# Art investment firm dismantled after court exposes barred directors and financial irregularities



An art investment company, previously exposed for employing two barred directors—one with a prior conviction for fraud—has been dissolved following a High Court ruling that underscored systemic failings within the organisation. The company, Artwork Holdings, operating under the brand Yield Gallery, became known for its dubious claims of selling pieces by high-profile artists like Banksy and Andy Warhol.

Jonothan Piper, who was referred to as Jon Sullivan in his role as creative director at Yield Gallery, has a troubling history; he was sentenced to five-and-a-half years in prison in 2016 after admitting to serious financial crimes, including fraud and money laundering. He had misappropriated £300,000 from investors who believed they were purchasing wine as an investment through his former company, Embassy Wine UK. Despite being banned from holding directorial positions until 2026, Piper's involvement at Yield Gallery raises significant concerns about the art market's regulation and investor protection.

In a parallel case, disqualified director Anthony Allen, brought in as a salesperson for the gallery, bears a similar legacy. Allen was previously involved in the ill-fated investment scheme Global Neutral, which allegedly sold worthless carbon credits, costing investors £386,000. The high-profile nature of these cases points to broader vulnerabilities within the investment landscape, particularly in sectors like art that are less regulated.

The investigation by the Office of the Insolvency Service revealed alarming discrepancies in Yield Gallery's financial records. Detailed scrutiny showed a staggering £4.2 million in reported sales, yet only £2 million of this was traced to bank deposits, indicating a potential lack of transparency and accountability. Edna Okhiria, chief investigator at the Insolvency Service, highlighted that 'unreliable and inconsistent accounts' were prevalent, which gave a false picture of the business's operations.

Yield Gallery's financial troubles were exacerbated by its questionable receipt of a £50,000 bounce-back loan during the COVID-19 pandemic, which necessitated proof of turnover. According to investigators, the company's accounts were inflated, with actual turnover purportedly recorded at zero. When challenged on the accuracy of financial records, director David Izzard's responses appeared evasive, raising further red flags about the company’s practices.

It remains to be seen how these revelations will impact Izzard's approval as a director by the Financial Conduct Authority (FCA). In light of the recent findings, the FCA will likely scrutinise his fitness to lead, especially as he has recently transferred control of another company, Loyal Finance, to his daughter, perhaps as a means of distancing himself from the fallout.

Misconduct among company directors is not isolated to this case; it echoes through other scandals, notably illustrated by the recent disqualification of two former directors in Hong Kong for fraudulent acquisition practices. Such cases underscore the critical need for stringent oversight of corporate governance to protect investors and maintain market integrity.

Moreover, the art world itself faces scrutiny regarding its susceptibility to money laundering and fraud. Regulatory measures mandate that art dealers register for compliance, yet Yield Gallery reportedly failed to do so. As the institution of art dealing continues to grapple with these challenges, the art market remains at risk of exploitation, necessitating a deeper commitment to ethical business practices.

The winding-up of Yield Gallery serves as a stark reminder of the potential pitfalls within investment ventures and the importance of due diligence. The Official Receiver has been appointed to liquidate the company and will prepare a report on Izzard's conduct, providing further clarity on the implications of this case for both investors and the wider art investment community.

As debates around the accountability of directors rage on, it appears that more rigorous measures may soon be on the horizon to safeguard the integrity of the art market and protect investors from future exploitation.

### Reference Map

* **Paragraph 1:** [[1]](https://www.dailymail.co.uk/money/experts/article-14722237/TONY-HETHERINGTON-Gallery-two-disqualified-directors-staff-wound-up.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* **Paragraph 2:** [[1]](https://www.dailymail.co.uk/money/experts/article-14722237/TONY-HETHERINGTON-Gallery-two-disqualified-directors-staff-wound-up.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.thisismoney.co.uk/money/experts/article-12630393/TONY-HEATHERINGTON-jailed-boss-two-names.html)
* **Paragraph 3:** [[1]](https://www.dailymail.co.uk/money/experts/article-14722237/TONY-HETHERINGTON-Gallery-two-disqualified-directors-staff-wound-up.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* **Paragraph 4:** [[1]](https://www.dailymail.co.uk/money/experts/article-14722237/TONY-HETHERINGTON-Gallery-two-disqualified-directors-staff-wound-up.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* **Paragraph 5:** [[1]](https://www.dailymail.co.uk/money/experts/article-14722237/TONY-HETHERINGTON-Gallery-two-disqualified-directors-staff-wound-up.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* **Paragraph 6:** [[1]](https://www.dailymail.co.uk/money/experts/article-14722237/TONY-HETHERINGTON-Gallery-two-disqualified-directors-staff-wound-up.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[3]](https://www.caproasia.com/2023/05/24/hong-kong-sfc-disqualified-2-former-directors-of-luxey-international-for-misconduct-fraud-on-corporate-acquisition-used-nominees-to-buy-acquisition-target-at-6-4-million-resell-to-luxey-internat/)
* **Paragraph 7:** [[1]](https://www.dailymail.co.uk/money/experts/article-14722237/TONY-HETHERINGTON-Gallery-two-disqualified-directors-staff-wound-up.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[4]](https://parriswhittaker.com/news/turning-a-blind-eye-wont-wash-director-disqualified-after-carousel-fraud/)
* **Paragraph 8:** [[1]](https://www.dailymail.co.uk/money/experts/article-14722237/TONY-HETHERINGTON-Gallery-two-disqualified-directors-staff-wound-up.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* **Paragraph 9:** [[1]](https://www.dailymail.co.uk/money/experts/article-14722237/TONY-HETHERINGTON-Gallery-two-disqualified-directors-staff-wound-up.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* **Paragraph 10:** [[1]](https://www.dailymail.co.uk/money/experts/article-14722237/TONY-HETHERINGTON-Gallery-two-disqualified-directors-staff-wound-up.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[6]](https://www.elitigation.sg/gdviewer/s/2023_SGHC_252)
* **Paragraph 11:** [[1]](https://www.dailymail.co.uk/money/experts/article-14722237/TONY-HETHERINGTON-Gallery-two-disqualified-directors-staff-wound-up.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[7]](https://itsartlaw.org/case-law-archives/from-the-may-2023-newsletter/)

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## Bibliography

1. <https://www.dailymail.co.uk/money/experts/article-14722237/TONY-HETHERINGTON-Gallery-two-disqualified-directors-staff-wound-up.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.thisismoney.co.uk/money/experts/article-12630393/TONY-HEATHERINGTON-jailed-boss-two-names.html> - This article discusses the case of Jonothan Piper, who was jailed in 2016 for fraud, money laundering, and tax offenses related to Embassy Wine UK Ltd. Despite being disqualified from acting as a company director until 2026, Piper allegedly used the name Jon Sullivan to work as the creative director at Yield Gallery. The article highlights concerns about the gallery's employment of disqualified directors and the potential implications for investors and the art market.
3. <https://www.caproasia.com/2023/05/24/hong-kong-sfc-disqualified-2-former-directors-of-luxey-international-for-misconduct-fraud-on-corporate-acquisition-used-nominees-to-buy-acquisition-target-at-6-4-million-resell-to-luxey-internat/> - The Hong Kong Securities & Futures Commission (SFC) disqualified two former directors of Luxey International for misconduct and fraud related to a corporate acquisition. The directors used nominees to acquire an acquisition target at $6.4 million and resold it to Luxey International for $49.8 million, concealing their secret profit and material interest in the transactions. This case underscores the importance of director integrity and the consequences of fraudulent activities in corporate acquisitions.
4. <https://parriswhittaker.com/news/turning-a-blind-eye-wont-wash-director-disqualified-after-carousel-fraud/> - This article discusses the disqualification of a UK company director involved in a carousel fraud, also known as missing trader intra-community fraud. The director was found to have been aware of fraudulent tax evasion activities and failed to take appropriate action, leading to a 12-year disqualification. The case emphasizes the responsibility of directors to actively oversee company affairs and the severe consequences of failing to do so.
5. <https://www.elitigation.sg/gd/s/2023_SGHCI_9> - This legal memorandum outlines options for mitigating risks associated with a bank's involvement in an art collection, including stopping involvement, limiting trustee roles, or reducing current risk. It suggests transferring artworks to a separate trust or restructuring ownership to mitigate risks, highlighting the complexities and potential legal considerations in managing art collections within financial institutions.
6. <https://www.elitigation.sg/gdviewer/s/2023_SGHC_252> - This legal case involves directors of The Gold Label Pte Ltd who were charged with carrying on the company's business for fraudulent purposes, including selling gold bars under a buyback scheme without operating a substantive profit-generating business. The case underscores the legal consequences for directors involved in fraudulent activities and the importance of ethical conduct in corporate management.
7. <https://itsartlaw.org/case-law-archives/from-the-may-2023-newsletter/> - This article reports on a lawsuit filed against art adviser Lisa Schiff and her firm, Schiff Fine Art LLC, by collectors Candace Carmel Barasch and Richard Grossman. The lawsuit alleges that Schiff and her firm were involved in a Ponzi scheme, defrauding clients by taking money from one to pay another and funding Schiff's lavish lifestyle. The collectors seek damages and the forfeiture of Schiff's commission on a specific art sale, highlighting issues of fraud and misconduct in the art advisory sector.