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## Showdown looms at Orchard

Carolyn Cummins  
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THE battle for control of Orchard Funds Management is hotting up with the group holding two shareholder meetings next month to resolve its restructuring.

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Orchard will hold the first extraordinary general meeting on April 8 in Melbourne to allow shareholders to vote on a proposal to oust the current chairman, Charles Macek, and two other directors and replace them with Curt Roberts, Hans Sprangers and David Mincar.

A second meeting is scheduled for April 20, also in Melbourne, for shareholders to vote on a recapitalisation proposal from Barwon Investments. Mr Macek and the Orchard board have recommended investors vote against changing the board and vote for the Barwon Investments' plan.

Barwon's chief executive, Rob Morrison, formerly of AMP Capital Investors, aims to restore value to Orchard by focused management of the assets and the business.

In the notices of meetings, issued on Monday, Mr Macek said the board supported the Barwon plan as it would inject \$6.25 million of capital into Orchard, as well as "revitalise leadership with a new majority independent and highly experienced board and senior management team".

On Friday there was another entrant to the tussle when the independent fund manager LandMark White issued a statement "expressing interest in the merger of the two companies".

In a letter to Orchard, LandMark White's chief executive, Brad Piltz, said his proposal would comprise scrip and an underwritten capital raising.

Another group, led by former Multiplex director Ian O'Toole, is also understood to be looking at another Orchard fund.

In light of the new offers, Mr Roberts said the Orchard board should put all of them to investors at the April 20 meeting.

"We think there is a lot of merit in the Orchard board carefully processing the LandMark White proposal, which to us, appears to have more credibility than the Barwon proposal," he said.

Mr Macek said the Orchard board's position remains that while LandMark White has indicated its interest, it has not launched a formal offer.

Mr Macek told investors in the notices of meetings that in the absence of a superior offer, the Orchard board intended to recommend the Barwon proposal to shareholders.

*This story was found at: <http://www.smh.com.au/business/showdown-looms-at-orchard-20110329-1ceky.html>*