



Grenke – “Enhanced” Due Diligence

Former and current employees on both sides of the Viewble Media leasing scam

Important disclaimer on page 4 – please read before continuing

October 6, 2020 – Grenke assert that they are the victims of reseller scams and frauds they finance. Viceroy’s previous research has shown this is not the case, with the company taking steps to ensure they profit from these schemes. Today Viceroy will show how former and current Grenke employees, enabled and were on both sides of the Viewble fraud.

Viewble Media, Rhino Media and Grenke

A quick recap for our readers: the Viewble scam was a scheme that promised main-street retailers a zero-cost advertising deal through a rented screen from Grenke. Viewble would sell advertising space on the screen which would cover the lease payments. Viewble suddenly stopped making payments to retailers and entered administration in November 2018. Another entity, Rhino Media, took over the scheme but quickly fell apart as well.

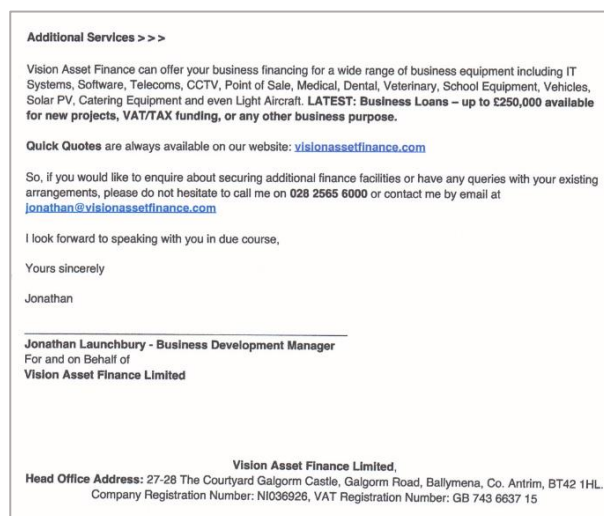
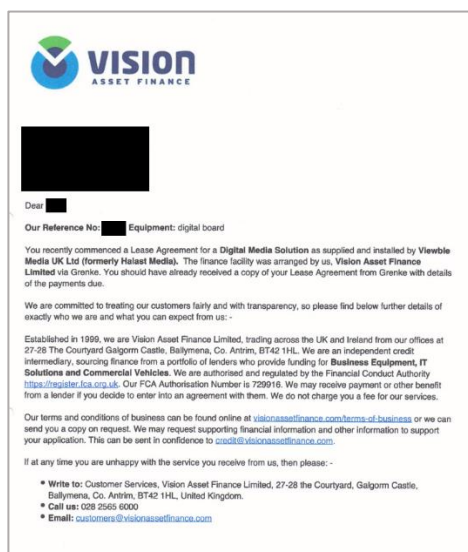
Retailers were unaware that the leasing contract with Grenke was separate from the advertising contracts with Viewble and later Rhino. The company that arranged financing for both Viewble and Rhino was Vision Asset Finance, which appears to be a single-purpose company, having only arranged finance for Viewble and Rhino Media and mostly from Grenke.

We believe this obfuscation was intentional and occurred with Grenke’s express consent, as detailed in our previous reports. It raises serious questions about Grenke’s compliance checks and Knowing your Business and Anti-Money Laundering regulations.

Vision Asset Finance and the Launchbury’s

The broker for the Viewble and later Rhino Media finance leases was Vision Asset Finance via CTP-owned GC Financial Solutions Limited¹, which was operating as Grenke Northern Ireland. Former Grenke employees with a personal relationship with each other were on both sides of the Vision Asset Finance/Grenke NI relationship.

Jonathan Launchbury worked at GC Financial Solutions prior to taking a position as one of two Business Development Managers at Vision Asset Finance.



Figures 1 & 2 Letter and email from Vision Asset Finance

¹ <https://beta.companieshouse.gov.uk/company/NI631442>



Business Development Manager
Vision Asset Finance Limited
Jun 2017 – Present · 3 yrs 5 mos
Ballymena

Business Development Manager
GC FINANCIAL SOLUTIONS LIMITED
Jul 2016 – May 2017 · 11 mos
Belfast, United Kingdom
Development of a direct sales channel. Pipeline development and account management.

Figure 3 Jonathan Launchbury LinkedIn Profile²

Vision Asset Finance arranged the facility through GC Financial Solutions where Sarah Launchbury is employed. Sarah Launchbury is responsible for Internal Sales and from social media posts the pair appear to be husband and wife.

Sarah Launchbury
Internal Sales Executive at Grenke Agency NI
Belfast, United Kingdom · 88 connections · Contact info

Experience

GRENKE Internal Sales Executive
Grenke Agency NI
Jul 2012 – Present · 8 yrs 4 mos

Ms Sarah Louise Launchbury
Last verified: 27 Aug 2020
Newtownards, BT23 Show full address
Not listed
More details

Mr Jonathan Launchbury
Last verified: 4 May 2020
Newtownards, BT23 Show full address
Not listed
More details

Figures 4 & 5 Sarah Launchbury LinkedIn Profile³ & UKPhoneBook Search for Sarah Launchbury & Jonathan Launchbury⁴

We question how Grenke’s “**enhanced due diligence**” came into play here: a situation where a former employee and current employee were working both sides of a hundred-million pound reseller scam. This also raises the question of how, when Viewble entered administration, Grenke continued to extend finance to Rhino Media victims, also arranged by Vision Asset Finance.

Our belief is that Jonathan Launchbury functioned as a Grenke liaison in Vision Asset Finance to oversee Viewble and Rhino’s dealings with Grenke. This is yet another example of Grenke turning a blind eye to the actions of resellers and employees.

Conclusion

Viceroy Research have handed this and other evidence over to the relevant law enforcement and regulatory authorities. The victims of these scams are seeking compensation and we believe this information proves beyond a doubt that Grenke and/or its employees were complicit in the fraud.

How did the same fraudulent reseller (Viewble Media , then Rhino Media) get on-boarded effectively twice? Grenke’s claim to be an unknowing victim of fraud is absurd as are their claims of “enhanced due diligence”.

² <https://www.linkedin.com/in/jonathan-launchbury-66426589/>

³ <https://www.linkedin.com/in/sarah-launchbury-7a50bb19a>

⁴ Search ukphonebook.com for “Jonathan Launchbury” and “Sarah Louise Launchbury”



and our more than 40 years of experience in this year. And unfortunately, this does not exclude the chance that we can become victims, victims of systemic fraud and isolated cases.

And however, the customer relationship mentioned in this report only accounted for about 0.1% of all customer contract at that point in time. We have terminated it at the end of 2018 as soon as we have realized what was going on. And we are working on solutions for all the customers affected the same as us by this fraud. We've also taken these incidents as an opportunity, of course, we want to further improve our onboarding and monitoring processes. It is a constant process for us, and this applied by the way for all business segments, not only for leasing, also for factoring and all bank.

Figure 6 Grenke Conference Call Transcript

Compliance was completely overlooked to approve millions of leases for worthless equipment, with any income from the leases now effectively uncollectible.

Investors should ask whether the inflation of Grenke's loan book with uncollectible and potentially fraudulently created leases was worth the regulatory nightmare currently unfolding in the UK. The UK's Financial Conduct Authority is currently examining evidence regarding Grenke's finance arrangements, and retailers bringing legal challenges to Grenke.

We believe that victims may have a claim against Grenke for being complicit and enabling the fraud. Had it not been for the "undisclosed" related parties and complicit nature of past and present employees, this fraud could not have been achieved. Viceroy question whether Vision Asset Finance, along with Grenke, have a legal fiduciary obligation to the victims of fraud under UK law.

We reiterate our belief that Grenke remains uninvestable. With so many regulatory and disclosure issues still unresolved and management remaining intransigent, we decline to issue a target price.



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