

# Lush in legal row with ex-boss over £216.8m share sale

Hand-made [cosmetics](#) retailer [Lush](#) has been plunged into a legal dispute with a [business](#) set up by its former [chief executive](#) Andrew Gerrie over the [sale](#) of Gerrie's stake in Lush.

Silverwood Brands – a special-purpose acquisition company set up last year that lists Gerrie as a director – announced in December that it had acquired a 19.8% stake in Lush – which has 106 UK shops and 937 in total – from Gerrie and his wife Alison Hawksley for £216.8 million.

Silverwood described Gerrie as a Lush [co-founder](#), while the Lush [website](#) does not list him as one of its six co-founders. Gerrie is also chair of Hotel Chocolat.

Lush's articles of association allow its existing shareholders the opportunity to buy up any shares of the company that are put up for sale. In 2017, the High Court settled a dispute between Gerrie and Lush over the specifics of the valuation of his and Hawksley's shares.

At the time of the deal, Silverwood specifically noted that it had acquired the shares for “the applicable minimum [prices](#)” that Lush's articles of associations would allow.

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However, this morning it said that Lush's directors had not recorded the transfer of shares from Gerrie to a Silverwood subsidiary.

"The letters failed to provide any reasons for this, and the company's solicitors have been instructed to seek further clarification from Lush," Silverwood claimed.

Lush, however, said the sale violated its articles of association, and that therefore the board had "no choice" but to refuse to record the transfer.

"The company's regulations contain specific criteria that must be met when a shareholder sells their shares," Lush said. "Under UK law, the board of directors has a clear duty to ensure that all of these regulations are complied with at all times.

"After careful consideration, the board of Lush concluded that the proposed sale of shares by Andrew Gerrie and Alison Hawksley to another company was not compliant with these regulations. The board therefore had no choice but to refuse to record a transfer of their shares."

When asked about the specific articles in question, a Lush spokesperson declined to comment further.

Gerrie's company added that it would engage with Lush's legal team over the dispute.

"Silverwood is disappointed by the response from Lush," it said.

"The company believes the transfers complied with Lush's

articles of association and therefore it believes Lush's actions have no merit.

"Together with its legal advisers, Silverwood will seek to engage with Lush and its solicitors to resolve the current situation, however the company will explore all options available to it to protect its interests for the benefit of its shareholders as a whole."

Silverwood also invoked Lush's reputation as a sustainable brand, arguing the decision not to transfer the shares went against this ethos.

"As a purported arbiter of fairness, ethics, and champion of environmental, social and governance issues, the company is surprised that Lush is behaving in this manner and expects that ultimately it will stand by their ethos and avoid potentially prejudicing minority interests," it said.