-statutory» compensation. We reached a solution in this case thanks to the existence of a Group, and the payment by the latter of this compensation, failing an agreement on this point with the AGS, which was also the inspector.

“As an inspector, AGS actively strives to bring a moral dimension to proceedings of disposal offers”

### In the current economic context, how do you manage to find serious acquirers and enter into long-term solutions?

By implementing effective calls for tenders. The use of electronic tools and the circularisation of key economic operators should be encouraged in the interest of companies and stakeholders. With the exception of certain attractive cases, it is in fact currently difficult to obtain correctly-funded offers. Furthermore, we notice a deterioration of the cash condition of companies at the start of proceedings. As such, the disposal process must be swift with shortened deadlines between the call for tenders and the judgement finalising the disposal plan.. As this deadline mechanically affects the time given to potential acquirers to identify an offer, implement a takeover strategy and identify their risks, they tend to lower their offering price to take over the business and also tend to take on fewer employees. The confirmation of the disposal prepack by the order of 12 March 2014 should allow cases that fall in this category to cope with this difficulty by securing before the insolvency proceedings, those takeover offers that are necessarily better because arranged before the deterioration of the company's business assets generated by the debtor's default. Lastly, I would like to stress that the active role played by AGS as inspector helps to improve the offers that might be too low with respect to the disposal price and disadvantageous to employees.

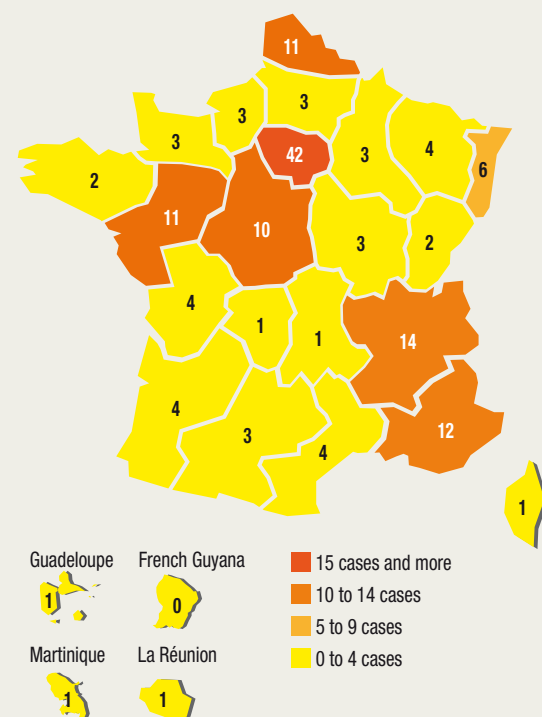


## CASES INVOLVING 100+ EMPLOYEES (CONTINUED)

### The weight of Ile-de-France

As in previous years, the predominance of Ile-de-France in cases involving companies with 100 employees and more continues to grow. 42 new cases started in 2014 (versus 47 in 2013), which accounts for 29.4% of these cases. The reason for this predominance can be explained by the concentration of business in the region and by the presence of numerous registered offices of companies concerned by insolvency procedures operating in other regions. Ile-de-France is followed by Rhône-Alpes with 14 cases (versus 10 in 2013), Provence-Alpes-Côte d'Azur with 12 cases (versus 10 in 2013), Nord-Pas-de-Calais and Pays de la Loire with 11 cases each (versus respectively 14 and 9 in 2013) ■

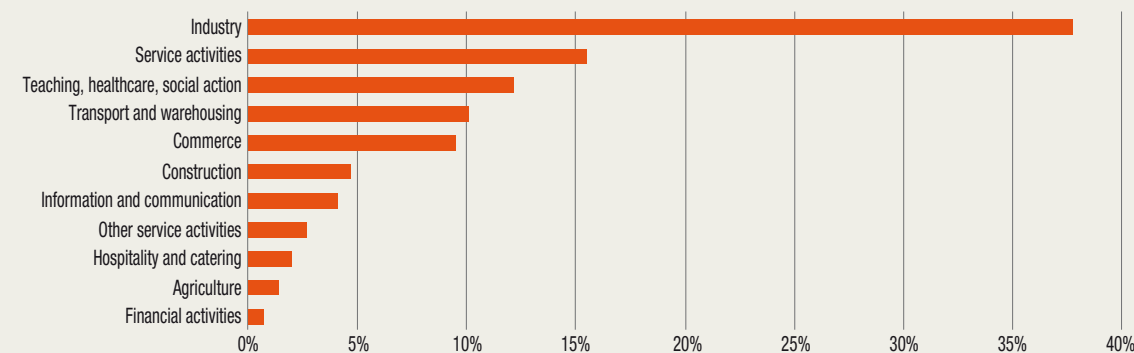
### AGS cases involving 100+ employees in 2014 by region



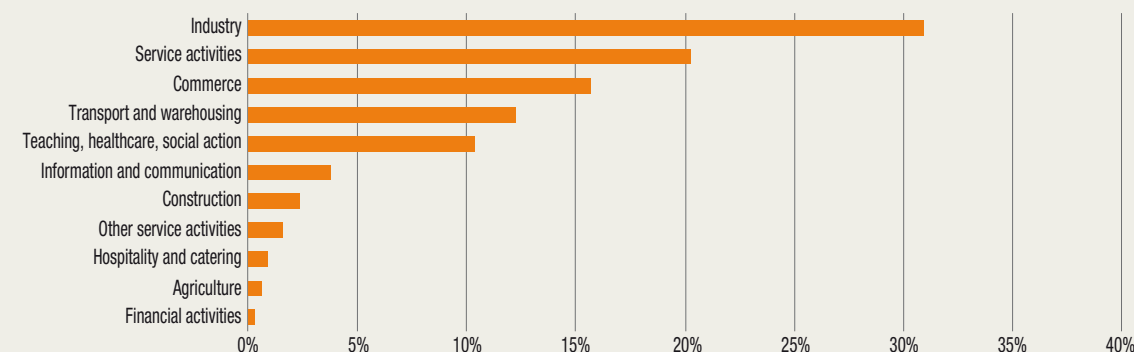
### Industry remains the predominant sector

The most represented sector in cases involving over 100 employees is still the industrial sector (56 cases versus 54 in 2013). It is followed by service activities (23 cases versus 30 in 2013) and teaching, healthcare, social action (18 cases versus 14 in 2013). 31.9% of employees concerned by these cases of 100 employees and more work in the industrial sector. It is slightly less than in 2013 (35.4%) ■

### New AGS cases involving 100+ employees in 2014



### New AGS cases involving 100+ employees by business sector in 2014





## INTERVIEW

### Maître Geoffroy BERTHELOT

Mandataire Judiciaire (Receiver)

Maître Geoffroy Berthelot is a Receiver in the Rhône-Alpes region (MJ Synergie) and Senior Lecturer at the Law faculty of the Institute for Political Studies in Paris. He was appointed in three cases widely covered by the media in 2014: Duarig Sport, Souvignet, Bel Maille.

#### What was the economic and social background to the management of these cases?

These «boomerang» files, plagued by problems over several years, arrived at the stage of insolvency completely worn out or after one or several unconvincing attempts to settle in or out of court. We couldn't place Duarig and Bel Maille in receivership since there was no disposal solution. For Bel Maille, a fragile protection plan had been approved in 2013 in an attempt to save 70 jobs. We could not avoid a court-ordered liquidation. 59 employees were laid off, in a deteriorated social climate. Concerning the Souvignet group, after an amicable procedure and placement under protection, the procedure was transformed into receivership. Finally, a disposal solution was found which allowed 55 jobs out of 113 to be saved. In each of these procedures, a redundancy plan was implemented to allow employees to consider redeployment and agree to assistance measures.

“AGS' analysis and ability to respond quickly to insolvency professionals guarantee the competent processing of files, especially the most delicate ones”

#### Does the LSE make it easier to restructure companies?

The most important contribution of the LSE is its reform of collective redundancy procedures. It has strengthened dialogue between management and labour, with greater responsibility given to unions and works councils. However, this three-party employer-representatives-administration process is far from being the perfect solution to the constantly escalating number of litigations, especially for redundancy plans, so long securing and motivation by the Direccte are not enhanced and the deadlines for informing and consulting representative bodies are not tailored to the insolvency proceedings.

#### Does the entry into force of the order of 12 March 2014 meet your expectations to improve the processing of companies in difficulty?

This order has strengthened the existing systems. Reconciliation has become more attractive (plan-prepack, disposal-prepack) and the new money priority has been extended. The role of creditors has also been re-focused. Judicial liquidation has been simplified. The solution of a takeover with the protection of the company and all or part of jobs is necessarily a priority in the current economic context in the absence of a long-term recovery plan. And the reform focused on recoveries through the introduction of the disposal-prepack in conciliation. In this context where disposal is often the only appropriate solution, the rights of creditors and their payment are often neglected during receivership or liquidations given the impoverished situation of files, with the proclaimed and overriding desire to protect companies and save all jobs or at least some of them.

## CASES INVOLVING 100+ EMPLOYEES (CONTINUED)

### A small proportion of compulsory liquidations

Cases with 100 employees or more are illustrated by specific criteria. While more than half of all new AGS cases in 2014 concerned liquidations, 81.9% of cases involving 100+ employees were placed in receivership and only 8.7% in compulsory liquidation. In 2013, receiverships accounted for 82.5% of compulsory liquidations 10.0%. The high proportion of receiverships in cases involving 100+ employees can be explained by the age of the companies concerned: 64.4% of them had been in existence for 10 years or more.

A large number of AGS cases in 2014 involved 100+ employees placed in receivership or under protection then converted within one year into liquidation, they amounted to 51.5% ■

### AGS IS APPOINTED INSPECTOR IN 92% OF CASES INVOLVING 100+ EMPLOYEES

On all cases opened in 2014, the AGS was appointed inspector in 355 cases, of which 164 concerned cases comprising 50 to 99 employees and 139 of cases with at least 100 employees.

In 2014, and independently of the date on which the judgement is opened, the AGS was appointed inspector in nearly 430 cases.

For several years now, AGS has systematically requested the courts to appoint it as inspector in insolvency procedures involving 100+ employees with huge economic and social impacts and also in procedures involving more than 50 employees placed in receivership or under protection. Its goal is to help save jobs while allowing the optimum satisfaction of creditors and ensuring the permanence of the solution under consideration.

## Fewer beneficiaries, but record advances

In connection with the drop in the number of insolvency proceedings requiring the intervention of AGS, the number of the guarantee's schemes fell in 2014. Nevertheless, with the increase of sums paid in compensation and severance pay, the total amount of advances reached its highest level since the creation of the scheme in 1974.

+4.2%

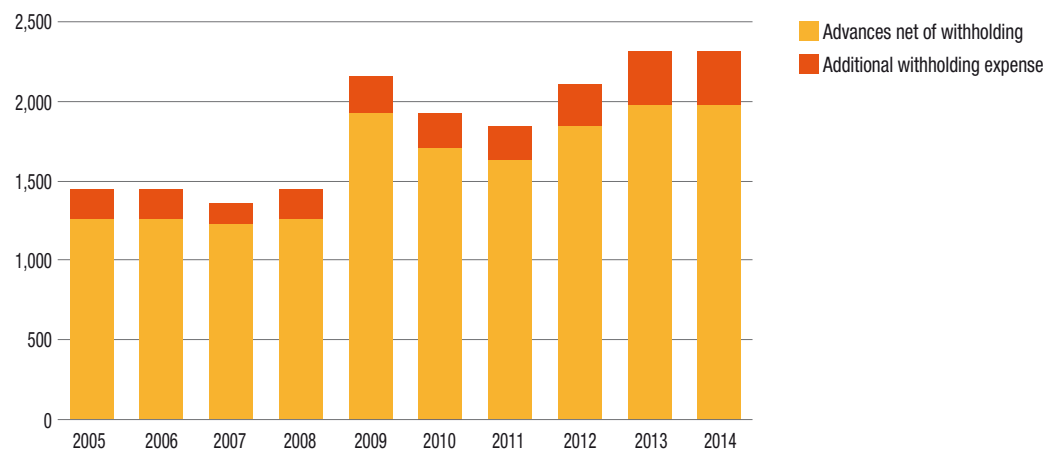
IN THE 1ST HALF OF 2014  
compared to the 1st half of 2013

## €2.2 billion paid out

In 2014, the amount of advances continued to increase for the third consecutive year, albeit slightly (+0.5%, after +5.5% in 2013 and +11.3% in 2012), to reach 2.2 billion and exceed the previous record in 2013 (€2.19 billion). This result for the year is the consequence of the increase in the amounts advanced in the 1st half of 2014: +4.2% compared to the 1st half 2013. On the 2nd half, however, the advances dropped by -2.7% compared to the 2nd half of 2013.

### Advances paid (in € million) from 2005 to 2014

Total advances comprise net advances for employment contract liabilities and advances for pay withholding. Under article 36 of the Law of 27 December 1996, statutory and contractual pay-related contributions are guaranteed by AGS. These totalled approximately 10% (2014 estimate) of all advances over the year and breaks down as follows: 69% Social Security, 20% pension schemes and 11% for unemployment insurance ■



### The number of large advance amounts stays stable

After the -12.8% decline observed in 2013, the number of advances above €300,000 remained stable in 2014 (same observation for advances exceeding €500,000) ■

### Advances above €300,000

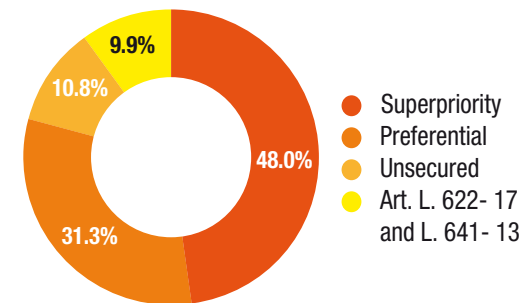
Year	Number of advances	
	> €300,000	of which > €500,000
2010	441	206
2011	437	199
2012	563	255
2013	491	229
2014	495	227

### Slight fall in advances related to superpriority claims

The breakdown in 2014 of advances by seniority of claim has barely changed in the past two years. The advances made for superpriority claims remain predominant, but their weight is falling considerably, to go from 49.5% in

2013 to 48% in 2014. By the effect of communicating vessels, all the other types of claims see their shares slightly increase between 2013 and 2014: +0.5 point for preferential claims, +0.8 point for unsecured claims and +0.3 point for claims covered by Articles L.622-17 and L.641.13 of the French commercial Code ■

### 2014 advances by seniority of claim



### Seniority of claims

- 1. Superpriority claims:** they legally subrogate to employees' rights and must be repaid first.
- 2. Claims under Articles L.622-17 and L.641-13 of the French Commercial Code:** these claims must be repaid before other claims but after superpriority claims.
- 3. Preferential claims:** they are secured by a general charge over moveable and immovable assets and are repaid, either per plan or in the event of liquidation, based on type of charge over the assets sold.
- 4. Unsecured claims:** these claims enjoy no security and are repaid either per plan or, in the event of liquidation, after preferential claims.



### The notion of beneficiary

The beneficiary concept allows the single booking for a given period of employees likely to receive several payments over that same period, because receivers usually submit requests for advances on the basis of the type of claim involved (one statement for wages and another for the severance pay, for example).

# 273,700

beneficiaries of the guarantee scheme

After rising for two consecutive years, the number of beneficiaries has fallen by

# -4.2%

compared to 2014



## The number of redundancies drop

The interim figures at 31 March 2015 indicate that the number of redundancies reported in 2014 in AGS cases was down by -8.7% compared to 2013 (interim figures at 31 March 2014): 121,800 redundancies were reported ■

### HOW ARE REDUNDANCIES COUNTED?

It corresponds to the number of employees who lost their jobs during the observation period. These figures may change owing to the time taken by receivers to produce and then send lists of claims to the Délégation Unédic AGS since the lists may be received after the reference period.

The difference between the number of beneficiaries and the number of redundancies, even after taking account of the time lag, indicates that some jobs are saved during insolvency procedures, including during liquidation.

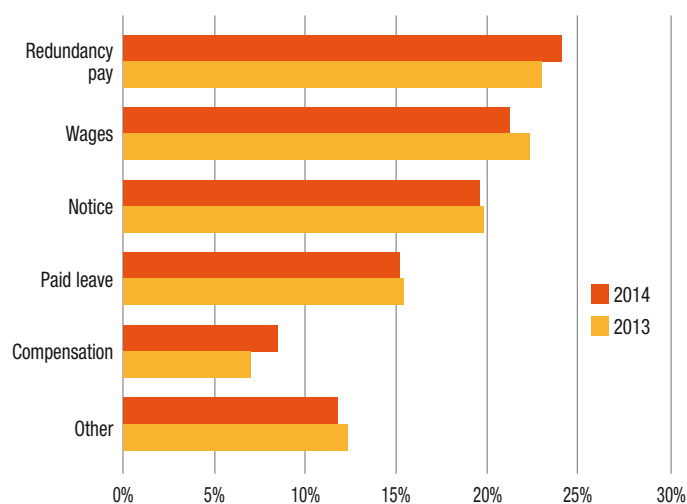
## Redundancy pay accounts for nearly a quarter of advances

The breakdown of advances paid out in 2014 by type of claim has barely changed compared to previous years. Up by +3.3% between 2013 and 2014, claims linked to redundancies are still leading, followed by wage claims with around one-fifth of advances.

Their amount, linked to the drop in the number of beneficiaries, dropped by -5.5%, compared to 2013. The proportion of redundancy pay stood at 8.2% (6.9% in 2013). Note that these claims increased in volume by +18.6% between 2013 and 2014 and that 63% of them

concern claims linked to abusive termination of employment contract. Around 10% of the total amount advanced in 2014 is linked to advances assigned to a dispute at the time of payment ■

Advances paid by type of claim in 2013 and 2014



Corrected amount: calculation of the amount advanced in respect of compensation claims was revised which led to, for 2013, a discrepancy between the proportion given in the previous business report and the one given here.

### Limits of the AGS guarantee

Under articles L.3253-17 and D.3253-5 of the French Labour Code, the guarantee limit on all outstanding wage claims of an employee is limited to:

- **6 times the monthly ceiling on unemployment insurance contributions** (€75,096 in 2014 and €76,080 in 2015) if the employment contract was signed at least two years before the date of the opening judgment;
- **5 times the monthly ceiling on unemployment insurance contributions** (€62,580 in 2014 and €63,400 in 2015) if the employment contract was signed at least six months and less than two years before the date of the opening judgment;
- **4 times the monthly ceiling on unemployment insurance contributions** (€50,064 in 2014 and €50,720 in 2015) if the employment contract was signed less than six months before the date of the opening judgment;

# Recoveries *at their highest level*

The amount of recoveries is the highest ever recorded since the creation of the Délégation Unédic AGS in 1996. This result stems from the very high level of advances in recent years, as well as the optimisation process of recoveries made with the decisive backing of judicial representatives. Recoveries are essential for the continuity of the wage guarantee scheme, financed exclusively by private funds.

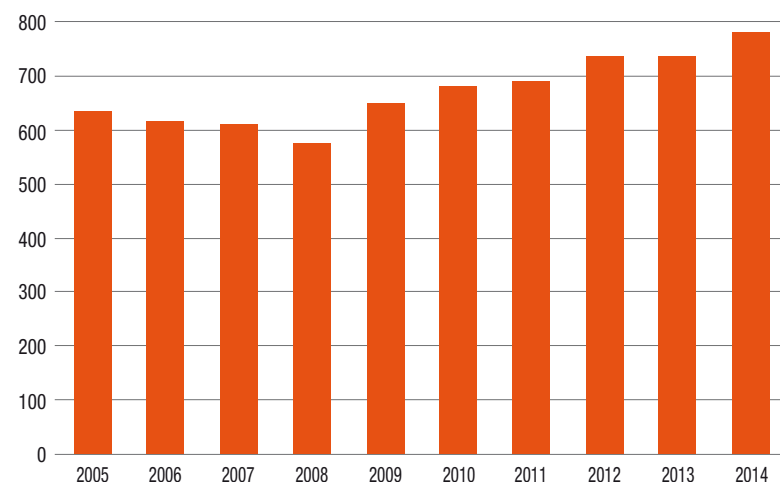
€778

MILLION  
RECOVERED  
amount exceeding  
the previous record  
in 2012

## +6.0%, a logical performance

After a slight contraction in 2013, recoveries increased by +6.0% in 2014.

Two factors help to explain this progression and the level reached. Firstly, recoveries in any given year depend primarily on the advances made during the year in addition to those made in the previous two years. However, aggregate advances paid from 2012 to 2014 reached an exceptional level. Secondly for several years now, the Délégation Unédic AGS has been actively involved in recovery initiatives focused on two main areas by targeting actions and follow-up to current case type and by automatically asking the commercial court to it as supervisor in all procedures involving over 50 employees, where the recovery rate of wage claims exceed the average rate ■

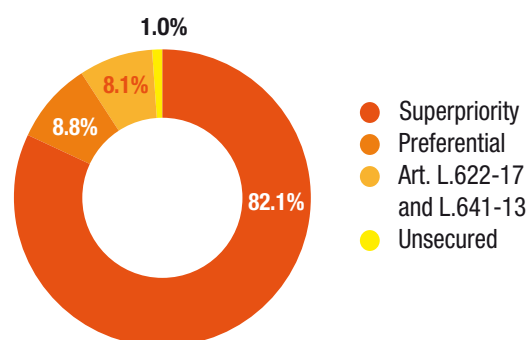


Amount recovered (millions of euro) from 2005 to 2014

### Superpriority claims are still over-represented

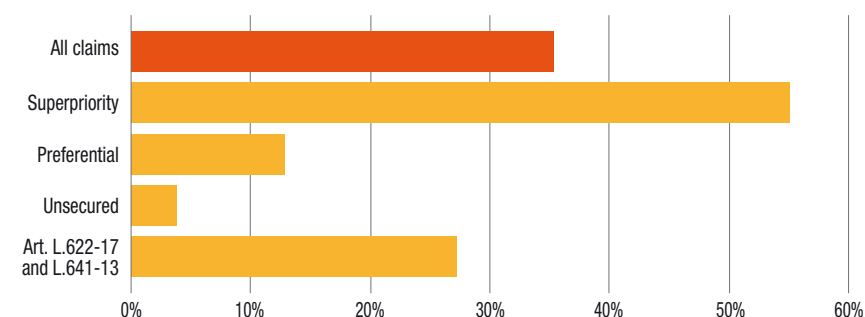
By definition, superpriority claims are repaid as a priority before all other claims. Logically, their proportion in the total amount of recoveries remains significantly high ■

2014 recoveries by seniority of claim



## 35.9%: the average recovery rate remains stable

The average recovery rate for all new cases between 1 January 1986 and 31 December 2014 was 35.9%. This average rate varies significantly depending on the seniority of the claim: 4.1% for unsecured claims and 54.8% for superpriority claims.



#### DEFINITION

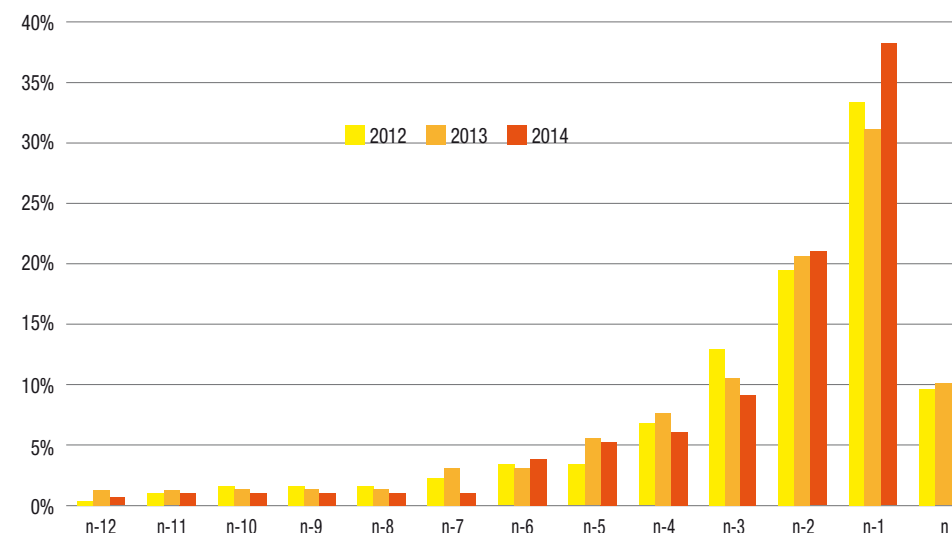
For a given AGS case, the recovery rate is equal to the ratio between the amounts recovered and the advances paid.

Recovery rate relating to new cases since 1 January 1986 (at 31/12/2014)

### Two thirds of recoveries concern recent advances

67% of all 2014 recoveries in money terms relate to advances made during 2014 and in the two prior years. 7% of all amounts advanced on new AGS cases opened in 2014, 19% of advances on new cases in 2013 and 25% of advances on new cases in 2012 had been recovered at 31 December 2014. Generally speaking, the recovery rate on procedures started in any given year is around 20% by the end of the following year and 25%-30% at 31 December of year n+2. At end 2014, the average recovery rate after 8 years was about 35% ■

Amounts recovered in 2012, 2013 and 2014 by year of opening judgment for the insolvency procedure concerned (n-12 to n)



#### CHART READING

Around 9% of recoveries recorded in 2014 involve procedures started in 2014 (n) and 37% to procedures started in 2013 (n-1). n corresponds to the reference year: 2012, 2013 or 2014 depending on the case. Therefore, nearly 13% of recoveries in 2012 (n) refer to procedures started in 2009 (n-3), year with the highest number of advances.



# Contribution rate *remains unchanged*

To cope with the effects of the crisis which began at the end of 2008, the Board of Directors of AGS, which is responsible for ensuring the balance of the guarantee scheme fixed the contribution rate at 0.40% at 1 October 2009. It has not been changed since it was reduced to 0.30% on 1 April 2011.

# 0.30%

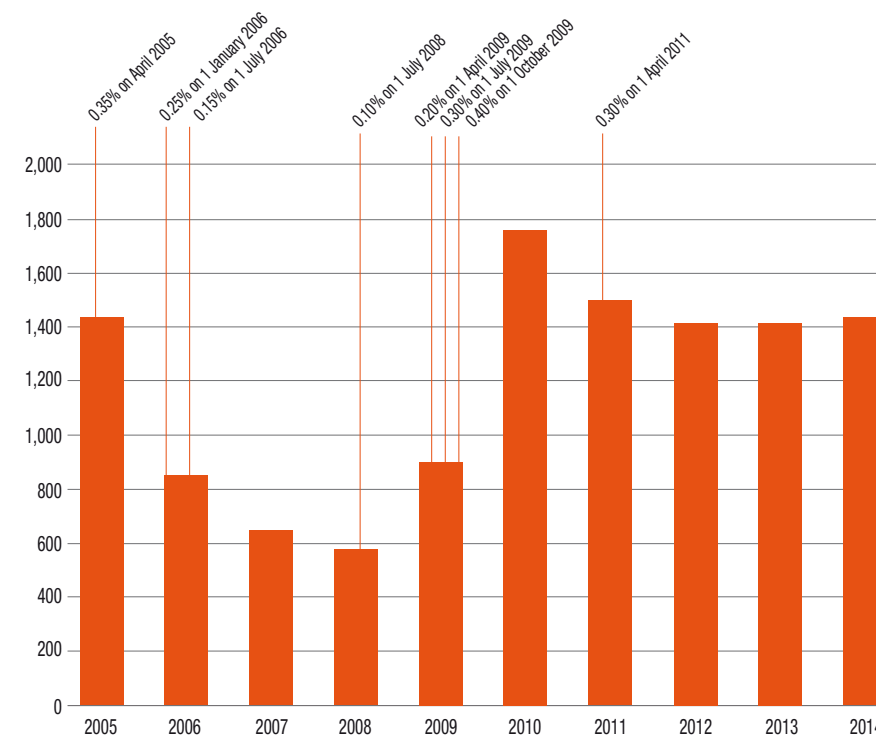
**THE CONTRIBUTION CALL RATE**  
remains unchanged since 2011

## 1.437 billion in contributions

With a constant contribution rate, the total amount of contributions has barely changed in the last three years. In 2014, it amounted to €1,437 million, representing an amount of +1.1% compared to 2013.

Combined with the performances obtained in the area of recoveries, maintaining the contribution rate at 0.30% throughout 2014 helped, given the persistently fragile economic situation and the significant advances made during the year, to contain the cash balance of the AGS at a level compatible with its missions ■

**Change in the amount (in € million) and contribution rate from 2005 to 2014**



### Principle of balance

The wage guarantee scheme is financed by employer contributions based on the unemployment insurance contributions. It is kept in balance by constantly offsetting advances against the amount of recoveries and contributions on the other hand.

Under an agreement between Pôle Emploi, Unédic and ACOSS, the collection of AGS contributions was transferred to the URSSAF network on 1st January 2011.



# Litigations have become *increasingly frequent*

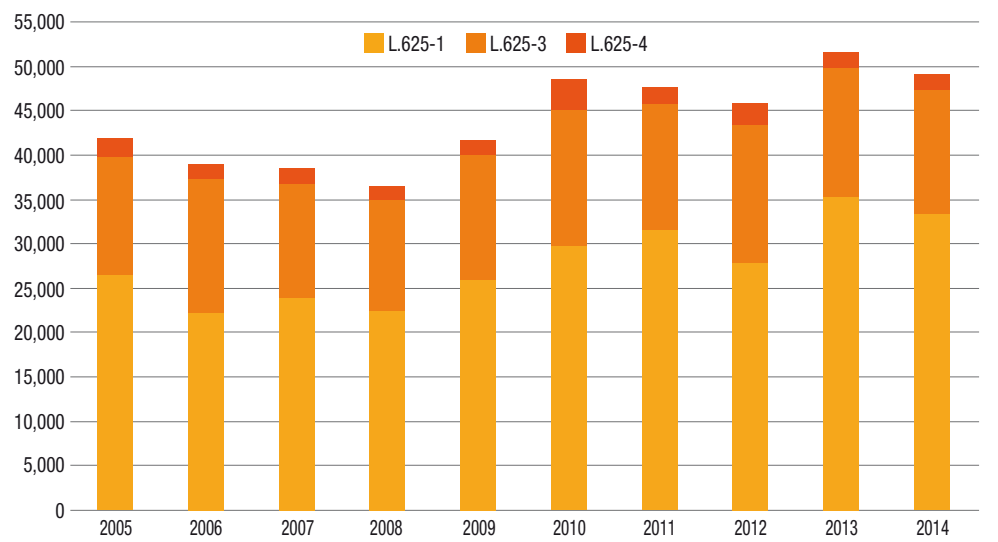
Although down compared to 2013, a record year, the number of labour court procedures remained high in 2014, at the second highest level of its history. Claims linked to exposure to asbestos risk fell, but are still relatively numerous, they rank third in the grounds for litigations originated by employees or agents.

## 49,000 labour court procedures

5% of labour court procedures less compared to the previous year, just the right figure to fall below the mark of 50,000 reviewed cases. This decline is connected to the joint reductions in the number of AGS cases opened and the number of beneficiaries of the scheme.

68% of disputes were caused by the officer's refusal to allow all or any of an employee's claims onto the list of claims in bankruptcy (article L.625-1), 28% arose before insolvency proceedings were started (article L.625-3) and only 4% from a challenge by AGS to all or any of the claims presented (article L.625-4). This breakdown is similar to the one observed in 2013 ■

Labour court disputes from 2005 - 2014



**DISCLAIMER**  
The number of labour court proceedings in a given year are counted in number of employees listed in the summons recorded by AGS in that same year.

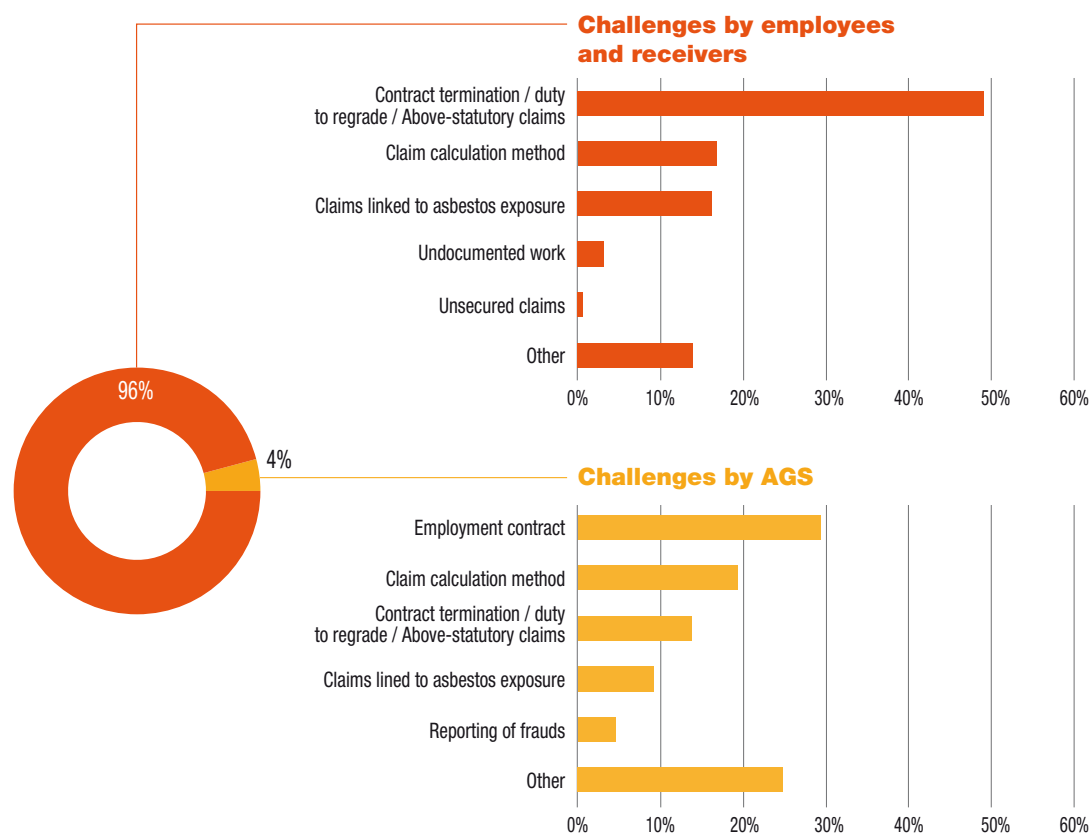


## Asbestos risk: litigations down but still numerous

In line with previous years, the main grounds for disputes originated by employees or receivers - with nearly 50% of cases were linked to contested termination of employment contracts for work. Requests linked to the exposure to asbestos risk have fallen in volume with respect to 2013. They have fallen behind the disputes related to the calculation method of the claim, for

which the number remains stable. Litigations stemming from disputes by the AGS break down as follows: 29% are linked to the disputed employment contracts (28% in 2013), 19% based on the method used to calculate the claim (22% in 2013) and 13% related to disputed employment contract terminations (21% in 2013) ■

### Main grounds for litigation in 2014



### SPECIFIC MONITORING OF MULTIPLE DISPUTES

Nearly 25,000 employees listed on summons recorded by AGS in 2014 are parties to multiple disputes comprising at least 2 employees. As in 2012 and 2013, while disputes involving 20 employees or more accounted for under 1% all labour court proceedings, they represented a huge proportion of the amounts claimed. They are therefore monitored closely because of the financial challenges they pose and the possibility for abuse of the Wage Guarantee Scheme.

## INTERVIEW

### Maître Claude Marc BENOIT

Lawyer, at the Paris Bar

Maître Claude Marc BENOIT works in a law firm that predominantly handles labour law cases. This former professor of civil and criminal law at the Paris II Assas law faculty works frequently for AGS. He speaks out against the growing number of baseless procedures.

#### What changes have you noticed in grounds for the litigations that you monitor for AGS?

Today, wage claims have been taken over by compensation claims; which is quite distressing. As if working is a curse and therefore a condition entitled to compensation. This reality is encouraged by an overly benevolent legal precedence with multiple compensations: compensations for absence of pre-recruitment medical check-up, disloyal implementation of the employment contract, anxiety prejudice, and more. The same requests can be found in the files of in bonis employers, based on the idea that employees, just like victims, need to be compensated for all their prejudices. This approach originates from the pervasiveness of insurance, and unfortunately, the AGS is often perceived as an insurance organisation.

#### What major difficulties do you face in collective disputes?

The validity conditions of the redundancy plan and proving the initiatives taken to comply with the obligation to seek redeployment, which has become virtually impossible to obtain due to the effect of a double absurdity: the complexity of standards on one hand and legal precedence on the other hand which has created, in the existing legislation, a «stronger» obligation for redeployment.

#### Are you in favour of searching for amicable solutions?

In some cases. When it entails the lack of contrary proof to counter claims, or the only requirement is to assess the amount to be paid under an application for compensation. Amicable solutions save time and reduce the risks associated with the uncertain outcome of legal procedures.

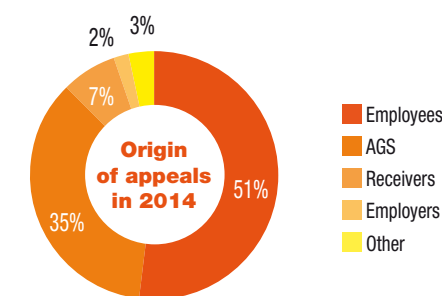
#### The AGS is exposed to the risks of fraudulent cases, can you tell us about your experience in this area?

Fraud is a moral concept, which is not punishable by law, barring exceptional text. Fraudulent cases can be potentially qualified as scam under criminal law through the use of fraudulent methods: false status of employee in most cases. The issue is more delicate when it comes to dolus bonus and dolus malus. It leaves judges with a lot of leeway for their personal assessment.



## Nearly one judgement out of three is appealed

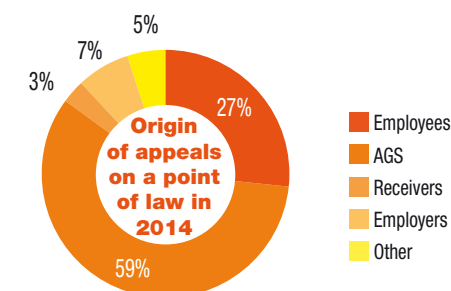
Out of the 33,578 decisions handed down in 2014 by labour courts and recorded by the AGS (-8% compared to 2013), 26,409 judgements could be appealed. 31% of them were actually appealed including 51% at the initiative of the employee (similar result as in 2012 and 2013) ■



## Nearly 60% of appeals on a point of law filed by the AGS

14,157 appeal court verdicts were delivered in 2014 (+17% compared to 2013). 11,589 of them could be challenged. 28% of them were finally appealed, of which 59% at the initiative of the AGS (compared to only 14% in 2013.) This sudden spike in appeals on points of law filed by the

AGS, together with the sharp rise in number (nearly seven times more between 2013 and 2014) can be explained by the «asbestos» litigations (anxiety prejudice) which have increased considerably in recent years even if no firm legal precedence has been established yet ■







# The 40-year MILESTONE

Exceptionally, the AGS organised a public celebration of the 40th anniversary of the wage guarantee scheme on 7 March 2015. The 500 and more guests gathered at the Maison de la Chimie in Paris for the event appreciated the exciting agenda for this rare event which featured a film, testimonies, a book, a commemorative medal and a scientific symposium. Below is a summary of this memorable day focused on commitment and solidarity.



SCAN ME → Watch the film on the 40-year timeline of the AGS







*“Solidarity and commitment are still the key values and the cornerstone for the AGS’s future actions.”*

### Review of significant events and projection into the future

Judicial representatives, lawyers, representatives of public authorities, the Unédic and Pôle Emploi, Academics, AGS trustees, other key parties and journalists... The AGS National Meeting of 7 March 2014 offered a precious opportunity to take stock of the activity of the guarantee scheme, which is the expression of employer solidarity at the service of companies in difficulty and their employees. This day/event was also the opportunity for AGS to stress its contribution to the advent of peaceful labour and management relations in companies in difficulty faced with the permanent changes to their environment and the need to constantly adapt. Recognised experts contributed their assistance to comment on the latest developments in the field of claims guarantee in insolvency procedures. It was indeed important for the AGS to replace its actions in a world where the legislation and legal precedence are constantly changing. The speakers also opened future perspectives to meet the challenges of tomorrow.

### What the experts had to say

The day began with the inaugural speech of Jean-Charles Savignac, the AGS Chairman, followed by speeches by Michel Sapin, Minister of Labour, Employment, Vocational Training and Social dialogue, represented by Emmanuelle Wargon, deputy in charge of Employment and Vocational Training, Pierre Gattaz, Chairman of MEDEF, and Geneviève Roy, Vice-President of the CGPME.

After this institutional part, the event took the form of a symposium under the scientific Management of Professor François-Xavier Lucas, of the University of Paris I Panthéon-Sorbonne. After the introduction of Thierry Météyé, National Director of the Délégation AGS, several other speakers intervened at the symposium: the presentations of Patrick Rossi, Head of the corporate economy law bureau at the Ministry of Justice, and Professor Philippe Petel from the University of Montpellier, then two round tables headed by Professor Laurence-Caroline Henry, from the University of Nice-Sophia- Antipolis, and Professor Patrick Morvan from the Paris II Assas University.

**The scientific symposium, placed under the high patronage of the Ministry of Justice, discussed the following topics:**

- Reforms of the law regulating companies in difficulty and commercial courts
- Changes in the admissibility criteria of the AGS guarantee
- The wage guarantee in cross-border procedures
- Current questions about the AGS intervention

“ Michel *Sapin*

Minister of Labour, Employment, Vocational Training and Social dialogue

“40 years later, 40 years of crisis, the AGS is still here, in the front line to show solidarity with employees who have lost their jobs under dramatic conditions. You are an important part of our social model [...] I would like to take this opportunity given to me to express how much we appreciate your action and the services of Director Thierry Météyé whose pragmatism, responsiveness and availability have helped to save many difficult situations.”

“Over the years and through multiple laws reforming the company default scheme, the role of AGS has grown and evolved and the scheme has become a genuine safety net for employees [...]”



In this speech, the MEDEF Chairman stressed the visionary nature of the initiators of the 1973 reform which understood the need to fill a genuine gap in the French social protection system at the time. Pierre Gattaz reminded the attendants about the unique nature of the AGS which although has a legal foundation, relies exclusively on private initiative for its operation in the name of employer solidarity.



“ Pierre *Gattaz*

Chairman of MEDEF

“I would like to draw particular attention to the solidarity effort accomplished by the companies that finance the AGS, by paying their contributions. [...] It is important to insist on the role played by companies in the creation of wealth in a country. It is essential that such solidarity mechanisms exist to facilitate the spirit of initiative of entrepreneurs, by encouraging them to create companies and hire employees.”

“What is unique about AGS is the legislator’s choice to entrust its operation to the professional organisation of employers. [...] My full encouragements and congratulations go to the teams responsible for its day-to-day management.”



The Minister of Labour, Employment, Vocational Training and Social dialogue extensively praised the role of the AGS, an expression of employer solidarity, which intervenes in insolvency proceedings to ensure that all employees rapidly receive payment for their outstanding claims.







In her speech, Geneviève Roy, Vice-President of the CGPME also underlined the role of the AGS, an expression of the solidarity of companies. Very small, small and medium-sized companies pay a heavy toll in the crisis ravaging our economy, she said. They represent a large number of insolvency proceedings started each year in France. Nearly 80% of companies concerned have a workforce of less than 10 employees. This context draws particular attention to the role of the AGS, essential for maintaining social peace in companies in difficulty.



“ **Thierry Méteyé**  
National Director of the Délégation Unédic AGS

“Throughout these years, we have managed to perfectly maintain the solidarity of companies while preserving the financial balance of the guarantee scheme.”

“I believe that we need to change our mindset and focus on the notion of active expenses. We must therefore strive to help workers whose layoffs were unavoidable to return to work. The AGS must endeavour to achieve this goal while ensuring that it is not overburdened with expenses. It is a fact that the companies paying cannot keep on financing solidarity in total disregard to the cost. We shouldn't give up, we should remain focused on our core activity, with the constant goal of delivering quality service, guided by a concern for efficiency to better serve companies in difficulty and their employees.”



SCAN ME!

Video extracts of the speeches given by Jean-Charles Savignac and Thierry Méteyé at the event.



“ **Jean-Charles Savignac**  
Chairman of AGS

“Over the years, AGS has become a key player in insolvency proceedings. It has nurtured a trusting relationship with judicial representatives as a whole, and more particularly with official receivers, who are the mandatory intermediaries with employees. This relationship makes it easier for us to understand the constraints of each party and facilitate the adoption of positive solutions for companies in difficulty and their employees.”

“Since 1974, 10 million employees have benefited from the AGS guarantee. The advanced amounts represent a total of €43 billion.”



### Presidents of the CNAJMJ

As a partner recognised by the public authorities, AGS has also developed trusting relations with all judicial representatives. Its partnership with the CNAJMJ is built on the quality and frequency of exchanges, specifically with the organisation's successive presidents. The enclosed photo shows the award of medals for the 40th AGS anniversary to Maître Xavier Huertas, Chairman of CNAJMJ, Maître Marc Sénéchal (Chairman in 2012-2013), Maître Vincent Gladel (2010-2011), Maître Maurice Picard (2006-2007), Maître Evelyne Gall-Heng (2004-2005), Maître Emmanuel Hess (2002-2003), Maître Jérôme Theetten (2000-2001) and Maître Jean-Louis Laureau (1994-1995 / 1998-1999), in the presence of Thierry Méteyé, National Director of AGS. Absent from the photo: Maître Philippe Froehlich (2008-2009).



# BUSINESS INDICATORS

by region  
in 2014

# KEY BUSINESS criteria



Position at 31 March 2015	New cases with opening judgment in 2014	Region (%) in number of new cases	Number of employees in new cases in 2014	Region (%) employees entitled to compensation	Amount advanced in €K on new cases in 2014	Region (%) of total advanced)	New cases with 100+ employees in 2014	Region (%) new cases with 100+ employees)
Alsace	821	3.4%	7,995	4.5%	55,485	4.4%	6	4.0%
Aquitaine	1,224	5.1%	6,745	3.8%	46,973	3.8%	4	2.7%
Auvergne	415	1.7%	2,431	1.4%	16,947	1.4%	1	0.7%
Lower Normandy	483	2.0%	3,465	2.0%	26,922	2.2%	3	2.0%
Burgundy	515	2.1%	3,294	1.9%	24,500	2.0%	3	2.0%
Brittany	1,192	4.9%	6,585	3.7%	49,830	4.0%	2	1.3%
Centre	867	3.6%	7,528	4.3%	45,950	3.7%	10	6.7%
Champagne-Ardenne	433	1.8%	3,543	2.0%	29,768	2.4%	3	2.0%
Corsica	88	0.4%	523	0.3%	3,772	0.3%	1	0.7%
Overseas Départements	668	2.8%	4,786	2.7%	37,593	3.0%	3	2.0%
Franche-Comté	371	1.5%	2,287	1.3%	16,339	1.3%	2	1.3%
Upper Normandy	638	2.6%	4,970	2.8%	29,468	2.4%	3	2.0%
Ile-de-France	4,264	17.7%	40,877	23.1%	325,437	26.0%	42	28.2%
Languedoc-Roussillon	1,161	4.8%	5,768	3.3%	35,222	2.8%	4	2.7%
Limousin	223	0.9%	1,172	0.7%	6,236	0.5%	0	0.0%
Lorraine	868	3.6%	5,663	3.2%	44,222	3.5%	4	2.7%
Midi-Pyrénées	1,016	4.2%	5,661	3.2%	39,193	3.1%	3	2.0%
Nord-Pas-de-Calais	1,639	6.8%	12,028	6.8%	74,201	5.9%	11	7.4%
Provence Alpes-Côte d'Azur	2,038	8.5%	15,694	8.9%	96,472	7.7%	12	8.1%
Pays de la Loire	1,298	5.4%	9,695	5.5%	70,829	5.7%	11	7.4%
Picardie	614	2.5%	4,485	2.5%	27,695	2.2%	3	2.0%
Poitou-Charentes	680	2.8%	4,504	2.6%	33,481	2.7%	4	2.7%
Rhône-Alpes	2,587	10.7%	16,891	9.6%	113,594	9.1%	14	9.4%

	2010	2011	2012	2013	2014
Advances during the year (€ million)	1,948	1,865	2,077	2,192	<b>2,203</b>
Recoveries during the year (€ million)	681	691	735	734	<b>778</b>
Recovery rate at 31 December on cases under the 1985 Act	36.2%	36.3%	36.2%	36.0%	<b>35.9%</b>
Contributions during the year (€ million)	1,756	1,502	1,413	1,422	<b>1,437</b>
Contribution rate	0.40%	0.40% then 0.30% at 01/04	0.30%	0.30%	<b>0.30%</b>
Number of company failures (judgment date - source Banque de France)	60,330	59,493	61,095	62,572	<b>62,430</b>
Number of AGS new cases (judgment date - at 31 March of the following year)	24,444	23,074	24,249	24,744	<b>24,133</b>
Number of 100+ employees recorded (judgment date - including protection)	171	184	183	186	<b>154</b>
Number of employee beneficiaries during the year	270,450	258,950	277,300	285,700	<b>273,700</b>
Number of labour court procedures	48,550	47,600	45,800	51,600	<b>49,000</b>
Number of appeal court verdicts	8,887	9,311	9,796	12,098	<b>14,157</b>



## Organisation chart for Délégation Unédic AGS

### Senior Management

<b>Thierry Méteyé</b>	National Director
Jacques Savoie	Chief of staff
Yves Roussel	Internal auditor

### Network Management

<b>Michel Mathieu</b>	Deputy Manager, Network
<b>Maryse Deschamps</b>	Head of Operational Support
<b>Christophe Fourage</b>	Head of Steering
<b>Marie-Ange Nguyen</b>	Head of Quality and Risk Management
<b>Michel Deirmendjian</b>	Head of the Fight against Fraud

### Support and Services

<b>Anne Varin</b>	Secretary General and Head of Management and Resources
<b>Franck Bouchut</b>	Head of Studies and Statistics
<b>Laurent Méry</b>	Head of IT
<b>Jacques Andrieu</b>	Head of Communications
<b>Laurence Monchaux</b>	Head of HR
<b>Béatrice Veyssière</b>	Head of Legal

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SCAN-ME!



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