



Neutral Citation Number: [2019] EWHC 2732 (Fam)

Case No: FD13D05340

IN THE HIGH COURT OF JUSTICE
FAMILY DIVISION

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 17 October 2019

Before:

THE HONOURABLE MRS JUSTICE GWYNNETH KNOWLES

Between:

TATIANA AKHMEDOVA	<u>Applicant</u>
- and -	
(1) FARKHAD TEIMUR AKHMEDOV	<u>Respondents</u>
(2) WOODBLADE LIMITED	
(3) COTOR INVESTMENT SA	
(4) QUBO 1 ESTABLISHMENT	
(5) QUBO 2 ESTABLISHMENT	
(6) STRAIGHT ESTABLISHMENT	
(7) AVENGER ASSETS CORPORATION	

AND

(8) COUNSELOR TRUST REG.
(A trust enterprise registered under the laws of the
Principality of Liechtenstein as trustee of the trusts
set out in Part A of Schedule 1)

(9) SOBALDO ESTABLISHMENT
(an Anstalt established under the laws of the
Principality of Liechtenstein as trustee of the trusts
set out in Part B of Schedule 1)

James Willan (instructed by **PCB Litigation LLP**) for the Applicant
The Respondents did not appear and were not represented

Hearing date: 2 October 2019

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

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THE HONOURABLE MRS JUSTICE KNOWLES DBE

This judgment was delivered in private. The judge has given leave for this version of the judgment to be published on condition that (irrespective of what is contained in the judgment) in any published version of the judgment the anonymity of the children and members of their family must be strictly preserved. All persons, including representatives of the media, must ensure that this condition is strictly complied with. Failure to do so will be a contempt of court.

Mrs Justice Knowles:

Introduction

1. This short judgment is given following the return date of Mrs Akhmedova's application for freezing orders on 2 October 2019. It should be read together with my judgment entitled *Akhmedova v Akhmedov and Others (Freezing Orders: Without Notice Hearing)* [2019] EWHC 2561 (Fam) which explains the background to Mrs Akhmedova's without notice application for injunctive relief and the court's reasoning for granting the relief sought. References will be made to this judgment herein and any other judgment will be identified as appropriate. I shall refer to Mrs Akhmedova as "the Wife" and to Mr Akhmedov as "the Husband".
2. In summary, there has been long-running litigation consequent upon the breakdown of the marriage of the Wife and the Husband. In December 2016 Haddon-Cave J (as he then was) ordered the Husband to pay the Wife the sum of £453,576,152 in settlement of her financial claims in respect of the marriage. As I said in my earlier judgment, regrettably the Husband has not voluntarily paid a penny of that award and to date enforcement has only been possible in respect of a very small proportion of that sum (around £5 million or so). In a judgment dated April 2018, Haddon-Cave J described the Husband as engaging in an "*elaborate and contumacious campaign to evade and frustrate the enforcement of the judgment debt against him*". I will not further rehearse the history of the proceedings relevant to this application since it can be found in my earlier judgment.
3. I am grateful to Mr Willan for his skeleton argument and oral submissions. I have read an additional bundle of documents from the Wife provided by way of an update to the material I read for the without notice hearing. The Respondents did not appear and were not represented despite having been served and given notice in accordance with the provisions of the without notice order.
4. This judgment will address (a) service and notification of this application and the return date; (b) developments since the without notice hearing; and (c) the continuation of the without notice injunctive relief.

Service and Notification

5. The Wife took steps to serve the Husband in accordance with each of the four methods of alternative service permitted by paragraph 36(a) of the freezing order. The Husband did not receive the WhatsApp message probably because he had blocked the sender's telephone number and delivery at his office address in Moscow was refused. However, on 22 August 2019 the documents were successfully delivered to his personal email address without any "bounceback" and they were also delivered to his son's address in this jurisdiction on both 23 and 27 August 2019.
6. Steps were also taken to serve the Third Respondent ["Cotor"] in accordance with each of the three methods of alternative service permitted by my earlier order. Cotor's registered agent, a firm of Panamanian lawyers named Anzola Robles & Asociados, refused to accept delivery at its Panamanian offices (ultimately on the basis that there was no contact name given) and its fax machine did not respond. However, on 22

August 2019 the documents were successfully emailed without any “bounceback” to the email address published on Anzola Robles & Asociados’ website.

7. In accordance with my earlier order, the Eighth Respondent [“Counselor”] and the Ninth Respondent [“Sobaldo”] were given notice by emailing the relevant individuals with a copy of my order and an explanatory letter. No response whatsoever has been received from any of those concerned.
8. Formal service through judicial channels in Liechtenstein on Counselor and Sobaldo was not accomplished until 23 September 2019. It was delayed because of (a) the need to translate the lengthy documents into German which took about a fortnight; (b) the unexpected requirement for those documents to be verified by another translator who had to appear before a notary in England to swear an affidavit verifying the translations; (c) the transmission of the documents to Liechtenstein, and (d) the time taken for the court in Liechtenstein to grant an order for service and then to effect service.
9. Whilst the delay in service through Liechtenstein judicial channels is regrettable, I accept the Wife’s submission that this was driven by the strict formal requirements demanded by that method of service and by the volume of material. No prejudice has been caused to either Counselor or Sobaldo since both were in receipt of the freezing order identifying the hearing return date for over five weeks. Neither entity has asked the Wife’s representatives to provide any further documents or information and I observe that each has received the minimum seven days’ notice of the hearing required by the Family Procedure Rules r. 18.8(1) [“FPR”]. Counselor and Sobaldo’s failure to give disclosure within seven days of service as required by the freezing order suggests that they have decided to disregard my order. Finally, each received a copy of my earlier judgment by email on 27 September 2019.

Developments since the Without Notice Hearing

Liechtenstein Constitutional Court decisions

10. Shortly after the grant of the freezing order, the Wife’s Liechtenstein lawyers received copies of judgments issued by the Constitutional Court in respect of the complaints by Counselor and Sobaldo relating to the freezing and document seizure orders addressed to Bendura Bank (see paragraph 30 of my earlier judgment); and the complaints by various parties against the Wife being granted “private party” status in the criminal proceedings and the order permitting her to inspect documents.
11. In respect of the freezing and document seizure orders, the Court rejected the complaints and upheld the orders. I have read its judgment which provides certain additional and relevant information about the criminal proceedings, namely:
 - a. The criminal investigation by the Prosecutor has been extended to fraudulent bankruptcy and money laundering, in addition to the original suspected offence of thwarting enforcement. I note that those offences carry not inconsiderable terms of imprisonment under Liechtenstein law.
 - b. The Liechtenstein Financial Intelligence Unit [“FIU”] has issued reports on 26 February, 28 February and 2 March 2018 (documents numbers 108-110 on the

criminal files). Though the Wife has not seen those documents, the judgment reveals the FIU reports state that (i) Qubo 1 and Qubo 2 were regarded as beneficially owned by the Husband; (ii) the settlor of the Genus Trust, the Longlaster Trust and the Carnation Trust was the Husband; (iii) in autumn 2016 assets were transferred from Switzerland to LGT Bank. Funds were accumulated on the account of Genus Trust and transferred to its account with Bendura Bank. This is consistent with the oral evidence given by Mr Kerman in December 2016 that Cotor had transferred monetary assets from its UBS account in Switzerland to LGT in Liechtenstein; (iv) Longlaster Trust maintains an account with Bendura Bank AG since June 2017 with a credit balance of around US\$546 million (though it is not entirely clear if this is a current or historic balance). The Longlaster Trust has the same beneficiaries as the Genus Trust; (v) the Carnation Trust attempted to transfer US\$120 million to the Husband's account in Moscow but this was blocked by FIU. There were also transfers of US\$17 million to the Husband's Swiss account and US\$59 million to his Russian account.

12. I accept Mr Willan's submission that this information supports the inferences which the Wife invited me to draw at the without notice hearing particularly that (a) the Genus Trust was initially set up to receive the Monetary Assets and (b) those assets were then transferred through other trusts associated with the Husband with substantial amounts being paid back to him. Moreover, this information suggests that there are probably still valuable assets in Liechtenstein given that the FIU blocked the transfer of US\$120 million by the Carnation Trust.
13. Separately, the Constitutional Court rejected the complaints from Qubo 1, Qubo 2 and WalPart objecting to the Wife's private party status and access to certain criminal documents on the court file. As a result, she is now able to inspect documents 1-61 on the criminal files.
14. However, the Wife does not have access to the whole criminal file. Each application to inspect documents on the file needs to identify the documents to be inspected and, as documents are added, further applications become necessary. Each of these applications can be challenged all the way up to the Constitutional Court. Mr Willan told me that the Wife has made applications to access documents 62-282 and documents 283-363. The first application has been granted, in part, by the first instance and the appeal courts but is suspended pending a complaint to the Constitutional Court which may not be determined for another year. The second application has been granted by the first instance report and is presently before the appeal court. Mr Willan submitted that it appears that WalPart and its associated entities intend to exercise every appeal right to delay the Wife's access to this material.

Third Party Debtor Information under Liechtenstein Freezing Orders

15. Following an extended appeals process, Qubo 1 and Qubo 2 have exhausted their ability to challenge the orders requiring third parties to provide information in connection with the freezing orders granted on 28 December 2016. LGT Bank has now confirmed that, as at December 2016, each of Qubo 1 and Qubo 2 held minimal cash balances of about £25,000.

16. Stabiq, which was the secure storage facility at which it is believed the Artwork is held, has apparently still failed to provide the required information and thus is in breach of its disclosure obligation.

Developments in New York and Elsewhere

17. I remind myself that the Wife learned of two of the Liechtenstein trusts from disclosure in New York under 28 US Code 1782. On 16 September 2019, the Husband's lawyers applied to the Southern District of New York to discharge the orders and to prohibit the Wife from using any of the documents or information acquired in any pending or future proceedings. Mr Willan suggested that the Husband learned of the 1782 relief as a result of seeing the documents related to this application. The Wife's lawyers filed a response the following day and a ruling is awaited.
18. Separately, on 30 September 2019, the New York County Court granted summary judgment recognising, in part, this court's orders of December 2016 against the Husband, Cotor, Qubo 1, Qubo 2, Straight and Avenger. In summary, it recognised the capital element of Haddon-Cave J's order and dismissed various complaints made by the Respondents against that order.
19. Mr Willan also told me that the Wife had been granted summary judgment in the Marshall Islands in the sum of £125 million plus interest against Straight. This is stayed for thirty days pending an appeal. This is stayed for thirty days. If there is an appeal by Straight, the judgment will be stayed for longer, but Mr Willan told me that, in those circumstances, Straight is likely to be required to provide security pending the resolution of the appeal in the amount of the summary judgment.

The Wife's Application for directions in respect of certain documents

20. The Wife has received documents relating to the Husband's affairs, including potentially privileged and/or confidential documents. On 30 September 2019 she issued an application for directions, as indicated at the without notice hearing. This application has not yet been served on the Husband. In order to facilitate the speedy resolution of this application, I made suitable directions of my own motion and fixed an on notice hearing date in early November 2019.

Continuation of the Freezing Order

21. Mr Willan invited me to continue the freezing order. Neither of the Respondents, who were served with notice of this hearing and with the documents supporting the Wife's application, were present or represented. None of the developments since the order was made have changed matters adversely as far as the Wife's case is concerned. In fact, the information from the Constitutional Court supports the inferences I was invited to draw at the without notice hearing.
22. I accept Mr Willan's submissions. The reasons for granting without notice relief set out in my earlier judgment remain valid and have been reinforced by subsequent events. I have determined that the freezing orders should continue and I so order.

That is my decision.