

# GROWERTALKS

## GT in Brief

2/28/2017

## EuroAmerican Files Ch. 7, Closes Doors

*Chris Beytes*

It's been rumored since before Christmas, but it was only rumors until January 23. That was when EuroAmerican Propagators filed for Chapter 7 bankruptcy protection in a Southern California court, meaning the San Diego County propagator and Proven Winners partner is out of business.

Chapter 7 governs the liquidation of a business, unlike Chapters 11 and 13, which offer a business a way to reorganize and keep going. However, according to Wikipedia, a Chapter 7 Trustee can keep a business operating if he or she thinks that's a better way to handle the assets. So perhaps there's a chance ... although sources seem convinced that's unlikely.

A source shared with me an email note from a EuroAmerican employee that stated that Euro was "closing their doors today at 11:00 a.m. PST," with "today" meaning January 24.

I've reached out to John Rader for comment, but he hasn't replied to my emails, so I haven't had a chance to learn anything about the reasons behind the bankruptcy or what his plans are for the future.

What I do know is that back in September, during the AmericanHort Plug & Cutting Conference, I visited EuroAmerican with a tour group I was leading. Upon hearing I was there, John invited me into his office for a chat. At that time, he told me that his business partner in Euro, Jerry Church, was looking to get out of the business and so he (John) had to come up with financing to buy out the partnership. He expressed that that was challenging, but gave me no indication he wouldn't make it happen. Based on the strength of his partnership in Proven Winners (which he co-owns with Tom Smith of Four Star Greenhouses in Michigan and Henry Huntington of Pleasant View Gardens of New Hampshire), I saw no reason not to believe him.

There's a hint John is looking at starting a new business. He hinted as much when he gave the following quote to GIE Media, when asked about the decision to file Chapter 7.

"There are certain things I specialize in doing, and I want to preserve those and how those fit into other companies. It will free up some of the work that I'm doing to build markets with new suppliers and new vendors."

And what about Proven Winners? Executive Director Mark Broxon told me via email that, "While Proven

Winners is saddened by this news, please rest assured that the brand remains strong and that other propagators licensed by Proven Winners are ready to fulfill orders that may have been placed with EuroAmerican."

Mark said that if you haven't already done so, you should move your Proven Winners and Proven Selections orders to either Four Star or Pleasant View. Perennial orders can also go to Walters Gardens in Michigan; ColorChoice flowering shrub orders can go to Spring Meadow Nursery in Grand Haven, Michigan. Mark adds that this announcement has no impact on sales in Canada.

"We apologize for the additional effort that this will cause," Mark concluded. "However, having a reliable source of product is critical to our customers. The above propagators ship product throughout the U.S. and are committed to building the Proven Winners brand. Each of them has added significant amounts of production space and capacity in the past few years due to the continued growth of the brand. They will work hard to make any transition as smooth as possible." **GT**