

News

Tycoons shun friend in £400m divorce; The man alleged to have hidden his fortune says he has become a pariah as famous names are drawn into the battle, writes David Leppard

David Leppard

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THE former tycoon at the centre of Britain's most bitter divorce battle says he has been shunned by his former business associates, who are horrified by the publicity the case has generated.

Scot Young, who made his fortune as a "fixer" to Russian oligarchs and British billionaires, has fallen out of favour with the Topshop boss Sir Philip Green and Harold Tillman, head of the high street fashion chain Jaeger.

They have found themselves embroiled in the bitter fallout between Young, who claims he is penniless, and his estranged wife, Michelle, over his alleged missing £400m fortune.

Young said this weekend that the case is making it virtually impossible for him to rebuild his business career because many associates, new and old, are now wary of dealing with him. "Her scurrilous accusations are doing me no favours in the business community," he said.

His wife, a 46-year-old former fashion buyer, used her latest High Court appearance last week to claim her husband was using his friends, including Green and the music producer Simon Cowell, to help conceal his fortune. She alleged his assets were as much as £2 billion and that others helping to hide money included the restaurateur Richard Caring and the Russian oligarch Boris Berezovsky. She also claimed some of her husband's money was secretly tied up as shares in Cowell's talent show American Idol, an accusation the judge said was "without foundation".

The court also heard from Stanley Beller, a solicitor who claimed that Young's former best friend, a secretive multimillionaire called Kevin Cash, had suddenly become extremely wealthy — just as Young lost his fortune.

Like the others accused by Michelle Young, Cash was not in court to contest the claim that he had

built up a fortune in offshore tax havens after hiding Young's money there. His allies said most of Cash's estimated £500m wealth comes from family trusts.

"The accusations in court against Kevin are laughable, ludicrous and lamentable," a friend said.

"Kevin and Scot were best friends. But now he's keeping his distance. Everyone is being tainted by these allegations."

Last year Michelle Young revealed that Cash, Green, Tillman and the Scottish businessmen Sir Tom Hunter had contributed £1.2m to support her and her two daughters, Scarlet, 18, and Sasha, 16, after the couple separated five years ago. She has said she was left to live in a two-bedroom flat and could not afford to keep her daughters in private school.

The disclosure infuriated the businessmen, who dislike public discussion of their private finances. They have declined to offer any more funds and cut back most if not all contact with Young himself.

Green says he has hardly spoken to Young in the past two years. Cash and Young were close business allies, but they have met just five times in five years — and only by chance, as they favour the same restaurants.

Tillman, who according to court papers gave £92,000 to Michelle Young to help with rent and other costs, now tells friends he can hardly recall having met Young.

"This sort of publicity is causing Scot a great deal of damage with his business contacts. Some of them have stopped talking to him altogether," said a close friend.

Michelle Young insisted her husband, who helped to find properties and buy cars for wealthy contacts, still had many powerful connections. "I don't believe he has lost business associates and friends as a result of this case."

The long-running case has become a cause célèbre since The Sunday Times asked a judge to lift reporting restrictions in 2009. Lawyers say it is food for thought for wealthy husbands considering the financial and reputational cost of "trading in" their wives for younger women. They are already worried by signs that London is becoming the divorce capital of the world, after a string of court payouts in the tens of millions of pounds.

Last week's case raises questions over the consequences of the government's decision two years ago to open up the family courts. Fears that greater transparency would harm children have largely proved unfounded, but the Young saga indicates that divorce cases can turn into slanging matches.

Ayesha Vardag, Michelle Young's former lawyer, who had Scot Young's passport confiscated, said:
"Divorce cases rake up all sorts of dirty linen, and now the parties can expect this to be aired in the press."