



Khakshouri v Jimenez and Cash - a court case that shone a light on modern football

Charlton Athletic were at the centre of the case and yet strangely irrelevant to it as the property developer Khakshouri took on Jimenez, once the vice-president of Newcastle, and Cash

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Fri 9 Feb 2018 11.00 GMT

This week a man called Darius Khakshouri was awarded \$4m in damages at the Royal Courts of Justice. In Court 9, Mr Justice Green found in favour of Khakshouri and against Tony Jimenez and Kevin Cash after the property developer claimed he had been deceived by the pair over a loan. That loan was of £1.8m, made in the autumn of 2013, in a last-minute bid to keep Charlton Athletic in business.

Those basic facts were about as simple as it got in this case, even though in essence it was just three rich men fighting over a loan. Administered by expensive legal representation deploying reams of material, it became a matter of semantic nuances; were the terms upon which the parties agreed a promise or simply an ambition, was it “we intend to” or “we won’t do without”? To the layman it was boggling, and that was intentional.

Khakshouri v Jimenez did, however, give a clear insight into the class of people known as “football club owners”. Charlton Athletic, once a byword for Premier League stability, were stranded in League One when Jimenez took over their operations in 2010. Within 18 months, thanks largely to the management of club legend Chris Powell, the Addicks were promoted back to the Championship. Their finances remained perilous, however, and in 2013 Jimenez was looking to sell the club on.

There was a twist, though. Jimenez wanted a deal that would not only shift the club but set him up with a potential earner, by retaining the rights to move Charlton to a new stadium. The new location was to be two and half miles north-west of the Valley, in North Greenwich near the O2. Were it to happen the move could unlock more lucrative development options in its wake. It was consistently opposed by supporters but the needs of supporters did not come up often in court. During proceedings Justice Green remarked that “it was obviously in the interests of the club to get a linked [land] deal”. By “the club”, it seemed clear he meant their owners.



Tony Jimenez, right, with Dennis Wise during their Newcastle days in 2008. Jimenez went on to run Charlton, though a court case ruled he never actually owned the club. Photograph: Ian Horrocks/Newcastle Utd via Getty Images

If Charlton went into administration any land deal would be off. Jimenez flew to Los Angeles, where Khakshouri lived, to persuade him to get involved. Over a \$14.99 dinner at the restaurant Curry in a Hurry, Khakshouri agreed to lend Jimenez the money to keep the club running. In return he would get a share of any future land deal. The loan was not written up at the time and was not put through the club's books. The three men were friends, they understood each other. Then Roland Duchâtelet came along and bought Charlton from Jimenez. With that, the land deal disappeared.

Jimenez and Khakshouri, as well as the less prominent and altogether more inscrutable Cash, approached the case from the perspective of property developers. They all agreed their business priority was to maximise their “leverage” in any land deal (rather than, say, help Charlton reach the Premier League). For a developer, however, Jimenez has a lot of experience in football. He was once a steward at Chelsea, the club he supported as a child. In 2008 he was appointed vice-president of Newcastle United, in charge of player recruitment. Alongside the then director of football Dennis Wise, he was seen as part of a “Cockney Mafia” under the owner, Mike Ashley.

Like Khakshouri, Wise and Ashley claimed not just to be associates of Jimenez but friends. As with Khakshouri these friends also came to blows. In 2013 Wise claimed £500,000 in damages from Jimenez, a man he described as “a very close friend to me and my family”, after it was found Jimenez had not put a loan from the Chelsea legend to its “agreed purpose”. That purpose was an investment in the luxury French golf course of Les Bordes.

It is the same golf course that features in a current claim brought by Ashley against Jimenez. He says he gave his “trusted friend” £3m as an investment in the club. Both parties agree the investment was never made, but Jimenez says a claim of breach of contract is “fabricated and malicious”. That case is ongoing.

The nature of four-times married Cash’s investments are no less enigmatic, with his business operations based offshore and split between trusts and holding companies. A similarly nebulous structure was found to lie behind Charlton’s ownership during Jimenez’s and Cash’s involvement at the club. In his ruling, Justice Green found that neither Jimenez nor Cash actually owned Charlton, another reason why their representations to Khakshouri had been deceitful.

Khakshouri sued to win back potential profits he would have made had he not diverted his money to Charlton. He now has his restitution. But it is hard to remove a nasty taste when considering this case. It also raises questions about the Football League’s owners’ and directors’ test, particularly in relation to the ability of individuals to obscure their identity through complex ownership structures.

As for the club who were at the centre of the case and yet strangely irrelevant to it, their ownership remains in flux. Duchâtelet, a perennially unpopular figure at the Valley, has admitted he is looking for a new buyer. Charlton look set to be sold on again.

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