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Scot Young and the \$4.5 billion Post-It note: Court hears of bankrupt tycoon's Facebook 'profit' in high-profile divorce case

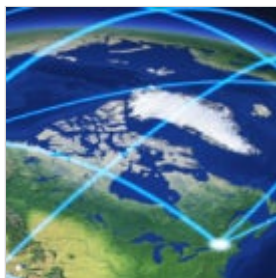
Tom Harper | @TomJHarper | Monday 04 November 2013 20:08 | [comments](#)



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A financial investigator told the court that documents recovered from Scot Young, a property and telecoms magnate who claims he lost a vast fortune just as his marriage collapsed, suggest the 51-year-old is still very wealthy.

Burke Files, who specialises in asset recovery and claims Mr Young is still worth at least £700 million, said he had seen a handwritten note by the businessman that was seized when his estranged wife Michelle obtained a court order to search his central London hotel room last year.

He said: “I have seen a Post-It note talking about a \$4.5 billion profit in Facebook.”

Mr Young, who was jailed earlier this year for failing to explain the mysterious disappearance of his vast empire - which included a multimillion pound property empire - claims he is penniless and unable to support his wife and two daughters.

Mr Files said it would have been a “tremendous leap to add (the Facebook value) to his assets, but once again, there is no disclosure, no support to his representations”.

Mr Young’s high-profile friends, including billionaire Topshop owner Sir Philip Green, are due to give evidence later in the four-week trial.

However, some of them were mentioned on Monday when Mr Files read out an email written by a man called Chris Dunhill, dated October 2011, that said Scot Young was a “good friend of (Simon) Cowell, (Sir Philip) Green and (Boris) Berezovski (sic).”

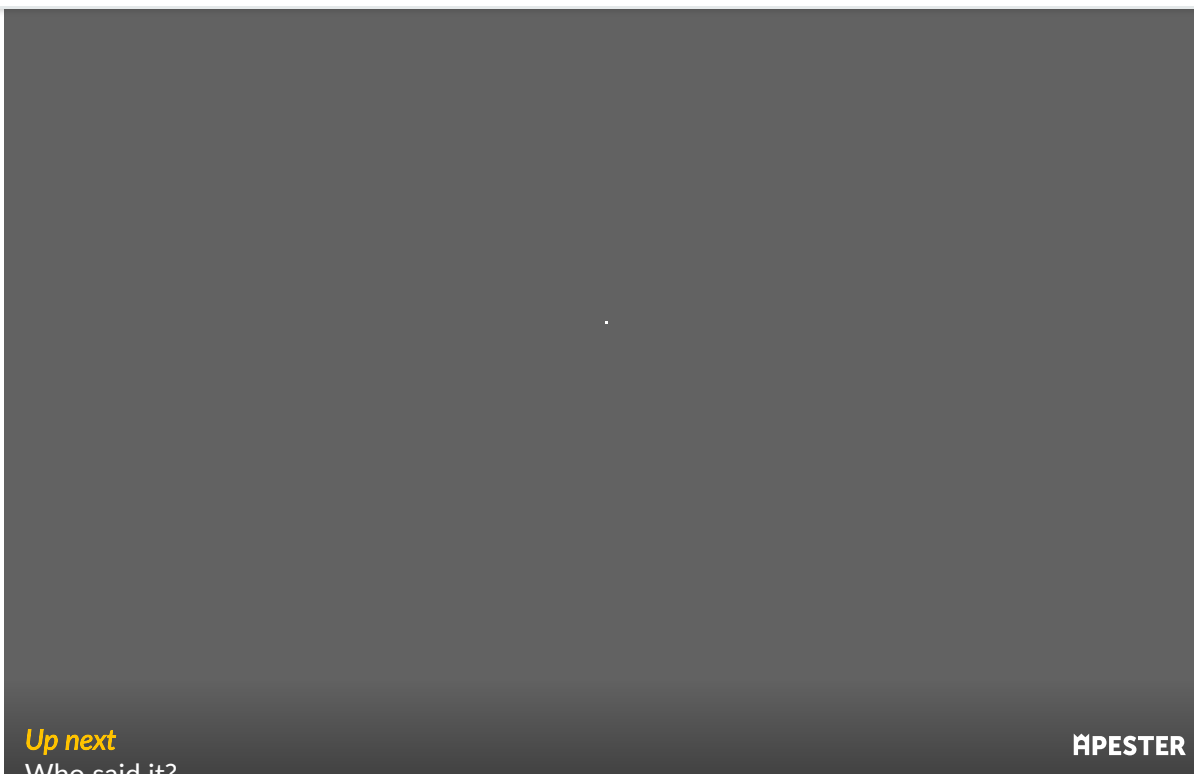
Later, it referred to a man called George Constantine who Mr Dunhill claims “



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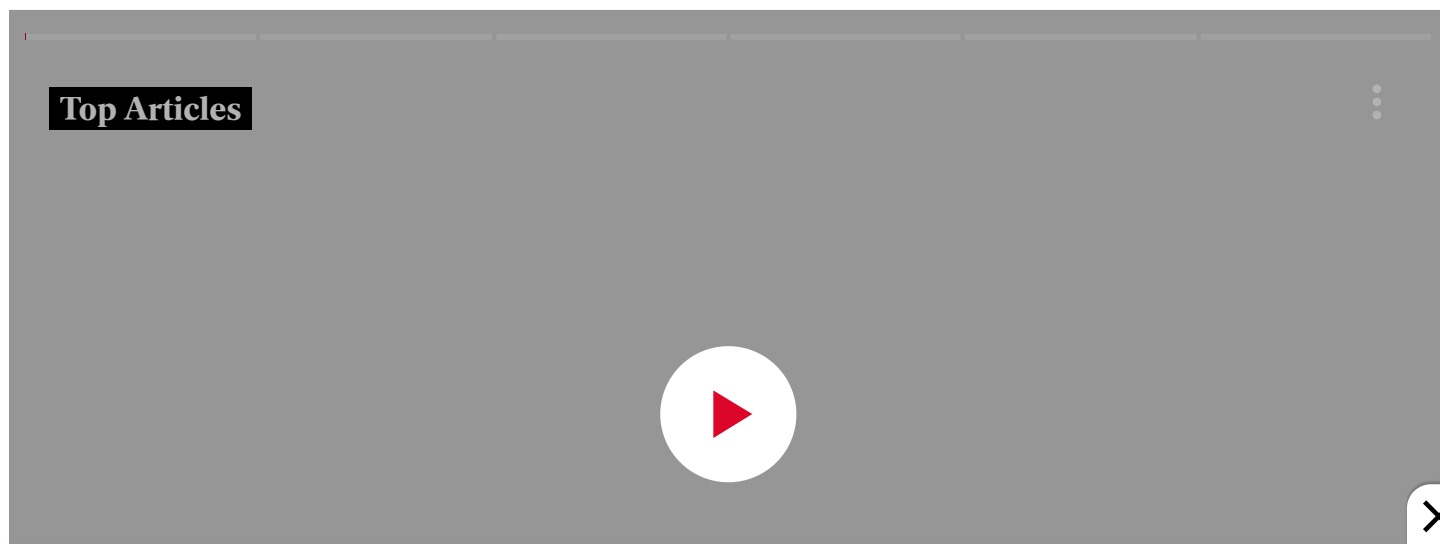
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Mr Files said the email “goes to the foundation of the incongruities” he dealt with in coming to the conclusion that Mr Young was still a very wealthy man.

Later in his evidence, the anti-money laundering specialist gave a complex explanation of how he believed Mr Young, who went bankrupt in 2010 owing creditors £28 million, had “restructured his empire”.



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essence of the Palestinian struggle

He said there were multiple “debt foreclosures on assets” which then “circulated again and again” but that the “beneficial owner never changed”. He added: “The money just disappeared into the structures.”

Mr Files told the court that one of Mr Young’s companies had an “open and active bank account in 2011” – 18 months after the tycoon was declared bankrupt and two years after the company was liquidated.

The American investigator said: “That hit me like a dead cat buying groceries. It suggests that he is using that bank account to secrete money from his creditors.”

Under cross-examination, Mr Young asked Mr Files if he agreed with his claim that Bank of Scotland (HBOS) had repossessed all his properties. Mr Files replied: “No I don’t agree at all.”

Mr Young then turned to the judge and denied he was “in cahoots” with the bank, which was bailed out with £20 billion of taxpayers’ money in 2008.

Later, Mr Files was asked about a £6 million beachfront property Mr Young had purchased in Miami, Florida, which the tycoon claimed had been repossessed by HBOS.

Mr Files replied: “That is not correct.” He then said the “amount that was not paid to the Bank of Scotland was routed through an American law firm” to the “Poju Zabłudowicz Trust” and “£750,000 was paid back to Mr Young”.

Mr Zabłudowicz is a Finnish-born industrialist and one of the richest men in Britain, with an estimated fortune of £1.5 billion. The court also heard he was Mr Young’s business partner in Dione, a chip-and-pin technology venture.



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the court: “They have both profited very nicely.”

Mr Justice Moor asked Mr Files if he had seen evidence that business law firm Fox Williams was “holding assets for (Mr Young) in offshore entities”.

Mr Files replied: “Correct. And then in the year that he is supposed to have lost everything they are conducting tax-planning for him.”

Mr Justice Moor replied: “Ah, but that could only happen if the creditors are engineered?” Mr Files replied: “Yes, sir.”

Later in the day, the court heard from Scot Young’s current girlfriend Noelle Reno, who denied acting as a “cash courier” for the tycoon.

Rex Howling QC, acting for Ms Young, said Ms Reno was observed by private investigators withdrawing £25,000 in cash from her own bank account in July 2011 and handed it to her boyfriend, who appeared to be in an “agitated state”.

Ms Reno replied: “I’m being persecuted for helping somebody. I don’t want to be dragged into this.”

The court also heard of a note written to Mr Young by her brother “Chip” that was recovered from her flat during another court-approved raid that read: “Thank you for picking up all the cheques, cab rides, bar tabs and everything else.”

Ms Reno said her brother was only talking of “a couple of hundred pounds”.



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