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VIC NEWS

Mossgreen Auction house collapse leaves creditors in limbo

Stephen Drill, Sunday Herald Sun

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AUSTRALIA'S rich and famous have been stung with the collapse of a Melbourne auction house.

Thousands of items left in limbo when Armadale auctioneers Mossgreen failed have now been returned.

But creditors are still waiting for the proceeds of sales of hundreds of items, with some \$500,000 out of pocket, among debts totalling more than \$13 million.

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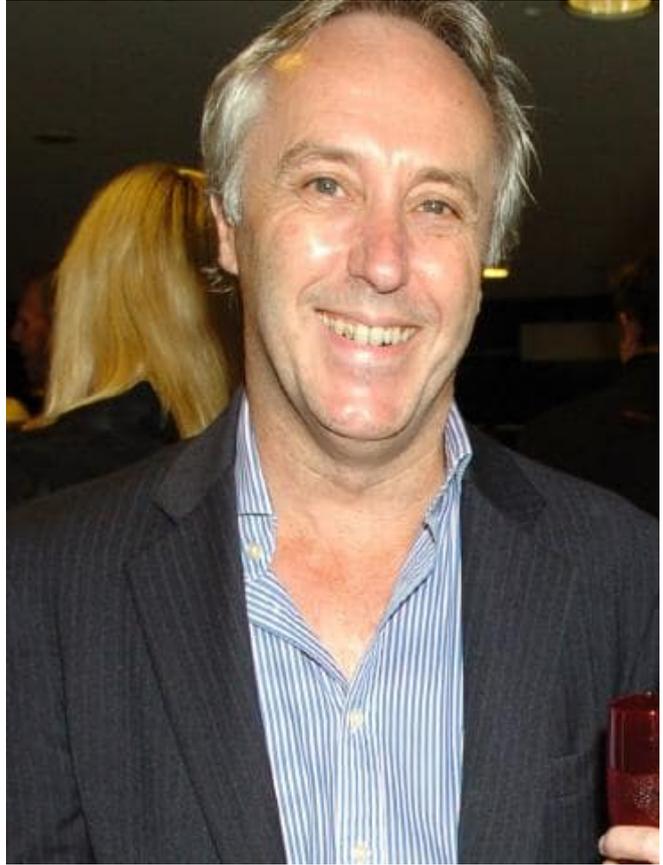
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Hi Scott





Manuela Pless-Bennett. Picture: Ian Currie



Mark Coppleson. Picture: Belinda Rolland

Sydney identity Mark Coppleson, Perth tycoon Rhonda Wyllie — whose wedding to former Nine boss Jeffrey Browne hit the social pages this year — and Deeta McGeoch, whose husband Rod headed Sydney’s 2000 Olympic Games bid, were also among the victims.

Ms Pless-Bennett said she had sold a “house full” of furniture through Mossgreen but had yet to receive a cent.

“I had never used Mossgreen and a friend talked me into it. A whole truckload went and only a little carload came back — I didn’t see any money. If I had have known, I would have given it all to the Salvation Army,” she said.

Mr Coppleson said he was disappointed that the proceeds of more than \$500,000 from his family’s collection were never handed over.

His mother Patricia had been an editor-at-large of *Vogue* and had amassed a large collection through her work and international travel.

He said he was stunned when the first administrators BDO tried to charge people for the return of goods that had not be auctioned. “That was a highway to hell. It was unbelievable and just added to everybody’s angst,” he said.

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📷 Auctioneer and CEO Paul Sumner. Picture: Kim Eiszele

And he questioned how Mossgreen was able to fall into such a bad financial state and whether the company had mishandled its customers' money.

"I don't even think they had a trust account," he said.

Gavin Cottrell and his wife Barbara sold almost \$5000 worth of family silver through Mossgreen. But Mr Cottrell said he did not expect to see the money now.

"The auction was the day before they declared (administration)," he said.

The company went into voluntary administration last Christmas. A deal to save the firm fell over, then the administrators demanded thousands of dollars from people who had consigned items for sale if they wanted them returned.

One paid more than \$100,000 to get \$400,000 worth of goods back.

But a legal challenge knocked that on the head and business consultants Grey House Partners were appointed to clear a Clayton warehouse of 4000 unsold items.

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 Mossgreen CEO Paul Sumner with artwork by Janet Laurence. Picture: Josie Hayden

Grey House managed to return the items in six weeks for no charge, and held an auction in June to clear items that people did not want to pick up.

“We were able to quickly develop innovative plans to satisfy stakeholders’ needs without incurring costs to be passed on,” partner Ben Verney said.

Former Mossgreen CEO and director Paul Sumner, who has now opened an art gallery, said he was sorry for what had happened.

“I’m devastated that the vendors have not got paid,” he said. “They would have received 100 cents in the dollar under my Deed of Company Arrangement (plan). If it had not been sabotaged, they would have.”

Mossgreen specialised in theme auctions but it struggled under mounting debts in recent years, ultimately leaving a trail of financial destruction.

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