

## Stocks & Shares

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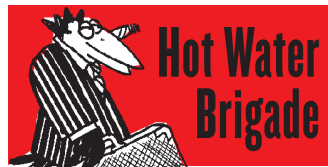
range of food stuffs across the whole platform.

After a slow start in his first year, the market has taken a real shine to Stan McCarthy, even though he has not sorted out the fundamental dilemma inside the Kerry Group. Investors want exposure to the food ingredients but this really needs a particular kind of dedicated management team to reflect this platform, while at the same time the consumer foods division has none of these dynamic characteristics, operating off much lower margins and a stagnant sales platform. This is despite the fact that €500m has been invested in this division over the last decade.

What has really attracted the market to Stan McCarthy is his current forecast that earnings will grow this year by 12% to between 182 cent and 185 cent per share. In the current climate any company growing earnings in double digits attracts attention and, with Kerry shares up to a new all time high of €23.50, the shares are now trading on a prospective 13 p/e – a 50% premium rating to the general market but one that is not justified unless McCarthy deals with Kerry's core strategic issue. He needs to sell or spin off Kerry's consumer food business and then it could attract serious market attention, which might allow him to deal with the group's very high €1.2bn net borrowing position – one that could easily be resolved with a share placing.



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### THE CLOHESSY BROTHERS' STRIKE OFFS

SPARE A THOUGHT for Limerick brothers **Ger** and **Des Clohessy**, members of that famous rugby family, who have recently had a couple of companies struck off by the Companies Registration Office for failing to file accounts. Meanwhile, Ger is currently involved in a number of legal actions, including one in which he is a co-defendant along with his close business associate, **Noel Harrington**, the Irish Nationwide branch manager currently under investigation over loans allegedly totalling some €36m.



Ger Clohessy

Ger Clohessy was a major player in the Limerick property world, and was followed into the business by younger brother Des. Both were also local rugby heroes, playing for Young Munster, although never realising the same success as their capped sibling, **Peter 'The Claw' Clohessy**.

Recently, no less than three Clohessy outfits have been

struck off by the Companies Registration Office for failing to file accounts. Des Clohessy Plant Ltd, which rented out construction equipment, was struck off last month, and Ger and Des were joined on the board here by Noel Harrington. Property companies Clohessy Developments (Henry) Street Ltd and Clohessy Developments (Castletroy) Ltd, where the directors were Ger and one **Maeve Clohessy**, were also struck off last month.

As Goldhawk previously noted (see *The Phoenix* 17/7/2009), Ger Clohessy's pal Noel Harrington is currently being sued by Irish Nationwide Building Society (INBS), and listed as co-defendants to these proceedings as defendants are one **Caroline Harrington**, as well as four partners in the Limerick law firm, Twomey Scott & Co. (One of these, Frances Twomey, is a member of the Law Society's Litigation Committee.)

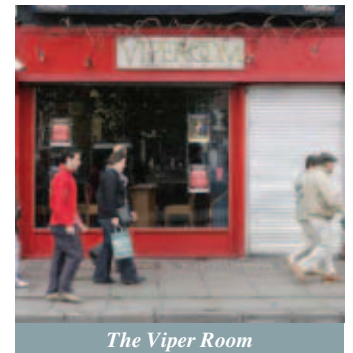
There is no sign of Ger Clohessy in these proceedings. However, last month Tony Scott and Co. legal eagles initiated their own proceedings against Noel Harrington, Ger Clohessy and Clohessy Developments Ltd, a construction firm that was struck off in 2008. Representing Ger in this latest dispute is Dermot G O'Donovan Solicitors, the Limerick law firm intimately associated with the collapsed development company, the Fordmount Group (see *The Phoenix* 26/2/2010), and which recently withdrew its name from the Nama panel.

Elsewhere, Ger Clohessy is also being sued by a Glasgow property company, Dunlop Street Properties Ltd, where a director is **Sir Jack Harvie**, a major Scottish developer and one of the largest Tory donors

in Scotland. Des, meanwhile, was landed with a couple of hefty judgments last year (see *The Phoenix* annual 2009), including a €110,000 bill from the Taxman.

### PHIL MAHON'S LATEST DIFFICULTY

WELL-KNOWN Dublin publican **Phil Mahon** certainly had a rough time of things in 2009 and 2010 isn't shaping up any better, given the recent liquidation of his company Ayleswood Ltd. Mahon is also currently involved in a number of legal disputes, including



The Viper Room

one over rent allegedly owed of around €1.5m.

Ayleswood, where Phil's wife **Margaret Mahon** is the other director, operates a number of pubs around Dublin and Wicklow, including Nemo, in Dún Laoghaire, Barmondo and Ocean Café Bar both in Bray, Horse and Hound in Delgany, Co Wicklow, as well as Rosepark Hotel in Dun Laoghaire and the Westbourne Hotel, Bray. In 2008, the company was struck off the Companies Registrar for failing to file accounts (the second time this had happened), before the Mahons got around to lobbying in the 2007 accounts. They show accumulated losses of

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almost €840,000, with the company making a loss in the financial year up to April 2007 of over €¼m. Presumably, matters had not improved ahead of the liquidation.

Separately, one of the legal disputes involving Phil Mahon concerns the Criminal Assets Bureau (CAB). CAB initiated proceedings against Mahon in September 2008 and the case is before the courts (see *The Phoenix* 13/2/2009). In a separate action, ICS Building Society sued Phil and Margaret Mahon in January this year, while BOI Finance commenced proceedings against Phil last September, with fellow publicans **Edward O'Donoghue** and **Richard Greene** also named as defendants here. The three were involved in a company called Carlow Ritz Centre Ltd (although Phil resigned as director here in late 2006), which operates the Carlow Ritz Hotel, leasing it from a group called the Ritz Carlow Consortium. A member of this group, Dublin businessman **Anthony Locke**, initiated proceedings against the three boys in January, claiming to be owed around €1.5m in rent.

Elsewhere, Dovedon Ltd, the company behind the Viper Room bar on Aston Quay, where Margaret Mahon and Richard Greene are listed as directors, collapsed into liquidation late last year.

*Clare property company Dacha Developments (DD) Ltd appears to be descending into a web of litigation, with one of the directors currently suing another board member. Co-defendant to proceedings here is Limerick solicitor John Tobin, who is also currently involved in a number of separate cases.*

*DD was behind a number of property developments in the Mid-West, in places such as Six-Mile-Bridge and Ballycasey, both in Co Clare. The latest accounts show that the company had accumulated profits of more than €3.5m in 2007 and the directors are listed as Patrick Ryan, James Woods and Russian-born Boris Kriuchenko, who gives a Limerick address. Ryan has a number of other business interests in Limerick, while Woods is a contractor who operates mainly in Clare. Last year, Ryan initiated proceedings*

*against DD, with Woods also named as co-defendant in the proceedings, along with two solicitors from the Limerick firm, John A Tobin Solicitors, John A Tobin and Stephen McNamara. Tobin refused to discuss the case with Goldhawk, saying that the matter was sub judice, although presumably the details should become clearer when the case goes to trial in May.*

*Elsewhere, Tobin is involved in a couple of other cases that are on-going including one in which he is being sued by another firm of Limerick solicitors, D J O'Malley & Co Solicitors.*

## PATRICK WHELAN'S JUDGMENTS

RESTAURATEUR and businessman **Patrick Whelan** was the subject of some headlines earlier this month, when he told the High Court of his alleged intimidation at the hands of a debt collection agency, with claims of acid thrown over his Aston Martin and threatening text messages. The dispute related to an allegedly unpaid bill from food supplier Jim Banks and Sons



Salamanca

Ltd, which claimed to be owed €45,000. However, this is not the first time Whelan has landed in hot water, with two judgments registered against him last year, totalling almost €85,000.

Whelan owns three well-known Dublin restaurants, including Salamanca – which has outlets on Andrew's Street and Parliament Street – and Mexico to Rome on East Sussex Street. The latest accounts for the companies behind the restaurants show that Whelan is doing alright for himself. Mexico to Rome Ltd, for instance, had accumulated profits of more

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than €200,000 in 2009, albeit after dropping €50,000. Salamanca Restaurant Ltd (the company behind the Andrew's Street branch) made profits of more than €185,000 after its first year in operation, and Da Pino Ltd (the company behind the other Salamanca restaurant) had accumulated profits of just €45,000 in 2008, also after its first year.

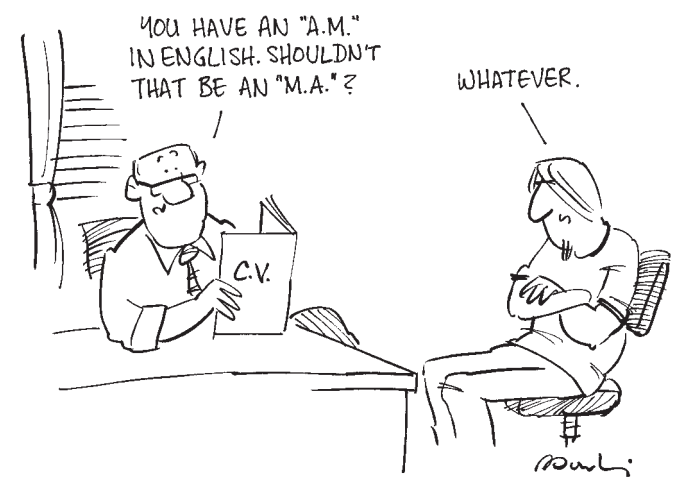
Nevertheless, Whelan had two judgments registered against him last year by **Ciaran McGrath**, a Dublin businessman who owns a number of properties around Dublin City Centre. One judgment was for more than €70,000, while another was for almost €14,000.

Whelan has been a significant player in the Dublin restaurant business for some years now, and was also involved in a couple of Dublin boozers. He was a director of a company called Rogue Investments Ltd, which operated Rogue Bar on Dame Street. However, that company was struck off by the Companies Registration Office in 2008 for failing to file accounts, as were a few more Whelan companies over the

years. Lemon Blossom Ltd – which operated the Huba Bar on Dame Street – was struck off in 2005. (That year, one of the other directors of the company, **Joseph Keegan**, initiated proceedings against Whelan, although it doesn't appear that this case is being pursued.) Two of Whelan's other restaurant companies have also been struck off for failing to file accounts: Planet Web Ltd in 2000, and Mexican Italiano Ltd in 2003.

## PAUL COGLAN'S LATEST VENTURE

CONGRATULATIONS to financier **Paul Coghlan**, who has made an impressive recovery after his high-profile property firm, the Prestige Group, went bust last year with debts of more than €6m. Coghlan is back in business with his latest venture, Natural Retreats Ireland Ltd (NRI), which offers holidays in Ireland. NRI was incorporated in April 2009, less than a month after the Prestige Group collapsed. Meanwhile, there are a couple of legal actions involving the Prestige Group, which traded as Kaizen



Property International (KPI) Ltd, still before the courts.

KPI was a significant player in the overseas property market for Irish investors, and advised investors on properties in the UK, France, Portugal, Spain, eastern Europe, South Africa and the US. The company claimed to have acted as an intermediary for Irish and UK property investors in deals worth some €2.75bn. However, KPI collapsed into liquidation last March, with unsecured creditors hit for €1.7m and

Coghlan's own exposure, a further €1.5m. The company hadn't filed accounts since 2004.

Back at NRI, Coghlan joined the board shortly after its incorporation in April last year. Before Christmas, NRI's **Catherine Monaghan** – the former marketing manager at the Prestige Group – popped up on TV3's *Breakfast Show* to promote the new company, where a UK-based company called K2 Equity Partnership is a 50% shareholder, as is another Coghlan property

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vehicle, Touchstone Capital (TC) Ltd. Touchstone was incorporated in April 2008, and is still active in the property game, claiming that its "business model is based on working in joint-venture partnerships with established property developers, hotel and resort operators, private equity firms, institutional and sophisticated private investors." Coghlan is the sole shareholder of this company, while one **Adele Coughlan** – who was also on the board at KPI – is the other director.

UK property company Right Source Ltd is suing KPI as is another UK outfit, furniture company Style Counsel Interiors Ltd. Elsewhere, Haytonvale Developments Ltd – where directors are high profile property developers **Paddy Kelly**, **John Flynn**, and brothers **Alan** and **Niall McCormack** – has also initiated proceedings against KPI.

## THE CURIOUS CASE OF JOE O'REILLY'S LIQUIDATION

CASTLETHORN Construction boss **Joe O'Reilly** undoubtedly has a number of major headaches these days, including his multimillion

euro exposure as a result of the property market crash. Compared with this, the strange case of one of his property development companies, Digby Holdings Ltd (DH), which he sought to have placed in voluntarily liquidation in 2006, before securing a High Court injunction preventing that liquidation from going ahead in 2008, is the least of his worries. However, this seriously annoyed a number of apartment owners in three major DH developments, in Castleknock, Dublin 15, as it means that the title of the common area around these developments has been left in legal limbo, complicating any potential sales of their apartments.

The developments - Woodbrook, Fernleigh and Annfield - were built by O'Reilly's Castlethorn Construction, with builders, McInerney Homes. The units were sold through O'Reilly's company, DH, and the management company in charge of the common areas for these developments is called Porterstown Management Ltd. The developments, which first began in the early 1990s, were eventually finished around six years ago.

*Hot Water Brigade continued on page 46*

## BERNARD McNAMARA'S BLUES

WHILE property developer **Bernard McNamara** has been worrying about the Irish Glass Bottle site disaster and various multimillion euro judgments against him, he has some smaller issues to deal with too. One of his lesser-known property companies, Zarent Ltd, is currently engaged in a €700,000 High Court dispute with **Simon** and **Christian Stokes**.

The new accounts show accumulated losses in 2009 of €650,000.

While Zarent's work in progress was valued at almost €8m, the accounts note that current economic conditions "have made it difficult to establish any meaningful or appropriate independent valuations for property related assets in the current

market." The banks were owed some €7m, while more than €2m was due to group companies. Although the



*Bernard McNamara*

ultimate parent company of Zarent is Adenway Ltd, which is controlled by Bernard McNamara, he is not a Zarent director. The board members are **Patrick Fox**, **Catherine Foy** and **Niall Doran**.

The bad news for Zarent is that it can presumably write off the more than €½m it claims to be owed by the Stokes Twins in relation to the Clarendon pub. The Stokes' company that allegedly owes Zarent the money, Mayfair Properties Ltd, collapsed into liquidation earlier this year.

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Because of the decline in the property market, the DH directors sought to have the company wound up in 2006. However, after realising that the common areas hadn't been conveyed they subsequently secured an injunction halting the liquidation. In March 2008, Ms Justice Laffoy granted an order staying the liquidation until three months after the liquidator had filed a report with the Companies Office confirming that the lands held



Joe O'Reilly

by the company had been transferred to either the management company or local authorities. However, that has yet to happen.

Meanwhile, despite the fact that it hasn't filed accounts since 2005, DH hasn't been struck off by the Companies Office. The legal limbo that the company currently occupies could well be complicated further still by the fact that O'Reilly's Castlethorn Construction is now headed to NAMA.

## TCD BULLYING ROW

Trinity College Dublin (TCD) has found itself embroiled in an unsavoury bullying row, with a former PhD student claiming that the college suspended him unlawfully. Serbian student **Aleksander Zejak** also claims that TCD fabricated stories about his mental health and he has initiated proceedings against the college, with the TCD top brass and the Board of the College named as defendants.



Zejak came to Trinity in 2007 to do a PhD in theoretical physics, after winning a scholarship from the Irish Research Council for Science and Engineering. He alleges that in July 2009 he was suspended by junior dean of the college, who claimed he was mentally ill and adds that he was forced to see an external psychiatrist – which he argues violated his rights as a student. He further alleges that following his suspension, he was locked out of his TCD

contesting Zejak's claims, calling them "inaccurate and unfounded." It told Goldhawk that the student was suspended only after "all pastoral avenues to support" him were exhausted. TCD said that it had to fulfil its legal obligations to the Government's research funding body by advising them that he would not be attending TCD until his suspension was lifted. "It necessarily followed that the funding body froze his funding until such time as he would be in a position to carry out the research for which he was being paid," the college said. It also claimed that Zejak in fact declined to participate in his own appeal, in which he was given every opportunity to have legal representation.

## DYFLIN PUBLICATIONS' GOOD YEAR

WHEN various other "lifestyle" magazines have been suffering in recent months, both in terms of declining circulation and profits (see *The Phoenix* 26/2/10), one publisher has been bucking the trend. The directors of Dyflin Publications Ltd (DP), **Karen Hesse** and **Philip McGaley**, will be happy with their company's financial performance and with recently released figures from the Audit Bureau of Circulation (ABC). These show that two of their main consumer titles substantially increased their circulation last year.

DP is behind woman's magazine *Prudence*, wedding magazine *Confetti* and interiors title *House and Home*, as well as a number of trade publications, including *Garda Review*, *Construction* and *Health Manager*. The just filed accounts for DP show that the company made more than €200,000 in 2007, bringing accumulated profits in that year to almost €1.7m. DP is owned by another Hesse and

McGaley company, Waldengrove Ltd, where the two are both 45% shareholders, with **John Lyons**, a former DP director, owning the remaining 10%. Hesse and McGaley also run a recruitment company, Dyflin Staff Services Ltd, whose latest accounts show accumulated

profits of more than €770,000 in 2008.

Meanwhile, recently released figures from ABC showed that *Prudence* managed to increase its circulation by over 12% last year, with an average net circulation in 2009 of 11,035,

although this is still less than half the circulation of its nearest rivals, *Irish Tatler* and *Image*. While the former is holding up well, *Image* was down a hefty 18% last year. Another DP title, *Confetti*, also fared well, up 32% last year, with an average net circulation of 5,075. However the news is not so good for *House and Home*, which was down 35% in 2009, with an average net circulation of 13,575.



Aleksander Zejak

office – without having had time to collect his property. Because of his suspension, the Irish Research Council cut off Zejak's grant.

Zejak also says that he wasn't permitted to call witnesses in the appeal of his suspension in November, and that his PhD supervisor, Romanian Dr. Calin Lazariou, was never asked about his case. (Lazariou didn't respond to Goldhawk's messages seeking comment.) Zejak further claims that even though the college had its own external legal experts at his appeal, including two solicitors and a barrister, he wasn't allowed call witnesses who would support his case.

However, Trinity are

## ABUNDANT LIFE'S NOT SO ABUNDANT FINANCES

IT APPEARS that even companies whose principle activity is listed as "promotion of Christianity" are not immune from the chill winds of the recession, as the latest accounts

## FANCY THAT!

**Pope's usher let go in gay prostitution ring row**

*Irish Independent, March 5, 2010, page 28*

**Bishop: I was a bit uneasy at kissing papal ring**

*Irish Independent, March 5, 2010, page 1*

Business & Commerce

for Abundant Life Christian Centre Ltd (ALCC), an evangelical group based in Galway, indicate. Abundant Life's cash is sadly not so abundant these days, with recently filed accounts showing the company is €10,000 in the red.

It will be recalled (see *The Phoenix* 7/4/2006) that ALCC is a fringe church movement based in Tuam, and is run by Texan couple, **Kevin and Heather Sanford**, whose company enjoys charitable status. Also involved in ACCL for a while a few years back were fellow enterprising evangelicals, **Brendan Hade**, who left to set up his own church-based movement with his wife, **Sheila Hade**, the Dublin-based Christian Victory fellowship. The Hades were also involved in the lucrative business of providing accommodation for asylum seekers, and Brendan Hade once operated a Killiney hostel, Kilmarnock House, that was investigated by the Department of Justice in 2004 for its alleged "prison-like conditions." Sadly for the Hades, these days there are more people leaving Ireland

than coming in, and the asylum accommodation business has been depleted.

As recently as 2004, ALCC managed to pull in an extraordinary €200,000 - presumably in donations - but it



Kevin Sanford

appears that the generosity of Irish evangelicals has since been exhausted, with recently filed accounts showing that the company had a deficit at August 2008 of €10,000, having previously managed to make a surplus a few years back. In other potentially worrying news, ALCC director Kevin Sanford is the subject of a legal action taken by seven members of the same family, the



"For God's sake take that down, man! - She'll have someone's eye out...!"

**FANCY THAT!**  
 "Some girls have a little bottle of alcohol between their boobs [...] You will always get the knockers."  
*Wesley disco organiser Donie Bolger, Sunday Independent*

Heffernans, although their Galway firm of solicitors, Kennedy Fitzgerald, declined to discuss the details with Goldhawk, as did Kevin Sanford.



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