

Neutral Citation Number: [2024] EWHC 1610 (Ch)

Case No: CR-2022-003280

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)
RE: GUEST SUPPLIES INTL LIMITED (CRN.07136485)
AND RE: THE COMPANIES ACT 2006

Royal Courts of Justice
Rolls Building
Fetter Lane
London EC4A 1NL

Date: 04/07/2024

Before :

ICC JUDGE PRENTIS

Between :

**MR YIANNAKIS CHAMBI (also known
as John Chambi)**

Petitioner

- and -

**1. MR ARISTOS ARISTODEMOU (also known
as Ari Aristodemou)**

2. GUEST SUPPLIES INTL LIMITED

Respondents

Gabriel Buttimore (instructed by Hill Dickinson LLP) for the Petitioner
Karl Anderson (instructed by Fahri LLP) for the First Respondent

Hearing dates: 16-19 April, 13 May 2024

JUDGMENT

ICC JUDGE PRENTIS:

Introduction

1. For some 5½ years John Chambi and Ari Aristodemou sat at desks opposite each other running the business of Guest Supplies Intl Limited (the “Company”) for, as Mr Chambi thought, their joint benefit. Given his personal financial struggles, he became increasingly bemused by Mr Aristodemou’s much more luxurious lifestyle. So when in March 2017 Mr Aristodemou treated his family to a £26,000 holiday to Florida, Aruba and St Lucia, Mr Chambi went to the Enfield branch of HSBC and began his investigations. On 27 December 2017, at the end of a party, he recorded secretly his confronting Mr Aristodemou with accusations of embezzling £1.1m from the Company. Promises to “sort things out” having been fruitless, Mr Chambi arranged a further meeting with Mr Aristodemou for 14 August 2018, at The Salisbury Arms, Winchmore Hill. Again recording secretly, he told Mr Aristodemou that his marriage had broken down, and demanded £750,000. Since then they have been involved in a multi-faceted dispute of unusual bitterness. It is as a result of Mr Chambi’s disclosures that there is a current COP9 investigation into Mr Aristodemou.
2. On 26 September 2022 Mr Chambi presented a petition under section 994 *Companies Act 2006* (the “Act”) (the “Petition”). Mr Aristodemou’s application to stay the Petition in favour of the Company’s proceedings in the Central London County Court under number H10CL319, to which Mr Chambi had been joined on 2 September 2021 (the “Central London Claim”), was dismissed by Deputy ICC Judge Passfield on 28 October 2022; and by order of HH Judge Monty KC in February 2023 the Central London Claim is itself now stayed. On 6 March 2023 Mr Aristodemou applied within the Petition to amend his points of defence dated 7 December 2022, and to withdraw his admission that Mr Chambi was a “shareholder, member or a transferee of shares” in the Company. At the CCMC on 7 March 2023 I granted the withdrawal and amendment, and ordered a preliminary issue in the following terms:

“the extent (if any) of the Petitioner’s and the First Respondent’s shareholding in the Company (the “Preliminary Issue”) which issue shall include:

- a. Whether the Petitioner is a member of the Company and/ or a transferee of shares in the Company and, if so, what is the extent of his shareholding and/ or what is the number of shares in respect of which he is a transferee.
- b. Whether the Respondents are estopped or barred through acquiescence from denying that the Petitioner is a shareholder and/ or member and/ or transferee of shares in the Company and the nature, effect and extent thereof and any remedy arising therefrom.
- c. Whether the register of members should be rectified and/ or reconstituted and if so whether this should be retrospective.
- d. Whether the claim to rectify the register of members is barred by laches or by s.128 of the Act.
- e. Whether (in the circumstances) the Petitioner has locus under s.994 of the Act to bring the Petition”.

3. This is the trial of the Preliminary Issue. Over its course the issues have narrowed in two respects. First, as Mr Anderson anticipated in opening and as Mr Buttimore accepted in closing, on the facts either there was an agreement or there was not, and an analysis through estoppel and acquiescence is going to be redundant either way. Secondly, as Mr Anderson conceded in opening, section 128 of the Act is not in its terms going to bar relief by entry on the register, as indicated obiter by ICC Judge Mullen in *Re B&S Partnership Ltd* [2023] EWHC 648 (Ch) at [23] (with whom I agree).

Law

4. This has been put shortly, and is not now contentious.

5. By section 550 of the Act directors of a company may exercise a power to allot shares in it; and it was for them to do so here.
6. By section 558 shares are “taken to be allotted when a person acquires the unconditional right to be included in the company’s register of members”.
7. Allotment is distinct from issue. As Lord Templeman said in *National Westminster Bank plc v IRC* [1995] 1 AC 119, 126, describing the Act’s predecessor:

“The Act of 1985 preserves the distinction in English law between an enforceable contract for the issue of shares (which contract is constituted by an allotment) and the issue of shares which is completed by registration. Registration confers title. Without registration, an applicant is not the holder of a share or a member of the company: the share has not been issued to him... A person who has been allotted shares is in as good a position in equity as a person to whom shares have been issued but that does not mean that there is no distinction between allotment and issue; an allotment creates an enforceable contract to issue and accept shares”.
8. A “member” of a company, as defined in the Act, is by section 112 either (1) a subscriber to its memorandum, deemed to become a member on its registration and who “must be entered as such in its register of members”, or (2) “Every other person who agrees to become a member of a company, and whose name is entered on the register of members”.
9. The members may therefore be subscribers to the memorandum, or those others who have agreed to become members and whose name is in the register either (for our purposes) consequent on allotment or on transfer.
10. It follows from the above that an allotment is only constituted when made in favour of an identifiable person. It cannot be used to create some equivalent to authorised share capital.
11. It is not now disputed that if the Court finds here that there was a specifically-enforceable agreement that Mr Aristodemou transfer two shares from his own

name to Mr Chambi, including execution by Mr Aristodemou of a share transfer form, then Mr Chambi would have the right to his name being entered in the Company's register of members.

12. While the clean hands point was initially put in relation to the estoppel and acquiescence claims, their engaging equitable jurisdiction, it could apply as well to the specific enforcement of any agreement. Mr Anderson has provided a quotation from *Snell* (34th edition) at 5-010:

“the question is not whether any general moral culpability can be attributed to B, the party seeking relief, but is rather whether relief should be denied because there is a sufficiently close connection between B's alleged misconduct and the relief sought. It is accepted therefore that ‘the scope of the application of the ‘unclean hands’ doctrine is limited’ and the maxim is applicable only in relation to conduct of B which has ‘an immediate and necessary relation to the equity sued for’, so that B is ‘seeking to derive advantage from his dishonest conduct in so direct a manner that it is considered unjust to grant him relief’”.

13. The obligation on a company to maintain a register of members is contained at section 113; an obligation which it is for its directors to ensure it meets. The Court nevertheless has the ability under section 125 to decide questions of title and “any question necessary or expedient to be decided for rectification of the register”. That can include a reconstitution of the register (which, in whatever names, both parties say is appropriate here, as if a register ever existed it has not been produced); and the dates of registration may in any event be retrospective: *Re Sussex Brick Company* [1904] 1 Ch 598, followed by Roth J in *Re I Fit Global Limited* [2013] EWHC 2090 (Ch).
14. That relief may be subject to the doctrine of laches, where there has been lapse of time in asserting a cause of action such that it would now be inequitable to grant relief on it. Mr Anderson cites the example of *Re ISIS Factors plc* [2004] BCC 359, in which Blackburne J determined obiter that he would have refused relief as the applicant had been “sitting back and doing nothing for seven years”. “Nothing” meant just that: no receipt of or request for a share

certificate, annual accounts, or notices of meetings; and ignoring letters for a call; until it turned out the company had become very valuable. While cases depend on their facts, those were extreme.

15. The importance of the Preliminary Issue is that it is only a member who has locus to present a petition under section 994, albeit that (as here) in an appropriate case that locus may be determined within the petition: see the recent collation of the law by ICC Judge Greenwood in *Re Contingent & Future Technologies Limited* [2023] EWHC 2451 (Ch).

The witnesses

Mr Chambi

16. Mr Chambi has been investigating Mr Aristodemou's affairs since March 2017. He began with a sense of grievance at their contrasting worldly fortunes which has only magnified. He has done all in his power to bring down Mr Aristodemou, among other things reporting him to the Police, Action Fraud and the Insolvency Service, and assisting some of the Company's debtors in resisting its claims to payment. He believes Mr Aristodemou to have diverted hundreds of thousands of pounds from the Company, effectively at his half-expense. The surprise in his evidence was not that he was on the lookout for traps in cross-examination, or that he had rehearsed his answers thoroughly, but that he gave his evidence calmly and with relative equanimity, trying to understand (and sometimes second-guess) each question. There were times, for example his story of how he appended Mr Aristodemou's electronic signature to a false employment agreement between himself and the Company (in the presence of Mr Aristodemou, as they experimented with whether it would work), when he lapsed from a straight account; and as that document shows, he was not averse to crossing the line himself on occasion. It is also the case, as with every witness at this trial, that events were a long time ago, poorly recorded, and, as to their legal effect, little understood then or now; but taken as a whole, his evidence was generally reliable.

Andreas Koumas

17. Mr Koumas was Mr Chambi's witness, principally as to what he had been told by Mr Chambi in 2011 as to his joining the Company. He was entirely open about being Mr Chambi's friend, indeed friends from school and best man at his wedding; and about falling out with Mr Aristodemou, whom he saw at some social events, in 2019, which was related to the Company and ended in court. He is a long-standing director of his own business, and gave his evidence fluently and convincingly.

Mr Aristodemou

18. Some way into his cross-examination, Mr Aristodemou described himself as "the shittiest witness ever". Mr Anderson characterised this as a mark of his frankness, but it was a rare one. His acknowledged failings did not seem to bother him. He was a witness who had no regard for the compass of truth. Instead, he simply wanted to do Mr Chambi down in any way he could, rejecting anything which he perceived might help Mr Chambi, and pouring forth his latest factual creations guided only by what he thought would be most detrimental to his opponent. His multiple changes in case will be addressed below; and with their multiplicity, parts of his versions I actually consider correct when set within the other facts. No doubt he is an emotional man, and he was riding on those; no doubt, also, he regards Mr Chambi as having done his utmost to ruin his life, personally and professionally. But the venom of his evidence, and of his threats against Mr Chambi, and indeed his legal team, was singular: the courtroom was filled at times with a heavy sense of impending violence.

Ioannis Trypatsas

19. Mr Trypatsas came from Cyprus, where he is now exclusively a businessman, to give evidence. While he tried his best, his evidence was hampered by linguistic difficulties, but also by what appeared a hovering concern that the use of the money in his Bank of Cyprus account in England had been legitimate (whether from an English or Cypriot viewpoint), and by a growing

sense that Mr Aristodemou might not have been frank with him. His evidence must be approached with caution.

Jack Koushi

20. Mr Koushi was treated as the elder among the group of friends to which Mr Chambi and Mr Aristodemou belonged, and gave his evidence in a measured way. He had taken a sensible approach to the dispute between the two, telling Mr Chambi he needed good evidence for his serious accusations, and being keen that the matter should be resolved. He was admittedly surprised by some of what he heard in court. Although Mr Aristodemou is his “close friend”, he had not discussed the ins and outs with him, and so his evidence, which I accept, did not take matters further. Unlike Mr Buttimore, I do not think that his statement that in 2011 Mr Aristodemou was unconcerned by the forthcoming criminal trial was made because he had been tutored overnight.

Reynolds Ofori-Koree

21. Given the breakdown between them in 2011, it was surprising to have a statement on Mr Aristodemou’s behalf from Mr Ofori-Koree; but it was unchallenged, and is therefore accepted in full.

The findings

22. The Company was incorporated on 26 January 2010 as a vehicle to carry on the existing business of Corporate Leisure Supplies LLP (the “LLP”), in which Mr Aristodemou and Mr Ofori-Koree were equal partners. Each was appointed a director on incorporation, and each received a £1 share. By section 112(1), each was therefore a member of the Company in respect of that share. Mr Ofori-Koree says that, as with the LLP, he and Mr Aristodemou had an executed agreement “to reflect our equal ownership of the business”. That for the Company has not been produced, but Mr Aristodemou says it covered hours of work and responsibilities and suchlike.

23. The LLP and the Company operated as suppliers of branded items, manufactured in China, to luxury hotels, including the Ritz, Claridge's, and the Four Seasons in London, Paris, Dublin, Budapest and Prague. While the range grew to 126 items including umbrellas and laundry bags, it had begun with slippers after Mr Aristodemou had left Thames Valley University with a degree in hospitality and business management. The LLP had been incorporated on 13 February 2002, by when Mr Aristodemou had "featured in Who's Who- Young Business Leaders for three successive years". Mr Ofori-Koree joined in 2003 to expand the business. He had a Masters in hospitality and business management.

24. It had been the LLP's accountants, LessTax2Pay ("LessTax"), who recommended incorporation of the Company. It did not, though, start trading immediately, filing dormant accounts for the period to 31 January 2011. Mr Ofori-Koree was removed as a director the day after incorporation, as HSBC said that his credit rating would prevent the Company from receiving an invoice financing facility. He was re-appointed on 9 May 2011. A further share had been issued to each on 7 December 2010, to provide more flexibility. Again, there is no controversy but that Mr Aristodemou (and Mr Ofori-Koree) became a member in respect of this allotted share, under section 112(2). We have copies of the (albeit unsigned) share certificates following this issue, recording that each of Mr Aristodemou and Mr Ofori-Koree is the holder of two shares, the certificates numbered respectively 3 and 4; which indicates that there was then a share register, as would be expected as LessTax continued to deal with the Company's accounts and records, as it did until around 2019. Mr Aristodemou developed a friendly relationship with its principal, Ray Fagan, who died in 2019, who with his daughter, Nicola Sorrell, dealt with his personal and business accounts until replaced by Pronumero, whose lead accountant George Georgiou died this February.

25. Mr Chambi did not have Mr Aristodemou's educational advantages. They had met in around 2000 when Mr Chambi was helping a friend with the UK Greek Business Directory and also acting as a project co-ordinator at RadioMarathon, a charity for children with special needs. He says he and Mr

Aristodemou became “close friends”, an epithet also applied by Mr Koumas, although “pretty close” was his oral qualification. Mr Aristodemou says they were “not friends- more acquaintances”. Counsel agree that nothing turns on the precise relationship, but for many years Mr Chambi and Mr Aristodemou were part of the same group of about a dozen-and-a-half friends who met once or twice a month, partied together, and attended each other’s weddings in, respectively, August 2011 and March 2007. As both said, in September 2011 they trusted each other. By then Mr Chambi, having left RadioMarathon in 2006, had been managing his own properties and “trying to do different things with commodities”, which involved travel to Africa.

26. Mr Aristodemou had a shock on his return from Mr Chambi’s wedding. The Company’s warehouse had been denuded, and its funds withdrawn from its account. Mr Ofori-Koree had disappeared. Although Mr Aristodemou says that in early July 2011 he and Mr Ofori-Koree had a meeting at which he had agreed to leave as they had had a “falling out”, it was hardly on these terms.
27. In his statements of case Mr Aristodemou seeks to portray his offer to Mr Chambi to join him in the Company as calm and rational: Mr Ofori-Koree had already agreed to leave, and indeed resigned as a director on 1 August 2011; Mr Aristodemou needed someone else to help with management and day-to-day operations; he knew and trusted Mr Chambi who he believed had worked at Penhaligon’s generating £50-60,000 a month in sales, including to hotels, and who now wanted to learn the ropes of an import/export business such as his. More, by August 2011 Mr Aristodemou not only knew that Mr Ofori-Koree was setting up another business, but had agreed to provide a loan to assist with that. The hiring of Mr Chambi was, as Mr Aristodemou said in his witness statement, a “pure business decision”.
28. Against the raw fact of the unapproved asset-stripping, that interpretation cannot be accepted. Mr Aristodemou’s witness statement confirms their falling out such that they “were not really speaking to each other”; and in July 2011 he had already found Mr Ofori-Koree diverting the Company’s items and invoices to his new company, Hoffman & Koree Ltd. It is notably silent about the loan. Both his original and amended points of defence had asserted

that as “Mr Ofori-Koree’s new business did not financially perform as well as anticipated... [he] could not afford to repay the sums lent to him by [Mr Aristodemou]”, so instead transferred to him “on 11 October 2011” his two shares in the Company. On this account there was therefore a loan made on a short term basis, and satisfied.

29. On Friday 12 April, my reading set for the Monday and the trial to commence on the Tuesday, Mr Aristodemou issued an application for permission to reamend his points of defence in a form sent to Mr Chambi on 28 March. Consensually, that application was made but not determined at the outset of trial; but everyone has treated the reamendment as being his present case.
30. The reamendment continues to aver that Mr Ofori-Koree’s new business did not perform as expected, but after confirming the falling out in July 2011, simply removes his inability to repay the loan, and with it both the implication that a loan was ever made, and that its forgiveness was why he transferred his shares, in the new version “on or shortly after 11 October 2011”.
31. What also points to Mr Aristodemou’s urgent need to find a new colleague in September 2011 is that, as he recognises in his statement, one of the reasons for Mr Ofori-Koree’s disquiet in July 2011 was that “at around that time (i.e. summer 2011) I was being investigated by the police and had been charged in relation to an alleged conspiracy to handle stolen goods”.
32. This was a significant prosecution in which Mr Aristodemou was one defendant among many, having been charged in about February 2011 (so, around the time the Company began to trade in place of the LLP). Mr Koushi perceived Mr Aristodemou as unconcerned by it, but he was probably good at putting on a tough-guy attitude in public (his group already knew him as “Harry Crook”, a joke he lived with). We know from Mr Ofori-Koree that there was every reason to be concerned, and in a rare example of a disclosed email there is one to him from Mr Aristodemou of 1 July 2011, raking over their relationship and including this:

“From disclosure yesterday it would seem that my time is limited before I must face up to the reality of being away from my family for 2 years. I

made you aware of this 2 months ago NOT because you were my business partner but because you were my friend. Maybe my only friend that I could have told you everything I did... What you haven't grasped and hopefully never will encounter is the deep feeling of pain and helplessness of deep down knowing that you're going to be away from your family for a long time, miss the magical moments of their life... How will my family survive?? Obviously not your concern but by your own admission you've been putting a lot more business through your own company in the past 2 months”.

33. Mr Aristodemou said that by September 2011 matters were more positive, as the relevant vehicle (another business of his was exporting luxury vehicles to Cyprus) was found not to be stolen so nine counts had become three. There is no need to understand that statement beyond its generality, but the prosecution remained. His July email belies his averment that he was not concerned as he was confident he had not committed an offence.
34. In September 2011 he was therefore left alone with the relics of a business, facing prison and the need to provide for his family were that his destination.
35. Mr Chambi's account, that on about 12 September 2011 Mr Aristodemou approached him, met him at the warehouse, told him about the criminal case, said “he needed someone he could trust to join him and run the Company in his absence if he went to jail” so as to provide for his wife and children, and that he was the most trustworthy person he knew, is therefore the more convincing; particularly as his Penhaligon's job had actually been in 1995, lasted for 12 months, and not been in sales. I also accept that the matter was put to him as one of urgency: three days to decide, as Mr Aristodemou said he was under “immense pressure”.
36. What were the other terms of the agreement, pursuant to which Mr Chambi joined the Company in the second or third week of September and of which he was appointed director on 11 October 2011?
37. Mr Aristodemou says little, other than that there was no agreement to give Mr Chambi shares.

38. Mr Chambi's evidence, though, is full and cogent as to the 12 September meeting and other meetings that month and next. He was told that the Company had no substantial funds, and neither, given the criminal case, did Mr Aristodemou. Mr Chambi would therefore be expected to provide some funding as and when necessary. Neither would be paid any wages or salary or dividends for at least three years. But Mr Chambi would become a director of the Company, and with Mr Aristodemou a 50% shareholder.
39. Mr Aristodemou says he would obviously never have reached such an agreement, giving away half the business he had spent his working life creating to someone he barely knew and who was untested. "I wish to make clear that I was not at any point considering giving John shares... nor was this ever discussed". Mr Chambi agrees that he and Mr Aristodemou discussed how another company in the same business had recently sold for £9m, so that would be their three-to-five year aim. But that was far from the Company's present state. It had only been trading in its own right since some point after January that year. Its partners who had carried on the business up to then had fallen out; Mr Aristodemou was facing criminal charges; and while it had a good client base there was little left on the warehouse floor or in its bank account. Success was a speculative distance away. From his perspective, Mr Chambi was also giving up his existing living (although it is not clear how successful that was) to enter a risky venture which was likely to require funding from him and was not going to provide any earnings, at a time when he was just married and had to think about provision for his new family, including acquiring a matrimonial home. As he said, "There would be no incentive for me to join the Company if I did not have a shareholding".
40. Mr Aristodemou's variant factual line, that they had talked about how if "it worked well, we could explore the possibility of closing [the Company] in several years time and transferring the business over to a new company, in which at that stage we could discuss a potential partnership or jointly owned company" is a vastly unlikely basis for Mr Chambi's involvement, given his own position; perhaps a bit of something, but not the Company, several years away.

41. On 11 October 2011 there was a meeting between, all are agreed, Mr Fagan and Mr Aristodemou. Mr Chambi says he was there as well. That looks right. On 26 September Mr Aristodemou emailed Mr Fagan, copied to Mr Chambi, asking to arrange a meeting the next week. On 3 October he emailed Mr Chambi Mr Fagan's address, with "His name is Ray. Be there for 1pm". Mr Chambi's diary has an entry for a meeting on 4 October with Mr Fagan, recording 1pm and his address, which Mr Aristodemou said he could not attend as it was his daughter's birthday. His diary also, though, has a meeting for 1pm on 11 October with the note "See acct- refer to 4th for address", and a screen shot of his mobile shows a text from Mr Aristodemou confirming a meeting at 1.15pm that day.
42. Mr Aristodemou says that Mr Chambi could not be at any meeting on 11 October as he and his wife had hired a car for the day to drive to Oxford to celebrate his 40th birthday. There is an impressive level of precision in that, but it is more likely that the recollection of Mr Chambi is correct, that his wife as a deputy head principal at a school could not take the day off; and that of Mr Koumas, who having already been told by Mr Chambi that he was "to become equal partners and a director in the business" with Mr Aristodemou, was told that day (which he remembered, as it was his friend's 40th) that "he accepted Aris's proposal and now owned half the business". "Half of a business worth nothing", he, the businessman, had teased.
43. Mr Chambi says the meeting was to complete the necessary documents for his directorship and shareholding; that he signed various documents but no longer recalls what; and that at the end Mr Aristodemou shook his hand with words like "congratulations" and "welcome on board". He then went about telling his wider friends and family he owned half the business, as he was proud.
44. One result of the meeting was that Mr Chambi was appointed a director of the Company. The same day LessTax filed at Companies House the AP01 recording his appointment, and retained the manual version, signed by Mr Chambi and Mr Aristodemou, and marked at the top "Filed 11/10/11".

45. It is probable that Mr Chambi put his signature on that on 11 October, as there is a note on LessTax paper of that date, giving his name, address and contact details, his previous directorships and, in a different hand at the bottom, what may be security details: his father's and mother's name, and place of birth. Mr Aristodemou said that the main block was written by Joe Abbott, and the bottom section by Betty, both of LessTax. For reasons which are not obvious, he was insistent that he had written the company name in the top right corner, although to the casual eye it looks to be in the same script as the main block.
46. Interestingly, the last word in the main block is "Issue". That word can only relate to shares. One other result of this meeting was that LessTax wrote to Mr Ofori-Koree at his sister's address that same day, seeking return of his shares; and from their file is a scrap of lined paper with her name and address, and "Typing away" at the top, and "Send recorded 11/10/11" at the bottom. Mr Aristodemou has tried to make something of the fact that Mr Chambi could not have been transferred two shares on 11 October, as the only shares available would be his own, Mr Ofori-Koree not yet having transferred his (although, as above, until reamendment his case was that he received Mr Ofori-Koree's shares that day). But Mr Chambi's case is more subtle: it is not that he became shareholder on that date, but that it was confirmed then that he would become one; and he recollects (acknowledging he might be right or wrong) that papers were signed then concerning this.
47. A candidate for such a piece of paper is the undated stock transfer form, apparently signed by Mr Aristodemou, although Mr Chambi was not aware of the document at that date. By disclosure from Mr Aristodemou on the afternoon before trial, we now also have a version of the same document dated 14 November 2013. The metadata for the undated version gives a date of 18 November 2013, although that need only be a date of scanning into PDF form.
48. As further indication against there being any agreement, Mr Aristodemou observes that what was not forthcoming from the meeting was a shareholders' agreement of the sort which he already had with Mr Ofori-Koree. That is right, although neither was there any service contract, which might have been thought a more central document; and after all, his agreement with Mr Ofori-

Koree had done little good either in controlling behaviour or as a mode of ensuring swift retransfer of shares. Also, Mr Chambi's appointment was time-critical, and Mr Aristodemou's negotiating position limited.

49. On 20 October 2011 Mr Aristodemou sent replies to HSBC, which had asked whether the stock had been insured, and about "the stake from the new partner joining the business" and "the status of the existing partner, whether he has been laid off from the business". Mr Aristodemou wrote that there was insurance, and "I am awaiting feedback from metropolitan police before making the claim"; "the new partner mr john chambi does not yet hold a stake in the company. He's been made a director with a view to becoming a stakeholder in time"; and "Reynolds is no longer a director or stakeholder".
50. That is not consistent with no discussions as to shareholding, but is consistent with a request having been made of Mr Ofori-Koree for the return of his shares which had not yet been received. Mr Chambi, who was copied in, says he asked Mr Aristodemou what "stakeholder" meant, as he did not know, and was told it meant shareholder; but that as he was not yet recorded at Companies House as shareholder, as the 11 October documentation was still going through, he could not be called such.
51. On 24 October Mr Aristodemou emailed Mr Fagan to ask "Have you had any feedback from letter sent to Reynolds?". Again this was copied to Mr Chambi, as if he had an interest in the answer: he was not routinely copied into emails with LessTax, with whom Mr Aristodemou dealt.
52. He was, though, copied into Mr Aristodemou's email of 8 February 2012 to Mr Fagan, returning a signed copy of the Company's annual return to 26 January 2012 prepared by LessTax, and noting that "Reynolds seems to have transferred his shares on 11/10/2011. Can you confirm this?". That was the date in the return, although from the history above we know it was inaccurate. Mr Ofori-Koree says he transferred his shares to Mr Aristodemou "within a few weeks or a month or two" after the October request.
53. This is probably a high point for Mr Aristodemou's case. If, as I think, there was already an agreement that he and Mr Chambi should be equal

shareholders, and if, as is likely, Mr Chambi was therefore to receive shares once Mr Ofori-Koree had transferred his, then it is surprising that Mr Chambi should not have at the least expressed concern at the Annual Return which recorded the transfer from Mr Ofori-Koree to the benefit of Mr Aristodemou, and his now holding all four shares. His evidence, though, is that he was not aware of the Companies House entries themselves until August 2018, after he had started his investigations (which is irrelevant to this); that he relied on Mr Aristodemou in these matters, including for explanations; and that he recalls other communications around this time, which have not been disclosed, which referred to their 50: 50 status. It is agreed that in business correspondence Mr Aristodemou referred to him as his partner (although of itself that is a nebulous word). It seems that Mr Chambi had sufficient comfort as to his status.

54. It was around now that Mr Chambi paid the Company's rent to the landlords. The trial in February having resulted neither in conviction nor acquittal for Mr Aristodemou, but the prosecution not seeking a re-trial, he had resumed his place at the head of the Company. On 5 April he wrote to Mr and Mrs Papakyriakou, referring to his "business associate" Mr Ofori-Koree's having stolen £38,700 in cash and £88,800 of stock: "You can see for yourself and you have as well mentioned that all the stock has gone from our unit... The only stock here now is what I've managed to bring in using money borrowed from the bank as a trade facility. I have brought in a new business partner, Mr John Chambi who you are fully aware paid the last quarter rent from his own personal money because the company cheque I gave you did not clear". Mr Chambi was repaid swiftly, but his payment is consistent with his case. Between November 2011 and January 2013 he introduced £30,180, and was paid salary or remuneration of £21,619. Until a dividend, or at least payment, of £5,000 in September 2014, he received no salary or remuneration in the intervening period; another £10,000 was paid, as dividend or otherwise, in December 2014.
55. Mr Aristodemou says that after his acquittal and full-time return to the Company, the business "began to develop well", although he regarded Mr

Chambi as indolent and someone for whom jobs had to be created; he had brought in only a £3,000 sale (Mr Chambi says the figure was about ten times that). By the end of 2012 it had about £500,000 of contracts, but required £150,000 to fulfil them. He therefore sought funding, from Mr Chambi, and from Mr Trypatsas.

56. The events around 14 November 2013 and the allotment of two further shares in the Company can first be put into the perspective given by Companies House filings. We have already had reference to the annual return to 26 January 2012, with Mr Aristodemou holding four shares. That was also true of 2013's.
57. On 14 November 2013 there was filed an allotment of two £1 paid-up shares, effected the same day.
58. The 2014 annual return stated there were six shares in issue, four held by Mr Aristodemou, two by Mr Chambi. That has stayed the same over the subsequent returns and confirmation statements until 2023's (and therefore over two sets of accountants). 2024's has been outstanding since 9 February 2024.
59. Mr Chambi thought it was possible he was involved in the submission of the annual returns showing four plus two, but they were really dealt with by Mr Aristodemou and LessTax (while they were the accountants). As with other Companies House filings, he did not see them until August 2018.
60. For Mr Aristodemou these returns, year after year showing Mr Chambi as a shareholder (even if two of six rather than equal), create a significant problem. His resort was an obvious falsehood: that from 2014 and onwards, he did not see them; obvious, because there is a letter from LessTax of 30 January 2014, enclosing the draft return, sent to him at his home address, and asking him to "Please check the form carefully and provided you are satisfied that the information on the form is correct, you should sign...". We know he read these forms from his query on 2012's. We have his signature on 2014's, from LessTax's file; and its copy has on the front "Filed 6/2/14". His answer? The signature is "fabricated", probably applied electronically by Mr Chambi (as

with the other signatures he now disputes, although none of them matches another). Absent some detailed explanation as to what he did on receipt of the letter, that is absurd. 2015's was again submitted by Mr Fagan, with an electronic signature from Mr Aristodemou (or to be more precise, from his computer; and both he and Mr Chambi said each used the other's on occasion; but again, details even of how Mr Chambi became aware of this document are non-existent). The Adobe Document History for 2016's shows it was created by Mr Fagan on 14 March 2016 (probably meaning stored), sent to Mr Aristodemou at his work email the same day, and viewed, e-signed and returned by him to Mr Fagan the next day.

61. There is therefore no plausible explanation from Mr Aristodemou for why on formal documents he was from 2014 repeatedly acknowledging Mr Chambi as holding two shares in the Company if he did not believe that to be true.
62. It is also necessary for him to explain both the undated and the dated stock transfer forms, transferring two shares from himself to Mr Chambi.
63. Even before disclosure of the dated stock transfer form, Mr Chambi's primary case, which it is of course for him to prove, has been consistent: pursuant to the agreement of September 2011, the undated stock transfer form was created on 11 October 2011, or on about 14 November 2013; and on dating served to transfer two shares from Mr Aristodemou to himself; the allotment on 14 November 2013 was never of legal effect, as Mr Chambi as director did not approve it; and hence he is the holder of two shares, equally with Mr Aristodemou. The allotment is also now said to be ineffective as lacking an allottee.
64. Mr Aristodemou's witness statement implausibly proclaims that "I have not needed to examine any documents to help me recall the central features of this case".
65. His points of defence, dated 7 December 2022, propounded the following.

65.1 No instrument of transfer existed by which either Mr Aristodemou or Mr Ofori-Koree had transferred shares to Mr Chambi. (As it now appears, that

was thoroughly inaccurate, LessTax having sent Mr Aristodemou the dated stock transfer form on 26 November 2021.)

65.2 In November 2013 it was agreed that “the Company would allot 2 new shares to the Petitioner on the condition that he would secure third party working capital funding for the Company and that he would pay the sum of £75,000 for the purchase of the 2 shares”.

65.3 As he did not pay the £75,000 he never acquired the right to allotment, and the Companies House filings showing him as the holder of two shares were therefore “erroneous”. (The pleading is silent on the meeting of the other condition, the securing of third party funding in an unspecified amount).

65.4 It seems that by “allotment” was meant issue, a recurring confusion in this case. So, paragraph 16.3 of the points of defence said that “The two additional shares were issued but, in circumstances where the Petitioner never acquired an unconditional right to be registered as a shareholder, were never allotted to him or any other person”.

65.5 Despite that, it is said that Mr Aristodemou ought to be shown as the holder of “either 4 or 6 issued shares”: the four is comprehensible, the six not.

65.6 During 2013 Mr Aristodemou discussed with Mr Trypatsas “the possibility of the Company obtaining financing” from him, and “explored the possibility of Mr Trypatsas acquiring a shareholding... as security for any sums lent... However, Mr Trypatsas was not confident in the future profitability of the Company and refused to agree to loan funds for an allotment of shares in the Company”.

65.7 “It was never agreed, whether in principle or otherwise, that Mr Trypatsas would become a shareholder in the Company”. (This was in response to Mr Chambi’s case that “on or around 14 November 2013” there had been such an agreement “in principle” between the three of them; that Mr Trypatsas would remain a shareholder until his loan had been repaid, and then transfer one share to each of the others; which terms were reflected in a

Memorandum of Understanding produced by Mr Chambi in November 2013 (the authenticity of which Mr Aristodemou then and now denies)).

66. On 17 February 2023 Mr Aristodemou on behalf of the Company signed as true a Part 18 response in the Central London Claim. The answers were to the broadly-expressed question: “How and when is it alleged that Mr Aristodemou acquired 66.7% of the issued share capital in the [Company]?”.

66.1 On 14 November 2013 two shares in the Company were allotted to Mr Aristodemou “such that he held all 6 shares”.

66.2 Shortly thereafter, Mr Aristodemou transferred two of the six shares to Mr Chambi, such that the shareholdings were four and two, as recorded in the Company’s annual returns from 2014 onwards.

67. The allotment was therefore for Mr Aristodemou rather than intended for Mr Chambi, who is now said to have acquired his interest by transfer from Mr Aristodemou. That interest was not on this account qualified or negated by payment of £75,000 and securing of third party funding (which Mr Aristodemou had said was not met). Mr Trypatsas had no intervening interest. The 2014 and onwards annual returns and confirmation statements were relied on as accurate.

68. This account is not one which can be brushed off, as Mr Aristodemou did in cross-examination, as a “mistake”. As Mr Buttimore points out, on the day it was signed Mr Aristodemou’s solicitors, Fahri, wrote to Hill Dickinson, Mr Chambi’s, to inform them that on 26 January 2023 LessTax had provided documents including an undated stock transfer form, attached to the 14 November 2013 SH01 and with a metadata date of 18 November 2013. (In fact, as above, Mr Aristodemou had already been sent the stock transfer form dated 14 November 2013 by LessTax on 26 November 2021, but he was not to pass that to his solicitors until 26 December 2023). This fresh account of Mr Aristodemou’s recollection must therefore have been borne of three weeks consideration. That is not just an implication from the passage of time, but from its acknowledged consequences: the letter went on to aver that Mr

Aristodemou's application to strike out the Petition for lack of standing must "fall away".

69. Less than a month later, on 13 March 2023 Mr Aristodemou filed his amended points of defence in the Petition, together with a counterclaim for a declaration that he was "the beneficial owner of all 6 (alternatively 4) issued shares in the Company. Alternatively... of 4 of 6 issued shares in the Company", and "To the extent necessary, an order rescinding the purported transfer of 2 shares" by him to Mr Chambi.

69.1 The November 2013 allotment agreement was now for allotment of two shares to Mr Aristodemou (as in the Part 18 response). Mr Chambi "was aware of and approved" that allotment, and the two shares were issued to Mr Aristodemou on 14 November 2013.

69.2 It was also agreed that he would then transfer two of the issued six shares to Mr Chambi, on the conditions as before (but not in the Part 18 response), but still specifying that the £75,000 was to be paid to the Company, despite Mr Aristodemou being the transferor.

69.3 Mr Aristodemou "signed a stock transfer form shortly after the allotment on 14 November 2013 which purported to transfer 2 of the 6 shares held by [him] to [Mr Chambi] pending satisfaction of the conditions for transfer... In the event, however, and in breach of the aforementioned understanding/agreement, [Mr Chambi] failed to pay the sum of £75,000 into the Company and failed to secure the promised third-party funding".

69.4 Further, the board "did not approve the registration of the stock transfer form; [Mr Chambi] was never entered in the Company's register of members; and no share certificate was ever issued to [him]", so he never obtained legal title to the two shares.

69.5 Also, he "at no stage obtained a beneficial interest in the two shares", as he never complied with the two conditions, now described as "and/or".

69.6 Alternatively, if he obtained a beneficial interest, Mr Aristodemou “is entitled to an order for rescission of the transfer for mistake and/ or fraudulent misrepresentation, as further particularised below”. Those matters have not been pursued at trial, but the mistake was that Mr Aristodemou’s execution of the stock transfer form was in the belief that Mr Chambi would comply with the conditions, which compliance Mr Chambi had falsely represented, and fraudulently so, as “he knew it was false, or did not believe it to be true, or was reckless, not caring whether it was true or false”.

69.7 So “all shares in the Company are owned legally and beneficially by [Mr Aristodemou] and... [Mr Chambi] therefore lacks the necessary standing to petition for relief under section 994...”.

69.8 Alternatively, the shareholdings are four and two.

69.9 Untouched were the parts concerning Mr Trypatsas’ lack of interest.

70. By the draft reamended points of defence we have this account.

70.1 “...it was agreed in around late 2012 or early 2013 that [Mr Aristodemou] would transfer shares in the Company to [Mr Chambi]” on the conditions (as expressed since the original points of defence) of his securing third party working capital funding (in an unspecified amount) “and” paying £75,000 for the shares. There are three novelties: the date of the agreement; that (remarkably) the agreement is no longer for two shares, or any specific number of shares; and that the transfer is no longer to post-date any allotment.

70.2 Mr Aristodemou now denies signing the stock transfer form.

70.3 The November 2013 allotment having been first in favour of Mr Chambi, then next of Mr Aristodemou, it is now said (in contrast to the previous certain treatment of Mr Trypatsas) that “the two additional shares were issued in preparation for them being allotted to Mr Trypatsas” (it must be allotted and then issued). There is also retained the statement that Mr Chambi “was aware of and approved the allotment of the two additional shares”, with “to the First Respondent” struck through and not replaced.

70.4 The allotment to Mr Trypatsas was “as intended security”. Retained from the original points of defence are the conversations during 2013 with Mr Trypatsas, and the exploration of the “possibility” that were he to provide finance then shares in the Company might be security for the loan. We also now have “Following discussions between [Mr Aristodemou] and [LessTax] in around November 2013, two additional shares in the Company were issued [ie, allotted] in preparation for them to be allotted [ie, issued] to Mr Trypatsas as security for the loans”.

70.5 It is then said that at a meeting in around December 2013 with Mr Aristodemou and Mr Fagan, Mr Trypatsas agreed (as had been averred originally) to make the loan, the security for which was (as before) a personal guarantee from Mr Aristodemou, also secured on a property which he owned.

70.6 Struck through is Mr Trypatsas’ refusal to lend “in consideration for an allotment” because of his doubts about the Company’s future profitability. Instead, at the meeting Mr Aristodemou proposed that Mr Trypatsas “should take the 2 additional shares which had been allotted... However, Mr Fagan informed Mr Trypatsas that those shares would not by themselves represent sufficient security, given that the value of the Company was less than the sums which Mr Trypatsas had agreed to make available”. So Mr Aristodemou gave the guarantee.

70.7 It is then pleaded that Mr Aristodemou “was not aware at the time” whether the two shares had “validly been allotted to Mr Trypatsas following the meeting”. “Allotted” here actually sounds right. While the pleading is pregnant with prevarication, Mr Aristodemou does not seek any relief which recognises Mr Trypatsas as a shareholder. Mr Anderson’s trial skeleton stated that the two shares were allotted “with a view” to being issued to Mr Trypatsas, “However, that [issue] never took place. Either the shares then simply existed in abeyance pending further action from [the Company’s] board, or else the allotment was a nullity. In either case, [Mr Chambi] did not obtain title to any shares at this stage”.

71. It will be seen that one of the difficulties in finding that there was any valid allotment is identifying when it is said that Mr Chambi and Mr Aristodemou as directors of the Company agreed to it; absent which the allotment was invalid.
72. The alternative validity issue is in what sense the allotment was to Mr Trypatsas (as the latest-identified potential contractor); as to which there is here no direct statement, nor even any such relief sought. (It is to be noted that a case which Mr Aristodemou has not run is that there was an effective allotment to him as trustee or agent for Mr Trypatsas).
73. By concession in closing Mr Anderson accepted that there was no valid allotment. On either basis that was correctly made. It is still necessary, though, to examine the evidence because intertwined is the question of what if any rights Mr Chambi can establish to the four shares actually in issue.
74. To return to the narrative, by the end of 2012 the Company had a need for £150,000 to fulfil contracts worth £500,000. How the opportunity remained on foot for so many months nobody has explained, but Mr Chambi and Mr Aristodemou are agreed that the Company required working capital over the period to meet it.
75. The precise chronology leading up to November 2013 does not matter. Mr Chambi's recollection is that it was at the end of 2012 or early 2013 that Mr Aristodemou suggested that the Company could borrow from Mr Trypatsas; which is now the same date range as Mr Aristodemou avers for the conditional share sale agreement between him and Mr Chambi. He also thinks that in June or July 2013 there was a three-way call to discuss a possible loan, but otherwise these were Mr Aristodemou's discussions.
76. In his witness statement Mr Aristodemou recollected that the talks with Mr Trypatsas post-dated his discussions with Mr Chambi and the agreement that he would put in money. He says that Mr Chambi told him he knew someone who could help, and that he could put in £75,000 of his own money. Mr Aristodemou said that if he could do both "I would transfer him shares in the

Company which reflected his contribution to the business”; but this came to nothing.

77. In cross-examination Mr Aristodemou said that these discussions started around Greek Easter, which he confirmed was Old Calendar (and hence 5 May 2013). Asked if he thought Mr Chambi could afford £75,000 he said “I believed he could raise it”.
78. Although the particulars of dates over this period do not matter, there is a timing issue in this. It might be thought that £75,000 was the price to be paid because it was half of the £150,000 needed; but that would be an indication that Mr Chambi was half owner, because of the agreement in October 2011 (or whenever). Instead, it was Mr Aristodemou’s evidence in cross-examination (having failed to address the point in writing) that the “£75,000 was not anywhere in the outset, because there was no valuation.. because we were still, within our relationship, at an infancy stage... in 2012 I brought in a substantial amount of sales and over a quick period of time the valuation grew. So, the £75,000 figure from memory came from the fact that Mr Trypatsas paid £150,000-£350,000 for two shares”. The post-Trypatsas timing is contrary to both his witness evidence and his latest pleading.
79. A little later the account was modified, so that “just before Mr Trypatsas came in” there could be a valuation which Mr Aristodemou had based on assets and contracted sales, and then discounted by 50% for Mr Chambi “because he’d already put time and effort into the Company, and that was to reflect his time and effort”.
80. This was later said to be at the end of 2012.
81. Later still Mr Aristodemou said that the discussions with Mr Chambi were at the same time as those with Mr Trypatsas; but “it was clear to me that [Mr Chambi] had no intention of putting any money in. I don’t think he had the money”.
82. How all this impacted on the negotiations with Mr Trypatsas and his intended security of shares in the Company is not elucidated.

83. In the context of the October 2011 discussions I have already observed that the idea that there was an agreement that Mr Chambi would work for an unknown quantity of shares in a vehicle not the Company is “vastly unlikely”. That is also true of this purported arrangement, which in whatever form involves a raising of an amount of money significant to Mr Chambi for an unagreed number of shares, in respect of which unagreed number the price has somehow been subject to a credit for his work done.
84. It is also hugely unlikely that if indeed there were an arrangement such as this Mr Aristodemou would first raise it only in his original points of defence; and, indeed, frame his Part 18 response in the way it is.
85. There are a number of examples of his describing Mr Chambi as a shareholder. Just to take one of those, when on 1 August 2019 Mr Aristodemou wrote to Mr Georgiou, following a meeting “to discuss the business and affairs of [the Company] and my personal affairs”, he confirmed “my instruction for you... to assist me in responding to claims made by Mr Yiannakis Anastasis Chambi a shareholder of the Company against me”. Many epithets could have been used, but Mr Aristodemou has chosen “shareholder” with no qualification despite the specific context of dispute.
86. So, while I do not doubt that the Company was looking for money to fulfil this contract, including from Mr Chambi, it is clear that this cannot be linked to any offer, conditional or otherwise, whereby Mr Chambi would, by whatever mechanism, become a member of the Company in respect of two or some other number of shares. That account, in all its variables, is an expedient fiction.
87. It emerged in his cross-examination that Mr Trypatsas was not just, in Mr Aristodemou’s description, an “old family friend”, but family: his second cousin. There was a financial crisis in Cyprus in 2013. Many banks were imposing withdrawal limits and haircuts. Mr Trypatsas had a “large amount of cash deposited in Bank of Cyprus”. He was looking for ways to withdraw it urgently, as he had received a letter from the bank telling him he had until the end of the year to withdraw at least £120,000. He mentioned his problem to

Mr Aristodemou, who said the Company needed £150,000, and possibly more later, to fulfil its order. Mr Trypatsas thought this a good idea, but “I obviously wanted to make sure that I was protected if [the Company] could not repay the loan”. Mr Aristodemou agreed he was desperate for funds to meet the contracts; “the haircut was what basically tipped everything into my favour because that meant he had to move his money”.

88. After the June or July 2013 meeting Mr Chambi left the negotiations to his fellow director.
89. On 14 November 2013 Mr Aristodemou signed an SH01 return of allotment of shares. Two shares had been allotted, such that the Company’s “total aggregate nominal value of issued share capital” was £6. This document was prepared by LessTax, and its Darren Fagan, the son of Mr Fagan, was specified as the contact name at the Barnet office address. On the same day the SH01 was filed electronically at Companies House by LessTax.
90. On 7 November Mr Aristodemou had emailed Mr Fagan, asking for a meeting with Mr Trypatsas the next week, and for a prior meeting “to go through things and some GSI stuff” between the two of them. As the LessTax files have (for whatever reason) not been produced in their entirety, we do not know if that pre-meeting occurred.
91. The meeting was at 10.30am on 14 November at LessTax’s offices. The attendees were Mr Fagan, Mr Aristodemou and Mr Trypatsas. It was suggested to Mr Chambi in cross-examination that he was also there, but he thought not. He recollected a meeting that afternoon with Mr Aristodemou and Mr Trypatsas in the Company’s offices, which were nearby. Mr Trypatsas remembered only meetings without the attendance of Mr Chambi, although he was admittedly vague given the passage of time. Mr Aristodemou also recalled only the first meeting that day.
92. The other document created on 14 November was headed “Memorandum of Understanding”. We have this in two versions. The properties for each show a creation time of 16.49, a printed time of 17.47 and a modification time of 17.48 and 17.36. In the first version Mr Trypatsas’ Christian name is given as

“Yiannos” (and once as “Yianno”) and in the second “Ioannis”; in both his surname is “Tripatsas”, and in both there is at the bottom a missing “S” from “Shareholder 2”, who is Mr Chambi, and a mis-spelling of November at the top. “Shareholder 1” is Mr Aristodemou, and “Shareholder 3” Mr Trypatsas. There is an email timed at 17.49 by which Mr Chambi apparently sent the first version to Mr Aristodemou, who had no recollection of receiving it, or of seeing the Memorandum.

93. It is plain that the Memorandum was not simply a note from Mr Chambi to himself. After the heading, it read as follows (ignoring capitalised and bold words).

“This Memorandum of Understanding (the ‘Memorandum’) made this 14th day November, 2013 by and between Aristos Aristodemou (Shareholder 1) and John Chambi (Shareholder 2) and newly appointed (Shareholder 3) Yiannos Tripatsas.

1. Mission

The Mission of this Memorandum is to provide the framework for the issue of the 2 shares to Shareholder 3.

2. The co-operation

Yianno Tripatsas has been issued 2 company shares (of which the Company has a total of 6 shares (Name of company is Guest Supplies International Ltd).

3. Resources

These 2 shares have been issued for the sum of £150,000 (one hundred and fifty thousand pounds).

4. Paying back the funding

Guest Supplies International Ltd will pay back to Shareholder 3 the sum of £150,000 for returning back to the Company (to Shareholders 1 & 2) the 2 issued shares.

Shareholder 3 is not permitted to ‘sell-on’ these 2 allocated shares to any other person or entity.

Agreed and understood as signed by:

[Signature blocks]”.

94. This is not a professional document. Mr Chambi said that he wrote it, and did so at the behest of Mr Aristodemou, as he had dealt with memoranda in the past, in his commodities business. Whatever the reason, there is no other candidate as draftsman. Mr Chambi said that at the afternoon meeting at the office they all wanted to put down their agreement in a simple document, then and there. However, Mr Trypatsas also says he never saw the Memorandum, and Mr Chambi does not aver that anyone signed it: strange, if it had been printed and emailed that day.
95. In his cross-examination, Mr Anderson pointed out to Mr Chambi that the email which purportedly sent the document was blank as to “From” and “Subject matter”. Mr Chambi said that was to save time. Mr Aristodemou thought this was a document created by Mr Chambi not on his computer but Mr Aristodemou’s, and he was therefore sending it to himself. But it is a document which on its face anticipated being signed by the three of them.
96. I therefore think the likelihood is that the Memorandum was created by Mr Chambi in the afternoon of 14 November 2013. It is also likely that it was intended to draw the strings together between the parties, following the morning’s meeting. If, as also seems likely, Mr Chambi was not at the morning’s meeting, then someone must have briefed him; and that is consistent with the three of them meeting that afternoon. Why it was not signed then and there is lost in time, but given the course of the agreement as to Mr Trypatsas’ investment, does not matter. (It may be speculated that it was not to be signed until the £150,000 which it records had indeed been paid, and perhaps also only after agreement of all the surrounding terms).
97. One of the strings was Mr Chambi’s own status. The Memorandum refers to Mr Trypatsas as the “newly appointed” shareholder, and it is his shares which bring the total to six. Mr Aristodemou and Mr Chambi are the existing shareholders who between them own the four. Without distinction, Mr Trypatsas is, on repayment, to transfer his shares to them.
98. 14 November 2013 is also the date inserted into the stock transfer form which on its face transfers two £1 shares from Mr Aristodemou to Mr Chambi.

99. Given the anticipated dealings with Mr Trypatsas, it would be natural enough for that transfer to be formalised on that date, whether the date was inserted by Mr Aristodemou or at his direction. As this was a document retained by LessTax, it would seem that whoever inserted the date did so at, or shortly after, the morning meeting. (Again, we do not have the LessTax records which might explain all).
100. Mr Aristodemou's reaction to the stock transfer form has been the proclamation that it is false, never signed by him, and created by Mr Chambi: it is another "forged fabricated document by Mr Chambi". As that is a stance only from his 28 March witness statement, there has been no expert evidence on the signature, which he speculates was inserted by Mr Chambi using copies stored on his computer. As already remarked, Mr Chambi admits that he had such a signature, and used it. However, one problem for Mr Aristodemou is that he cannot show this signature matching any other. Another is explaining how the dated stock transfer form came to be on LessTax's records (and indeed the undated). Another is, as already investigated, the serial references to Mr Chambi as holding two shares in the Company's filings from 2014 onwards (ie, the first period after November 2013; and not any earlier period), prepared by professionals and expressly approved by Mr Aristodemou. (It may be added that were the Memorandum and the stock transfer form a part of a dastardly scheme, it is mildly odd that Mr Chambi did not append at least his and Mr Aristodemou's signature to the Memorandum, and very odd that he has not been insisting that there is somewhere a signed copy of it).
101. In cross-examination Mr Aristodemou said that Mr Chambi had stolen his two shares: "we went to the accountants that day and I issued two shares but they were not allocated to [Mr Trypatsas]. Mr Chambi found this and decided to help himself by creating this document and forged it with my signature". It is not clear what Mr Chambi found; or why, if it was the allotment of two shares, he would react by creating a fictitious document rather than, as he had done before, questioning Mr Aristodemou; or how he thought he could get away with it. In any event if, as I have found, Mr Chambi sent the Memorandum to

Mr Aristodemou in the evening of 14 November, the real surprise is that Mr Aristodemou was not then questioning it.

102. I consider this latest recollection of Mr Aristodemou to be guided by nothing other than self-advantage.
103. What of Mr Trypatsas and his shares?
104. The Memorandum was ambiguous. Clauses 2 and 3 refer decidedly to issued shares, whereas 1 and 4 may be read either in the past or the future. Mr Chambi said that at their meeting on 14 November they discussed Mr Trypatsas' primary concern about lending to the Company without any security, and Mr Aristodemou's suggestion that he be given two shares in the Company, remaining a shareholder until repayment of the loan. It was this which Mr Chambi thought he was recording in the Memorandum.
105. Mr Chambi also says that this was never more than an agreement in principle.
106. Peeled away, that is also Mr Aristodemou's view; or, put a different way, that if Mr Trypatsas gained any rights in November 2013 they were defeasible. The "plan" was to allot Mr Trypatsas two more shares as security for his lending; and they were "in fact allotted on 14 November 2013 in anticipation of them being registered to Mr Trypatsas once Mr Fagan and I had had the chance to meet... and agree the details". That statement neither speaks to the necessary agreement to allot between Mr Chambi and Mr Aristodemou, nor to the identity of the allottee.
107. In cross-examination Mr Aristodemou said that the new shares were "issued" for Mr Trypatsas; but that "the allocation of two shares didn't proceed with the allotment of two shares... because the shares didn't go to the appropriate person". That last remark may be a running in of his case that Mr Chambi faked the stock transfer form; and points to an intended allottee other than Mr Trypatsas.
108. Also blended into Mr Aristodemou's answers were later perceptions of law and facts, and adoptions of legalese. "I went to the accountants around

November/ December 2013. I issued two shares. We thought they were allocated. They were not, and the reason we know they were not is because of the email from NatWest in January that say there's two shares floating around and they're not allocated". In the resulting correspondence Mr Aristodemou identified his co-shareholder not as Mr Trypatsas, but Mr Chambi; and while on 13 January 2014 in a letter copied to Mr Chambi he stated there were four shares in issue, all held by himself, this was the next day altered by him to four and two. Again, Mr Chambi says he challenged him on this, but "I trusted Aristodemou. Why would he want to misrepresent what our agreement was?".

109. "I was never allotted any shares in November 2013" stated Mr Aristodemou; "there were two shares issued and to be allocated to Mr Trypatsas"; and then (wrongly) "at no point during this petition have I ever stated having six shares. I had four shares. Still got four shares".
110. He provided clarification of his thinking. The first stage of the process would be the "issue" of the two shares; the second would be the "allotment or allocation". So, he viewed two shares as having been "created", and "the intention was for them to go directly to Mr Trypatsas before he started putting money into the business. Somehow, somehow, that didn't happen, and the reason for that I believe lies with LessTax". He had, though, thought that at some point from late November Mr Trypatsas was a shareholder.
111. He also confirmed that in his view the first stage was a matter for his decision alone, as he was the only shareholder. There was therefore, on his case, no agreement to the allotment between him and Mr Chambi as the directors. It follows that any allotment was invalid.
112. After the afternoon meeting of 14 November Mr Chambi left the ongoing negotiations to Mr Aristodemou. Mr Aristodemou said that Mr Trypatsas' funds began coming at the end of November 2013. But, importantly, on his account the November meetings were never intended to be final. A meeting was planned for December with Mr Fagan "to finalise things".
113. It was that meeting which Mr Trypatsas professedly recalled, although it now appears that his memories were a mixture of the November and December

meetings. The loan was to total £150,000. He wanted security. Mr Aristodemou said that the Company would issue two shares. He wanted assurance that the Company was worth that. Mr Fagan said that it wasn't, as it had no assets. Mr Trypatsas trusted Mr Aristodemou when he said he could turnaround the Company, so asked for a guarantee from him, to which he agreed. Monies were advanced after this meeting.

114. Mr Trypatsas was certain that he was presently a shareholder in the Company: "of course". Asked how he knew he had two shares "Because they told me, the accountant and Ari, at the same time when he signed and he made the six shares". That must be a reference to the morning meeting on 14 November.
115. We are again without the benefit of LessTax file notes. What Mr Aristodemou says happened at the December meeting was that Mr Fagan "unfortunately" advised Mr Trypatsas that the value of the two shares in the Company was inadequate security; so Mr Trypatsas "changed his mind about making the loan available in return only for shares": he wanted a personal guarantee as well.
116. "After that meeting and the conclusion of the agreement with Mr Trypatsas, the two additional shares had been issued but had not been expressly allotted to any particular person... I would have considered that those shares were either left hanging in the air or had been issued to Mr Trypatsas". It is the first position which has been Mr Aristodemou's at trial; and an allotment without an allottee is invalid. Further, the result of the meeting was not that the two shares were issued to Mr Trypatsas, or indeed have ever been treated as issued to him, either in the NatWest correspondence (as to which Mr Aristodemou says "I didn't actually know what the legal position was with the two extra shares that had been allotted but apparently not taken by Mr Trypatsas"); or in the Company's annual returns and confirmation statements; or by Mr Chambi and Mr Aristodemou in the respective relief they seek on the Petition; or by Mr Trypatsas, who has not sought to be joined or otherwise issued any proceedings founded on his entitlement. As Mr Aristodemou wrote, "it seems that [Less Tax] did not take any further steps to have those shares registered in Mr Trypatsas' name (possibly because they may have been confused as to

whether they were in fact being given as security)”. It is, indeed, unclear as to whether the security was to be just the personal guarantee, or was also to include the two shares; but it is clear that there was no valid allotment of those two shares.

117. The precise dealings between Mr Aristodemou and Mr Trypatsas at this time, and what may have been represented during them, are outside the scope of this trial (despite Mr Buttimore’s attempts to anticipate evidence on the Petition). It is to be noted, though, that within our timescales, on 13 December 2013 Mastre Costa Trading Ltd was incorporated, to run a fish and chip shop known as the Kingfisher in outer London. On incorporation the sole registered director and shareholder was Mr Trypatsas, although he said that actually he and Mr Aristodemou were 50: 50 partners, and that as he was in Cyprus he was the silent partner. There is also an email from 14 April 2014 from Mr Aristodemou to Nicola Sorrell, headed “Partnership tax return/ Mastre Kosta directorship” to which he adds as a ps “please keep docs signed for me to be added as director onto Mastre Costa Trading Ltd to one side. I will advise you when to add- thanks”.
118. As Mr Buttimore says, what this shows is Mr Aristodemou having documents created for later use; and it is not a large step from that to an undated stock transfer form being created and then later executed by the addition of a date. This is therefore some reinforcement of the position that the undated stock transfer form was created for and signed by Mr Aristodemou at the meeting on 11 October 2011 (at which point it could not be progressed, because Mr Ofori-Koree had not returned his shares), with its then being signed on its given date of 14 November 2013, when with the impending investment of Mr Trypatsas and the possibility of shares being issued to him, the register had to be brought up to date.
119. Mr Buttimore also places reliance on the equal payments to each of Mr Chambi and Mr Aristodemou of £5,000 in September 2014, and £10,000 in December 2014, and Mr Aristodemou’s agreement to their being treated as dividends, as recognising both that Mr Chambi was a shareholder entitled to dividends, and his equality. Although it is not a weighty point, I think it is

correct. Mr Anderson is right to say that from its accounts the Company could not validly declare any dividends; and that, as Mr Chambi told his accountant on 28 January 2016, these were actually loan repayments and he was just looking for a way to reduce his bill: “I don’t know how you want to present this in the self-assessment and be favourable to me. I don’t really want to pay a lot of tax...”; but what is telling is not whether these were at the time treated as, or could be treated as, dividends, but how later the parties agreed to their treatment.

120. There is left the puzzle that LessTax must have thought there was a valid allotment of two shares on 14 November 2013, which is why it filed the allotment form and thereafter treated the share capital to be six shares (as did its successor). But we do not know what it was told on that day as to how and when the directors had approved the allotment; and we now know that neither says there was such a resolution. Further, it is both parties’ case that a proposed allotment to Mr Trypatsas was always subject to later agreement, which did not occur. It is possible, therefore, that after the December meeting LessTax made assumptions as to the position which were wrong.
121. Whatever, by the end of trial the agreed position is that there was no valid allotment of two further shares in 2013. It follows that the share capital of the Company is four shares.
122. I am also satisfied that the stock transfer form was executed by or at the direction of Mr Aristodemou, pursuant to the agreement made in 2011, on 14 November 2013; since when, subject to the defences considered below, Mr Chambi has been entitled to have his name inscribed on the Company’s register of members as the holder of two shares.
123. The secretly-taped meetings of 27 December 2017 and 14 August 2018 add nothing to the above analysis. Mr Chambi’s pre-planned questions were unclear, and the informal answers of Mr Aristodemou ambiguous.
124. What Mr Aristodemou does say is that at the latter meeting Mr Chambi was trying to blackmail him “by threatening to seriously damage his reputation if he did not pay [him] the sum of £750,000”; and that since then he has been

trying to “cause as much harm as possible... without regard to the detrimental effect such actions would have on the Company”. His examples of harm are, save as to various impersonations including writing to Enfield Council pretending to be him so as to switch the Company’s rates to him personally, admitted by Mr Chambi.

125. Building on those, it is said that equity should intervene to prevent Mr Chambi from receiving the relief to which he is otherwise entitled on this Preliminary Issue.
126. There seems to me nothing in the blackmail point. While the £750,000 was not explicitly linked to a payment for Mr Chambi’s shares (contrary to his reply), it was a sum which Mr Chambi was claiming as shareholder in compensation for the value lost by Mr Aristodemou’s perceived defalcations. Mr Chambi did threaten consequences within his personal life, but Mr Aristodemou is a man well able to look after himself, as this litigation has shown, and as does his rejection of this offer. Essentially, a tense Mr Chambi was seeking to vindicate rights which he had as shareholder; and I have been given no definition of blackmail within which this would fit. It would also seem wrong, absent clear and substantial malefaction on the part of Mr Chambi, to remove his property right to the shares because of his later assertions consequent on that right, which assertions may prove to be correct; and the more so as the value of the shares represent for Mr Chambi many years of work for the Company which was negligibly remunerated in the belief that he was a shareholder. Also to be weighed in that hypothesis would be the appalling threats made by Mr Aristodemou at trial, and his failure over the course of the Petition thus far to intend to provide genuine factual recollection. (To be clear, I am not holding against Mr Aristodemou his refusal to answer questions on the basis of self-incrimination).
127. That does not mean that these may not be matters which go to a finding of unfair prejudice or, if there is liability, to the appropriate relief.
128. As to laches, this too is unsustainable. Mr Chambi ceased to act for the Company on 14 August 2018. He presented the Petition on 26 September

2022. Although it has now been established that he could have vindicated his right as shareholder since at least 14 November 2013, he had no need to do so as until the original points of defence his status was not in issue; it was then admitted; and then again disputed. Further, he has since 2018 continued to investigate the carrying on by Mr Aristodemou of the affairs of the Company. There is nothing at this stage to indicate that any relief on the Petition would be inequitable.

Conclusions

129. My findings on the remaining Preliminary Issues are these.

129.1 Mr Aristodemou transferred to Mr Chambi two shares in the Company on 14 November 2013, since when he has been entitled to registration in their respect.

129.2 The 14 November 2013 allotment of two shares in the Company was invalid.

129.3 The Company's register ought to be reconstituted by showing the original shareholders as Mr Aristodemou and Mr Ofori-Koree with one £1 share each; and from 7 December 2010 as the holders of two £1 shares each; with Mr Ofori-Koree transferring his shares to Mr Aristodemou on a date which as a matter of expediency may be treated as 11 October 2011 (although more accurately, and if preferred, on a date unknown between 24 October and 11 December 2011); and with Mr Aristodemou transferring two of his shares to Mr Chambi on 14 November 2013.

129.4 Neither laches nor unclean hands bar such relief.

129.5 Mr Chambi therefore has locus to present and pursue the Petition.

130. The parties must seek to agree consequential orders, including as to costs.