

# RUIN – CELEBRITY BANKRUPTS



David Kerr MCICM ponders what Walt Disney and George Best have in common.

**Y**ES, you guessed it – they both suffered the ignominy of personal bankruptcy. The process may no longer carry the stigma that it once had, but when the famous go bust there's no escaping the publicity.

Where did it all go wrong? – as one waiter is reputed to have said to Best, having interrupted him in a hotel room with the Miss World of the day and his £50,000 cash winnings from one of his better gambling forays. Best was renowned as much for living the high life as he was for his fantastic footballing skills, but the Inland Revenue (as it was then) caught up with him and presented him with a tax bill of £18,000 that he couldn't afford to pay in full, having dissipated most of his earnings and winnings; as he put it, in answering a question on his downfall, 'I spent money on wine, women and gambling. The rest I squandered.' Of course, footballers in Best's day didn't earn the money that his equivalents do now; in the modern Premier League a George Best would probably command a salary of c£200,000 per week!

Best is the latest of a long line of celeb bankrupts whose stories are told by Patrick Hartigan in his newly published book *The Road to Ruin* – the latest, that is, of those selected by the author on his criteria which he told me included by necessity (for his own protection and

financial well-being) the passing of the personalities; all but Lord Lucan are certainly dead, and therefore unlikely to take offence at the poetic licence and fun poked at them. There are some notable absences even amongst the deceased – Michael Jackson and Marvin Gaye for example (I heard it through the grapevine)! More recent (and alive) well-known bankrupts include Kerry Katona (*I'm a Celebrity twice*).

Pat Hartigan's stories are based partly on public records but also interviews with leading trustees of the day, and that gives him a unique insight into some of the cases, and in particular the asset-tracing and other peculiarities of the later cases. That, and his own knowledge as a long-time practitioner in his own right, and one-time president of the Insolvency Practitioners Association.

#### **Good examples are Pat's tales of:**

- The trustee's claim to half the proceeds of Best's testimonial match in Belfast in 1988 to pay his creditors
- Collection of royalties from Lionel Bart's work (such as the Bond title song *From Russia With Love*)
- A possession order against the mansion of Dorothy Squires (singer and one-time wife of Roger Moore) and subsequent legal battles and RSPCA involvement in dealing with some neglected horses

- John Poulson's public examination that led to the resignation of the Home Secretary
- 'Model bankrupt' Max Wall who paid his creditors 100p in the £.

The stories quoted include those of Walt Disney and Oscar Wilde, and go right back to Rembrandt; there are 22 in total, spanning nearly 400 years. It explains how some found themselves in a financial mess and offers a few cautionary tales, and Pat takes the time to educate the reader along the way with reminders about the definition of insolvency, main purposes of the bankruptcy process – debt forgiveness and asset collection for creditors – and the trustee's role.

For the last 30 years, trustees have needed to have a licence to do this work, and the Association Pat headed up is now one of the leading licensing bodies and regulators. Last year it was one of the first to license some personal insolvency practitioners who specialise in bankruptcies and Individual Voluntary Arrangements (IVAs) under a new partial licensing regime. I wonder how many celebs featured in the book would have taken advantage of an IVA process, had it been available at the time of their bankruptcies? None – as they all went bankrupt before 1986 when IVAs found their way onto the statute book.

*The Road to Ruin* by Patrick Hartigan is a 2017 publication by Austin Macauley in hardback, paperback and e-book available from Amazon.

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