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**HELLO HELLO PTY LTD  
(TRADING AS CHRIS & MARIE'S PLANT FARM)**

Andrew Yeo and Gess Rambaldi of Pitcher Partners were appointed as Administrators to Hello Hello Pty Ltd, Lucas Land Pty Ltd and Lucas Horticulture Pty Ltd (collectively trading as Chris & Marie's Plant Farm) on 7 November 2011. The Administrators continue to trade the business from that date.

The companies had debts of approximately \$3 million, approximately \$2 million of which was unrelated creditors, and \$1 million of related party creditors. There were also employee entitlements outstanding of approximately \$200,000.

At an adjourned meeting of creditors on 20 December 2011, creditors voted to accept a proposal by the companies' sole director, Chris Lucas, for a deed of company arrangement. That deed accepted by creditors will see:

- the payment of quarterly contributions of \$37,500 up to a total contribution of approximately \$670,000;
- all employee entitlements, including superannuation, expected to be paid in full;
- the opportunity to receive approximately 6.5 cents in the dollar to ordinary unsecured creditors;
- the ongoing trading of the business to assist funding the quarterly contributions;
- the ongoing employment of the majority of the employees of the company;
- related-party creditors will not receive any dividend under the deed of company arrangement.

The acceptance of the proposal for a deed of company arrangement by creditors followed an extensive report from the Administrators on the merits of the proposal as against the liquidation of the companies. The report concluded that liquidation, which would involve the sale and/or the closure of the business, would be expected to result in no return to ordinary unsecured creditors, a minimal return to employees and the closure of the business.

That report also included an analysis of the Administrators' findings that in their view the company traded whilst insolvent from approximately mid-2010 and incurred debts of approximately \$1.6 million after that time. Notwithstanding the Administrators identifying this cause of action against Mr Lucas, they also formed the view that such a cause of action was not likely to result in a return to creditors in the event of liquidation, as he had little or no assets with which to meet the claim.

In the absence of the availability of a commercial recovery against Mr Lucas personally, it was the Administrators' recommendation (and creditors resolved to accept) to obtain future contributions which require the continuing trading of the companies.

**Andrew Yeo and Gess Rambaldi are partners at Pitcher Partners Business Recovery and Insolvency Services division.**

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*Pitcher Partners, including Johnston Rorke is an association of independent firms located in Melbourne, Sydney, Perth, Adelaide and Brisbane. Pitcher Partners are independent members of Baker Tilly International.*

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**For further information please contact:**

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