

Press release: Directors' conduct in fine wine investment scam leaves sour taste

Customers who thought they were investing in fine wines investment scheme have been left out of pocket by nearly £1 million.

The investigation by the Insolvency Service found that Crimson Fine Wines Limited, based initially in London and then in Sittingbourne in Kent, used cold calling tactics and then failed to purchase or allocate wines to customers who had paid for their investments. The scheme offered investors returns over 12 months to five years, at a time when they claimed the property market and shares were less attractive.

The Secretary of State for Business Energy and Industrial Strategy accepted disqualification undertakings from Craig Cooper and Jefferey Kushner, preventing them from acting as directors for 11 and 9 years respectively.

Kushner was the listed director of Crimson Fine Wines Limited but lived in Canada, and allowed Cooper, who had previous experience in the industry, to run the operation.

As a result of this failure, at the time of liquidation of Crimson Fine Wines Limited there was insufficient wine held in the bonded warehouse to satisfy customers' claims.

Additionally, Cooper used the company's bank account for his own personal benefit, used his own personal bank account for the receipt of company funds and was paid at least one third share of £114,106 in dividends. Kushner was negligent in failing to monitor the company account, allowing it to be used for non-commercial benefits, but also received at least one third share of £114,106 in dividends.

Customer claims in the liquidation totalled £989,258, of the overall debts on liquidation of £1,080,724.

Karen Jackson, Official Receiver, said:

One of the main purposes of the Company Directors Disqualification Act is to ensure proper standards of conduct of company directors are maintained and to raise those standards where appropriate.

These disqualifications should serve as a reminder that the Insolvency Service will investigate unacceptable conduct by company directors.

The Insolvency Service will take action against directors who do not take their obligations seriously and abuse their position.

Notes to editors

Jeffrey Kushner's date of birth is December 1980 and he resides in Ontario, Canada.

Craig Cooper's date of birth is January 1983 and he resides in Chatham, Kent.

Crimson Fine Wines Ltd (CR0 No. 07537346) was incorporated on 15 January 2008 and latterly traded from Sears Business Centre, 3-9 Station Street, Sittingbourne, United Kingdom, ME10 3DU.

Cooper was initially appointed as the company's co-director with Kushner from incorporation on 1 February 2011. Cooper then resigned as a director at Companies House on 22 March 2011 but continued to act as a director until the company went into liquidation on 17 August 2015. The estimated deficiency at the date of Liquidation was £1,080,724.

On 18 July 2017, the Secretary of State accepted a Disqualification Undertaking from Craig Cooper, effective from 8 August 2017, for 11 years.

On 25 May 2017, the Secretary of State accepted a Disqualification Undertaking from Jeffrey Kushner, effective from 15 June 2017, for 9 years.

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](#).

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](#).

You can also follow the Insolvency Service on: