

# Press release: Director banned for 11 years after trying to deceive the court

On 12 September 2017 the Secretary of State for Business, Energy and Industrial Strategy accepted a disqualification undertaking from Mr Costel Titu, former director of Titus Services 4 UK Ltd (Titus), for making false representations to the Court and the company's liquidator. Mr Titu's disqualification commenced on 3 October 2017 and will end on 2 October 2028.

Mr Titu attempted to undermine the validity of the appointment of Ms F Qureshi as Creditors' Voluntary Liquidator by falsely claiming that he was not a director or shareholder at the time of the liquidator's appointment.

This was in an attempt to stop recovery proceedings issued by the liquidator against Mr Titu and another, relating to various payments made by Titus to them and for cash withdrawals. The total amount claimed by the liquidator was £156,875.

Mr Titu attempted to undermine the validity of the liquidator's appointment by falsely stating that he had no authority to appoint her as liquidator with the intended consequence of stopping the liquidator from pursuing him for amounts recoverable to the company.

On 5 May 2017, a final hearing in respect of the liquidator's action was heard at Companies Court which found in favour of the liquidator and considered that the transaction complained of was a sham and that Mr Titu had attempted to mislead the liquidator and the Court into believing that he was not the sole director of Titus.

On 14 July 2016 notice of termination of Mr Titu's directorship of Titus was filed at Companies House, with an effective date of 18 August 2014. The company has been in liquidation since 22 October 2014.

Anthony Hannon, Official Receiver in the Public Interest Unit, said:

The Insolvency Service will look closely at any evidence of misconduct and take appropriate action where directors have attempted to mislead insolvency professionals and the Court, as has happened in this case.

Titus Services 4 UK Ltd (CR0 No. 06217488) was incorporated on 18 April 2007.

Mr Titu is of Dagenham, and his date of birth is February 1974.

On 22 October 2014 Ms F Qureshi of Parker Getty Business Rescue and Recovery was appointed as Creditors' Voluntary Liquidator of Titus.

On 23 January 2017, the liquidator of Titus sought the assistance of the Official Receiver to see if the Share Purchase Agreement and directors' resignation were genuine.

On 5 May 2017 the Official Receiver's staff attended the final hearing of the Validity Application and decided that given that Mr Titu had made false representations to the Court and the Liquidator that it was in the public interest to carry out an investigation into this matter for disqualification purposes.

On 4 July 2017 the Insolvency Service wrote to Mr Titu stating that it was their intention to commence disqualification proceedings against him.

On 26 July 2017 solicitors for the Insolvency Service filed an application under S7(2) of the Company Directors Disqualification Act 1986 seeking permission to commence out of time disqualification proceedings.

A disqualification order has the effect that without specific permission of a court, a person with a disqualification cannot:

- act as a director of a company
- take part, directly or indirectly, in the promotion, formation or management of a company or limited liability partnership
- be a receiver of a company's property Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings.

Persons subject to a disqualification order are bound by a [range of other restrictions](

<https://www.gov.uk/government/publications/corporate-insolvency-effect-of-a-disqualification-order>

The Insolvency Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), administers the insolvency regime, and aims to deliver and promote a range of investigation and enforcement activities both civil and criminal in nature, to support fair and open markets. We do this by effectively enforcing the statutory company and insolvency regimes, maintaining public confidence in those regimes and reducing the harm caused to victims of fraudulent activity and to the business community, including dealing with the disqualification of directors in corporate failures.

BEIS' mission is to build a dynamic and competitive UK economy that works for all, in particular by creating the conditions for business success and promoting an open global economy. The Criminal Investigations and Prosecutions team contributes to this aim by taking action to deter fraud and to regulate the market. They investigate and prosecute a range of offences, primarily relating to personal or company insolvencies.

The agency also authorises and regulates the insolvency profession, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for

bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is [available](#).

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