

Former owners of famous cake shop bitter over exit, claiming they were “set-up” and “will not be silenced”

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By Brendan Rees

The former husband-and-wife operators of the much-loved Hopetoun Tea Rooms have broken their silence, claiming their exit from the Block Arcade was a “sham” despite a tribunal ruling otherwise.

Kon and Kelly Koutoumanos, who sold their famous cake store business in late 2020 after it went into voluntary administration before going into liquidation, claim the sale was an act of “corruption” and now want to tell their side of the story with the “hard facts”.

It comes after the couple lost their legal battle against the owners of the 130-year-old Block Arcade, the Cohen family, during a Victorian Civil and Administrative Tribunal (VCAT) hearing in 2019.

Block Arcade owner Grant Cohen dismissed the Koutoumanos’s latest allegations, saying “The problem is they didn’t agree with the judge. For them to suggest this is the first time the truth is being told I would love to know what they were telling the court.”

“He’s also not accepting of the fact that when a business goes into liquidation it no longer belongs to the owner, it belongs to the liquidator,” he said.

During the VCAT hearing, the Koutoumanos were ordered to pay \$1.5 million to their landlord over a failed business expansion to create a 200-seat eatery in the basement after the Cohen family lent the

couple money in 2016.

The new owner of the Hopetoun Tea Rooms, which has been trading since 1892 in the Block Arcade and is a major tourism drawcard for its spectacular cake window display, is businessman Vikramjeet Singh.

Mr Singh revealed plans last August to move the culinary icon to 421 Bourke St and undertake a revamp of an 1859 historic building [adjacent to the Bourke Street Mall].

The shop at the Block Arcade is now called the Tea Rooms 1892, but the original Hopetoun Tea Rooms signage on the windows remains in what Mr Cohen described as being of “historical significance”.

However, tensions have resurfaced between Mr Cohen and Mr and Mrs Koutoumanos after the couple launched a website which purports to tell the “truth” following their messy exit from the luxurious arcade.

“I maintain that I was set-up, and I will not be silenced,” the website reads. “Many attempts by all the ‘key players’ have been made to silence my story. No more.”

“In order for the Block Arcade to prevent me and my husband from asking any questions – an Intervention Order was applied against us in December 2020. An attempt to silence us, but we will not be deterred.”

The website also claims the couple were victims of “landlord interference, unconscionable conduct, conspiracy, corruption, professional misconduct, at a minimum”.

But Mr Cohen, who, along with his parents were described by VCAT senior member Rohan Walker as “honest” witnesses, said Mr and Mrs Koutoumanos “should really learn to live with the decision of the umpire and move on”.

“They had their 15 days in court ... telling the truth on their side, unredacted, uninterrupted,” he said.

“He’s created a website that’s fanciful and poles apart from the truth ... which is exactly what the senior member thought when all this was addressed,” he said.

Mr Cohen, who is seeking legal advice on the matter, said it was also “alarming” that the website appeared to be advertising the new Hopetoun Tea Rooms with phone numbers and the original logo – which was covered by red text saying, “Gone from Block Arcade”.

“It doesn’t pass the pub test,” he said. “It looks like they’ve tried to alleviate themselves from all this debt and just reopen up under a new company name. He doesn’t accept the umpire’s decision and he’s behaving so poorly, it’s really quite extraordinary,” he said of Mr Koutoumanos.

“They keep harping on the fact we’ve taken their business and destroyed it – that is so untrue.”

Mr Cohen added, “We’re very proud of the tea rooms and the history of the tea rooms and will continue to be a very special part of the Block Arcade.”

“We’re just happy it’s back open, it’s busier than ever, and we’re very pleased that people in Melbourne and interstate and international visitors who are allowed to come are enjoying the historical experience.”

Speaking to *CBD News*, Mr Koutoumanos confirmed he had designed the website while his wife had written the material as they had “had enough”.

“I lost the business. I lost my credentials; I lost my professional status,” he said.

“I am putting facts to support my allegations, and I’m not afraid to put the facts there. I will use court documents because they’re public documents, I will use affidavits et cetera.”

Mr Koutoumanous, who was not regarded as a “reliable witness” at the tribunal hearing, said, “I’m not in the mood for creating stories for the sake of creating attention.”

“The Hopetoun was in our blood for 10 years, and what occurred – I don’t care what court decided – it was a sham and that’s why I’m writing this website.”

“The Block Arcade had every opportunity to buy the brand and for me to pay off the debt.

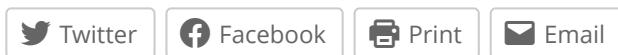
“I’ve got more to come – I’m holding back,” he said, adding he had engaged a “global media company” to conduct an investigation, which he claimed is “going to make all these people put egg on their face”.

Meanwhile, an Instagram account titled “TheFraudAtBlockArcade” which Mr Koutoumanos strenuously denies he or his wife created, claims the Block Arcade owners were behind a “malicious scheme to devalue the wholly privately owned Koutoumanos tea rooms”.

Mr Cohen said it was “business as usual” at the Block Arcade: “People who have been coming are so delighted that it [the Tea Rooms] hasn’t disappeared because it is a 130-year tradition of going to the Block Arcade to have a high tea.” •

Caption: Block Arcade unites – Block Arcade owner Grant Cohen [back row] was joined by tenants last month in a show of support of his management and passion for the arcade as a bitter dispute between his family and the former operator of the Hopetoun Tearooms continues. Photo by Murray Enders.

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