

Member Spotlight: Philippe Termote

Business, insolvency, and following the logic of the law



Inside: Leader's Summer Retreat at Belduin

Philippe started at Lige immediately after his education at the University of Antwerp and the European Law School of Maastricht. He has since made partner at our insolvency firm, which specialises in all matters regarding liquidation. Philippe is very knowledgeable on both aspects of insolvency (continuity of enterprises act and receivership).

Philippe Termote is as much a businessman as he is a legal advisor.

His relationship with clients has always been to take a partnership approach – and that has proved to be remarkably successful since his management buy-out at Lige Advocaten seven years ago.

As a legal advisor specialising in insolvency, he understands the key to running a successful business and that involves taking risks when necessary. For Philippe, it's essential to have a game plan and in 2013, along with three colleagues, he took that risk as part of the management buy-out team and he's never looked back.

At the time he had been fully qualified for only four years – although he had been at Lige for seven years doing his internship there. But Philippe was young, entrepreneurial and eager to join the team to do the deal.

While the MBO demonstrated the ambition of Philippe and his colleagues, the following years confirmed their aspirations as the team rapidly grew the firm, expanding it from 11 lawyers in 2013 to 32 by 2018. It's no coincidence that this growth and success has been achieved by using what Philippe terms "their collaborative relationships with clients", always ensuring those relationships have the personal touch.

Philippe says: "Traditionally, in the legal sector it's been more about approaching the lawyer; the lawyer asks for money and then the lawyer gives you a solution and as a client you wait for the resolution to happen. Then the lawyer takes it to court."

"We take a different approach," he adds. "We talk with the clients and ask: 'what are you willing to get out of this case? How are you seeing this? What is your strategy? What is the roadmap?'"

"We try to have a personal connection with the client. And most of the time I'm talking with clients trying to understand what they want, where we can go, what our strategy is and how we can fix the problem."

Philippe admits this approach does not work every time – indeed, all cases are different and all clients have different needs – but in the majority of cases it does work: "We try to be honest with them and draw up a roadmap on which we both work together. In Antwerp there are only a few more than 100 company receivers and we have four in our law firm, so we know the market, the people and believe to be trusted by the courts."

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While the firm grew quickly, it did bring with it a divergence of priorities between some of the partners. This led to a split in 2019, with some remaining at Lige – as Philippe did – to focus on corporate litigation and insolvency, while two partners left to form a boutique firm who focusses on corporate law and intellectual property law and is also highly specialized and recommended in that area.

Nevertheless, Philippe insists the parting of ways was amicable: "We still talk together, we work together and we send referrals to each other." As a result of the split, Lige now focuses more on corporate litigation, insolvency and real estate. "We only do what we're good at," he says. "If we're not good at it, we refer potential clients to somebody who is. I will recommend someone I can trust. And actually that is the same way I feel about IR Global – it's all about trust and that's why I'm involved in the network."

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"Every time I work with somebody different, I know I can trust them because IR Global is a good network. I can recommend them to one of my clients because I know they won't treat them badly. That's why I like working with IR."

Philippe's interest in law first manifested when he was still at school. While he grew up in a medical household, becoming a doctor never appealed to him. "I wasn't good at science and I talked too much," he says. "I became interested in law because it has rules. I like the idea of working according to rules and the logical ideas behind them. It also means you can work closely with people to come to a solution bound by those rules."

It's the logic of the law that attracts Philippe: "If a client does not understand how to solve a problem that's when you need a lawyer to solve it. That's what interested me in law and why I went to law school."

After beginning his legal studies at the University of Antwerp, he was drawn to the economics side of the law, having always been interested in mathematics and economics.

This led on to Philippe completing his Law Master in Antwerp combined with the LLM in European Law in Maastricht, which included European comparative business

law topics and comparative insolvency law: "There were things that really struck me like securities law, comparative securities law and there are some security figures that do not exist in Europe but do in Great Britain, and things like that." The comparison by the different law traditions in European Member states enhanced his interest in law.

After he qualified, Philippe began his career at Lige Advocaten in 2006 in corporate M&A work – and that background has stood him in good stead over the years. "In 2007, the mortgage crisis came and the M&A work just disappeared," he recalls. "Some of the partners were company receivers and started to pick up more insolvency work."

"From my economics and M&A background, it really interested me because insolvency law is actually an important aspect of economic life. If you don't have insolvency, you don't have an economy."

Corporate insolvency also appealed because of the sheer variety of work: "In M&A, it's always the same, especially when you're an intern; you do the due diligence, you write a letter of intent, but you don't talk to clients. It's just making the same contract. It's a little dry. In insolvency law every time it's something different and the approach is always different. You have to be creative every time."

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He became a company receiver in 2013 and at that point was the youngest in the firm. By that time he completed first an extra LLM in Corporate Law at KU Leuven and later a Master in Corporate Finance of KU Leuven. In 2014 finally after being appointed company receiver he completed a Master in Fraude Auditing at the Antwerp Management School at University Antwerp to be able to handle complex bankruptcies where there could be possible fraud.

Today, Philippe is still working hard from his office in Antwerp. In Belgium, lawyers are viewed as an essential profession, so he

and the rest of his team are still working at the office during the pandemic – although some colleagues are working at home and they take it in turns to come into the office.

While Belgium is still operating under Covid-19 restrictions, the government is trying to keep as much as the economy going as possible, but, as Philippe concedes from his perspective as a company receiver, there are some sectors that are experiencing severe problems such as restaurants, bars and retail shops.

The biggest thing for me is to recruit good people, to train them and then maybe in 10 years' time, they would be able to take over.

This, he reasons, is likely to lead to a spike in receiverships once the pandemic is over: "There are very few bankruptcies at the moment because it is prohibited to start a bankruptcy claim in Belgium against a company that is closed due to the effects of coronavirus."

"Only if you can prove that the debts were there before February 2020 can you start a bankruptcy claim. Most of those companies have already gone bankrupt. For the moment, it's very quiet in bankruptcy, but we are seeing more Chapter 11-like reorganisation files and that is busy for the moment."

"We assume that in Belgium we can get back to work as normal from June since we have the vaccine now and, as a result, we expect to have a major increase in bankruptcies from September."

Assuming things do go back to normal, he plans to carry on his practice in corporate insolvency for the foreseeable future. Indeed, in 10 years Philippe believes he will still be a company receiver at Lige.

Nevertheless, he does want to continue to grow the firm and hire more partners: "The biggest thing for me is to recruit good people, to train them and then maybe in 10 years' time, they would be able to take over."

Why not. It's a game plan that has worked almost like clockwork so far for Philippe.



Philippe Termote

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