More than one million zlotys fine for Janusz Palikot and Polskie Destylarnie

* **Fallacious information about the market position of the company, failure to**
**communicate risks, non-existent loan crowdfunding and a fictitious competition are just examples of the challenged actions of the “Skarbiec Palikota” loan campaign.**
* **Promotional activities were mainly carried out on social media by Janusz Palikot, a member of the company’s board of directors.**
* **The President of UOKiK issued a decision in which he imposed a fine of PLN 950,000 on Janusz Palikot and of PLN 239,000 on Polskie Destylarnie, managed by Palikot.**

**[Warsaw, 6 August 2024]** Tomasz Chróstny, President of UOKiK, has charged Polskie Distylarnie [in ongoing proceedings](https://uokik.gov.pl/skarbiec-palikota-zarzuty-prezesa-uokik) with 6 charges of violating collective consumer interests. He also found Janusz Palikot, a member of that company's board of directors, liable for contributing to the violation of the law.

The doubts related to the “Skarbiec Palikota” loan campaign, where consumers could deposit money to provide the company with a loan for its further development. Promotional activities were mainly carried out on social media by Janusz Palikot, a member of the company’s board of directors, who personally encouraged to engage in
investments by organising, among other things, webinars for potential investors. After just six weeks, the company stopped paying interest on consumers’ loans and ended the loan campaign.

**In the decision issued, the President of UOKiK found as misleading:**

* Fallacious information about the market position and performance

In order to make their situation credible and encourage payment of deposits, Polskie Destylarnie provided false information on their website about the scale of their activities. The company boasted that it is “Poland’s leading producer of ethyl alcohol” and its customers include pharmaceutical, fuel, chemical and cosmetics companies. These claims were untrue.

The misleading information also referred to the potential returns from the investment. “You too will benefit from the increase in the value of Janusz’s companies – up to 50% of the profit that Skarbiec Palikota will generate after the fifth year of its operation will go into the hands of project participants”, “Skarbiec Palikota will bring together Janusz Palikot’s alcoholic businesses” – the company’s advertising materials argued. Although the only borrower under “Skarbiec Palikota” was Polskie Destylarnie, the company suggested that consumers would be able to participate in the profits of a wider range of companies. It also boasted of having a larger alcohol range than it actually produced, as well as accolades and medals that had been awarded to other companies.

The fallacious information related also to financial data. “We achieved PLN 56 million
in 2022, we are planning PLN 140 million in 2023” – this is what Janusz Palikot announced during one of his webinars about the turnover that the project he was organising was supposed to generate. He suggested that these were the financial figures of the borrower of the “Skarbiec Palikota” campaign. Meanwhile, as established by UOKiK in the course of the proceedings, the turnover of Polskie Destylarnie was – PLN 0 in 2022.

* Non-existent loan crowdfunding

When advertising the “Skarbiec Palikota” loan campaign, Polskie Destylarnie described it as “crowdfunding” and “loan crowdfunding”. Materials highlighted Janusz Palikot’s experience and successes in raising capital by this means: “A champion of crowdfunding. More than PLN 140 million – this is the amount that Janusz Palikot and the companies he manages and the managers around him have raised through various types of crowdfunding projects”. In reality, the company was misleading because the so-called Act on Crowdfunding did not apply to fund-raising under the “Skarbiec Palikota”. However, such information did not appear in any advertising material – it was only in the final section of the Project Charter
in the Disclaimer section. Consumers concluding loan agreements as part of the “Skarbiec Palikota” campaign did not participate in crowdfunding within the meaning of the Act, as the fund-raising did not meet the conditions set out therein. Consequently, the consumer,
as a result of entrusting the company with money, was not covered by the statutory protection.

According to the regulations, crowdfunding fundraising is supervised by the PFSA. Such activities are subject to the requirements provided for traditional capital market institutions. Among other things, the organiser must have its own capital and ensure an adequate standard of protection for investors’ funds. The loan is returned to the consumer with interest after a fixed period of time.

* Money from consumers spent to cover debts

For new assets and borrower rights, for specific purposes related to co-financing the operational activities of Polskie Destylarnie – this was supposed to be the primary purpose of disbursing consumer loans. Meanwhile, the money was not spent as suggested in the agreement. In fact, Polskie Destylarnie – contrary to their original declarations – rolled over their debts by diverting significant funds to entities linked to Janusz Palikot.

* Failure to communicate risks and highlighting only the benefits of investments

The President of UOKiK questioned the highlighting of benefits in advertising materials
and the omission of information about the investment risk, which could even result in the loss of all borrowed money. The communications suggested a guarantee of profit and security for the funds entrusted – for example: “You invest, make money, protect your funds from inflation and at the same time help internationalise our business”. The business model of Polskie Destylarnie did not provide consumers with any certainty or guarantee of profit payment. According to the agreement, it was Janusz Palikot's company that was the sole disposer of the money and decided solely on what it would spend it on. Consumers were not offered any real security for the money lent in return.

* Fictitious competition

Trips to New York, Paris and Marrakech, as well as a stay at Janusz Palikot’s mansion
and a luxury Rolls-Royce Ghost car – this was the prize pool awaiting those who would lend money to Polskie Destylarnie and submit new names for the company’s alcoholic products. This was the main content of the advertising material. Meanwhile, the winners of the competition were not selected and none of the prizes were awarded.

**Financial penalties**

The President of UOKiK imposed financial penalties of PLN 239,000 on Polskie Destylarnie for misleading consumers and of PLN 950,000 on Janusz Palikot, a member of the company's management board, because he intentionally allowed the violation of consumers’ rights. Polskie Destylarnie must inform investors of the decision issued by the President of UOKiK: by e-mail and by letter. The message is also to appear on Janusz Palikot's Facebook and Instagram accounts.

The decision is not final, and both the company and its manager may lodge an appeal to the court.