Neutral Citation Number: [2025] EWHC 149 (KB)

Case No: KB-2024-002894

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
KING'S BENCH DIVISION

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 29th January 2025

Before :

MR JUSTICE LINDEN

- -

Between :

MS SPYRIDOULA-MARIA ARMENIAKOU

Claimant

- and -

MR JAMES ALEXANDER SCOTT THOMSON

Defendant

- -
- -

Alastair Tomson and Hossein Sharafi (instructed by Stokoe Partnership Solicitors) for the Claimant
Gideon Shirazi (instructed by Cooke, Young & Keidan LLP) for the Defendant

Hearing date: 17 December 2024

- -

Approved Judgment

This judgment was handed down remotely at 10.30am on 29/01/2025 by circulation to the parties or their representatives by e-mail and by release to the National Archives.

.....

Mr Justice Linden:

Introduction

1. This is my fourth judgment in these proceedings, which began with an application by the Claimant for a worldwide freezing order ("WFO") made without notice to His Honour Judge Pelling KC at a hearing on 12 August 2024 ([2024] EWHC 2136 (Comm)). The application was made in support of (then) intended proceedings in Greece relating to a Mediation Agreement between the parties, dated 12 June 2022, which was the basis on which it was agreed that their marriage would be dissolved. Judge Pelling refused a WFO but granted a freezing order which applied to the Defendant's assets in England and Wales up to the value of £11 million, which was the approximate value of the claim in Greece ("the FO"); and he ordered that the Defendant disclose information about his assets worldwide ("the ADO"):

    i) On 9 September 2024, I dealt with an application by the Defendant to vary the ADO ([2024] EWHC 3027 (KB)) ("the application to vary").

    ii) The Return Date for the FO was on 13 September 2024 and, in a judgment handed down on 10 October 2024 ([2024] EWHC 2568 (KB)), I decided that the FO should continue but gave the parties an opportunity to make further submissions on whether the ADO should continue to apply worldwide or whether it should be limited to the Defendant's assets in England and Wales. I will refer to this as "the Return Date judgment".

    iii) There was a further hearing on 14 November 2024 and, in a judgment handed down on 6 December 2024 ([2024] EWHC 3150 (KB)), I decided that the ADO should be continued and made various other orders in relation to the consequential issues which the parties had not been able to agree. I will refer to this as "the consequentials judgment". Passages from the public version of the consequentials judgment were redacted because they were subject to a confidentiality club agreement which applied to the Defendant's asset disclosure as a result of my order of 9 September 2024 and were therefore dealt with in a private section of the hearing. Although I decided, in the consequentials judgment, that the confidentiality club arrangements should cease to apply, this part of my order is stayed pending an appeal. A full version of the consequentials judgment has, however, been uploaded to a confidential section of the CE-file.

2. I heard two further applications on 17 December 2024:

    i) The Claimant's application, dated 13 November 2024, to extend the FO so that it applies to the Defendant's assets worldwide ("the WFO application"). Following Judge Pelling's rejection of this part of the Claimant's application a further application for a WFO was made in her skeleton argument on the eve of the Return Date hearing, but I declined to decide it on grounds of fairness to the Defendant given the timing and given the lack of an application notice. As is apparent, the application notice was then filed on the eve of the consequentials hearing albeit the Claimant recognised that it would have to be determined at a further hearing.

ii) Her application, dated 27 November 2024, for further disclosure in relation to the Defendant's assets. Such an order was contended for in the Claimant's skeleton argument which was served at 4.15pm on the day before the consequentials hearing, but ultimately there was insufficient time to deal with it. The scope of the application has also been modified since that hearing.

3. I note that, at the hearing on 17 December, Mr Shirazi sought permission for his instructing solicitors ("CYK") to take instructions and respond to a particular point arising from Mr Tomson's submissions. This was granted and, accordingly, a letter from CYK dated 20 December was served, to which the solicitors for the Claimant ("SPS") responded by letter dated 23 December. There was a further letter in reply, from CYK dated 5 January 2025 which I have also taken into account in coming to my decision.

Summary of decision

4. I have decided:

i) To extend the FO so that it applies to the Defendant's assets other than his assets in Greece.

ii) In the light of points which were made by CYK, in a letter dated 24 January 2025, after I had circulated my judgment to the parties in draft, to postpone the handing down of my decision on the Claimant's application for further disclosure pending further submissions.

5. For the reasons given at [1(iii)] above, passages from this judgment have been redacted. A full version will, however, been uploaded to a confidential section of the CE-file.

The issues in relation to the WFO application

6. As before, it was agreed that because the Claimant's applications are made pursuant to section 25 of the Civil Jurisdiction and Judgments Act 1982 she is required to satisfy the court, firstly, that the relief which she seeks would be granted if it was applied for in support of substantive proceedings in this jurisdiction and, secondly, that the fact that this court has no jurisdiction other than under section 25 of the 1982 Act (i.e. the substantive proceedings are in Greece) does not make it inexpedient to grant the relief sought: see [64] to [65] of the Return Date judgment.

7. Accordingly, in relation to the WFO application the court must be satisfied that:

i) The English court has personal jurisdiction over the Defendant;

ii) The Claimant is bringing civil proceedings outside England and Wales;

iii) She has a good arguable case in those proceedings;

iv) The Defendant has assets in this jurisdiction;

v) There is a real risk of unjustified dissipation by the Defendant of the assets which are sought to be frozen, such that without the freezing order judgment in the foreign proceedings will go unsatisfied;

vi) It is not inexpedient to grant the relief sought: see section 25(2) of the 1982 Act; and

vii) It is just and convenient to grant the relief sought: see section 37(1) of the Senior Courts Act 1981.

8. Mr Shirazi said that there was no issue as to (i)-(iv) subject to the Defendant reserving his right to appeal based on grounds associated with the Return Date or the consequentials judgment, and subject to any evolution of the factual position. But (v)-(vii) are in dispute.

The relevance and effect of the Return Date and the consequentials judgments

9. Mr Tomson's skeleton argument contended, by reference to *Koza Limited v Koza Altin* [2020] EWCA Civ 1018, [2021] 1 WLR 170 at [42], that it would be an abuse of process for the Defendant to seek to relitigate my finding in the Return Date judgment that there was a real risk of dissipation of his assets by the Defendant. In his oral submissions he referred to issue estoppel. However, wisely, Mr Tomson did not develop these arguments.

10. Subject to the caveats which he entered, Mr Shirazi did not seek to reopen my conclusion that the Claimant has a good arguable case in the Greek proceedings. However, he did not accept that there was any question of abuse of process or issue estoppel which prevented his client from contesting the real risk of dissipation issue. He pointed out that my finding in the Return Date judgment related to the risk of dissipation of assets located in England and Wales (i.e. a different issue) and submitted that it did not follow from this finding that there was the same risk in relation to his assets located outside this jurisdiction. The evidence about that particular risk had to be considered in the context of the applications which had now been made by the Claimant. He also put forward specific arguments about the nature of the assets abroad which, he submitted, meant that there was no real risk of unjustified dissipation.

11. I agree with Mr Shirazi. Issue estoppel only arises if the court has previously decided the issue which is sought to be reopened and the determination of that issue was an essential step in the court's reasoning. The principle at [42] of *Kozi* relates to collateral challenges and it operates to prevent a party, where a point was open to it at an earlier interlocutory hearing but was not taken, from taking it at a subsequent hearing unless there is a material change of circumstances or new facts have come to light which could not reasonably have been discovered at the earlier hearing. As Popplewell LJ said in *Kozi*, applying *Johnson v Gore Wood & Co* [2002] 2 AC 1, it is not enough that a party could have taken the point: the question is whether it should have been taken.

12. The present situation is a long way away from this. As far as issue estoppel is concerned, to date I have not made any finding that there is a real risk of unjustified dissipation of the Defendant's assets located abroad. Moreover, my earlier findings and conclusions were related to the issues in the applications which I determined, on the basis of the evidence filed for the purposes of those applications, and I expressly recognised this and the need for caution in relation to allegations against the Defendant which he had not had a fair opportunity to address. Having declined to adjudicate the Claimant's request to widen the scope of the FO at the Return Date because of the lack of notice given to the Defendant, it would be extraordinary for me now to hold that an issue

estoppel has arisen as a result of the judgment which I gave, or that it would be abusive for the Defendant to contest the issue which arises for determination for the first time in the WFO application. I do not do so.

13. Having said this, it was not suggested that my earlier judgments are irrelevant or that I am required to reassess the whole of the evidence and make an entirely new set of findings. These judgments contain a number of findings which were not sought to be reopened at the hearing on 17 December 2024 and/or from which I see no reason to depart in the light of the further evidence which I received. The argument before me was put on the basis that Mr Tomson relied on those findings and argued that the case for the relief which he sought had grown stronger in the light of the additional evidence since those judgments. He developed certain points further as well as adding points which, he said, supported his applications. Mr Shirazi responded to the points which Mr Tomson made, and made some additional points of his own to which Mr Tomson responded.

14. My previous judgments are also relevant for a second reason. As both parties noted, I identified concerns which supported the making of the FO and the ADO and areas where there was no explanation from the Defendant or the existing explanation was inadequate or lacking in credibility. It is therefore reasonable to assess the Defendant's evidence since those judgments with those concerns in mind and to evaluate that evidence on the basis that what he needed to address was very clear. Indeed, at the hearing on 17 December Mr Shirazi accepted that his client could be criticised for a lack of transparency in the past but argued that the Defendant had taken my comments on board and had now provided detailed evidence, including from other witnesses, about his assets and the points made by the Claimant.

15. Similarly, it is also relevant to note that the context for the Defendant's evidence is also a detailed series of exchanges between solicitors, particularly since his asset disclosure on 10 September 2024, in which numerous questions have been asked about his assets by SPS and responded to on his behalf by CYK. In a number of instances, documents have also been requested to evidence what was said by the Defendant. I have taken this correspondence into account both as being relied on by him but also in assessing the credibility of his evidence overall.

Key findings in the Return Date and the consequentials judgments which are particularly relevant to both of the Claimant's applications

Background

16. I refer to [12] to [63] of the Return Date judgment for a chronological account of the background, which I incorporate into this judgment by reference. I do not set out these paragraphs here as to do so would render the present judgment unwieldy.

My previous findings on the risk of unjustified dissipation of the Defendant's assets in England & Wales

17. I refer to my conclusions on the risk of dissipation of the Defendant's assets in England and Wales at [105] to [114] of the Return Date judgment, and the findings on which these conclusions were based. These findings and conclusions were reached in the context of the evidence at that stage but assuming, without accepting, the accuracy of

the Defendant's asset disclosure, which he had provided on 10 September 2024 and verified by affirmation, and the correspondence and evidence thereafter up to and including 18 September 2024. In the light of the further evidence and argument which I have received since that judgment I see no reason to depart from them. They should be read in full, but it bears repetition that, on the basis of evidence which included the evidence of the Defendant in his first witness statement, dated 4 September 2024, in summary I concluded that:

i) The structuring of the Vulcan Forged and associated businesses ("the Vulcan Forged business") was opaque and the Defendant had not provided a clear or detailed account of how they operate. Moreover, his evidence that he had not actually implemented business changes in accordance with the offshore corporate structure established in Singapore and the British Virgin Islands ("BVI") in early 2021 (see [22] of the Return Date judgment) was questionable, not least in the light of the fact that the contractual rights of Vulcan Forged customers were governed by Singaporean law. The Defendant had also made use of the Claimant's identity and identity documents to give the impression that parts of that structure were operating at arm's length when in fact they were not ([106]).

ii) The lack of transparency in the Defendant's business activities was compounded by the fact that the UK company, Vulcan Forged Limited ("VFL") had filed accounts at Companies House for 2021 which falsely represented that the company was dormant. The Defendant's evidence was that, in fact, VFL was the company through which the Vulcan Forged business was operated. Moreover, VFL had not filed accounts for 2022 and 2023. I did not accept the Defendant's evidence that he was unaware that the 2021 accounts stated that the company was dormant, given that he was the sole director (and shareholder) of the company, and I noted that he had not addressed the question why the 2022 accounts were long overdue. It appeared that the lack of transparency was deliberate and I found that his professed bafflement as to how this evidence could be relevant increased the concerns about him ([107].

iii) The evidence of the Defendant's perspective on the Mediation Agreement, which he regarded as unfair and unaffordable, and his view of the Claimant as being a ruthless liar who had contrived a case against him by acting against her own interests in order to gain leverage over him, indicated a real risk that he would feel justified in taking matters into his own hands ([108]).

iv) There were also examples, some unchallenged, of the Defendant lying to the Claimant about his assets in order to minimise the sums which he would be required to pay her as part of the divorce settlement. He had clearly misled her in an email dated 24 July 2022 in relation to the issuing of the EDVs. The transfer of these tokens formed a very substantial item in that settlement and there was powerful evidence that he misled her throughout the negotiations in relation to them. He had also lied to her about the EDVs again in June 2024, as he subsequently admitted. The bulk of the Claimant's claim in the Greek proceedings related to the EDVs ([109]).

v) There was also evidence that the Defendant had taken steps to put assets (PYRs) beyond the control of the Claimant in mid 2022 and subsequently. On 8 June

2022, he had surreptitiously transferred company PYRs into his personal wallet and in July 2022 he had blocked the PYRs which he had agreed to transfer to the Claimant pursuant to the Mediation Agreement. There was also disputed but solid evidence that it was he who was continuing to block those PYRs ([110]).

vi) There was also credible evidence that the Defendant was systematically sidelining the Claimant in relation to the business from 2021 onwards, for example by creating the offshore structure without her knowledge, and generally being secretive about what he was doing with the business, on the basis that in his view it was his business and the wealth which it was generating was "his" and not "theirs". He had also been assisting friends and members of his family to set up crypto currency accounts, and there was credible evidence that he could afford the alimony payments to which he had agreed in the Mediation Agreement, despite his protestations to the contrary ([111]).

Relevant findings in the consequentials judgment

18. As noted above, at the consequentials hearing I heard further argument as to whether the ADO should continue given that the application of the FO was limited to assets in England and Wales. At that hearing the evidence included a second affirmation from the Defendant, dated 18 September 2024, as well as second and third witness statements, dated 22 October and 7 November 2024 respectively. On 3 October 2024 he had also made an application in the Greek proceedings to reduce his liability, under the Mediation Agreement, to make alimony payments to the Claimant. This application entailed providing evidence about his assets. On 31 October 2024, accounts for VFL for 2022 and 2023 had been filed which wrongly stated that the company was dormant. Nor had the 2021 accounts been rectified.

19. There were also submissions made in relation to the reliability of the Defendant's asset disclosure and what was said about it in the detailed correspondence between SPS and CYK. Mr Tomson's submission was that the ADO should be continued because it was necessary in order to police the FO and given that there was, by now, a credible WFO application. His argument included that the value of the Defendant's shares in VFL, which were subject to the FO, was in dispute. The ADO had utility in identifying other elements of the Vulcan Forged business which might be dealt with by the Defendant in such a way as to reduce the value of those shares so as to defeat the purpose of the FO: see *Lakatamia Shipping Co Ltd v Su & Others* [2015] 1 WLR 291 at [43]. In support of his argument that the Defendant was deliberately seeking to conceal and mislead as to the location and value of his assets and the structure of the business Mr Tomson relied on various features of the evidence which, he said, now more strongly demonstrated the need for the ADO. Those themes also featured in Mr Tomson's arguments at the hearing on 17 December 2024 and I address them further below. They are summarised at [33] to [47] of the consequentials judgment.

20. At [59] I accepted that the case for a worldwide ADO in order to police the existing FO had grown stronger. In relation to Mr Tomson's points, it was sufficient for the purposes of my decision to find that the evidence at that stage supported the following conclusions:

i) The statutory accounts for VFL for 2021 to 2023 were false and there was a continuing lack of clarity about the operation of Vulcan Forged business. Mr

Shirazi's explanation for the position in relation to the accounts, which he provided on instructions, was *"on the face of it, extraordinary and incredible, particularly bearing in mind what was said about the issue in the [Return Date] judgment and in the solicitors' correspondence"* ([59](i) read with [34] to [37]).

ii) Whilst my view at the stage of the Return Date judgment was that the Defendant's evidence on the point was questionable, it was now apparent that he had deliberately sought to mislead when he gave the impression that the offshore business structure created in early 2021 had not in fact been implemented. Since the Return Date hearing it had emerged from a Token Purchase Agreement dated 1 September 2022 ("the TPA") that in fact the BVI company, also called Vulcan Forged Limited ("BVI Co"), was the issuer of PYR tokens and had entered into an agreement to sell **[redacted]** of them to SkyBridge Capital for a substantial sum, implying that the BVI as well as the Singaporean structural changes in early 2021 had in fact been implemented. The Defendant's evidence in his first witness statement had been intended to meet the Claimant's case that he had developed the offshore structure without her knowledge to conceal assets from her as part of the process of sidelining her from the business, and that he was likely to use this structure to dissipate his assets ([59(ii)] read with [38] to [44]).

iii) Other points, which I summarised at [45] of the consequentials judgment, gave rise to real concerns about the accuracy and implications of the information disclosed by the Defendant pursuant to the ADO. Although all of these points, save for the recently discovered development in relation to the accounts for VFL for 2022 and 2023, had been fully aired in the correspondence, the explanations provided by the Defendant thus far did not allay the concerns. I also highlighted the Claimant's challenges, in SPS's letter of 24 September 2024, to the transfer of 85% of the Defendant's shareholding in a Greek company, Metaheights Studios SA ("Metaheights"), to **[redacted]** in July 2024, and to the Defendant's evidence about the SkyBridge Capital investment in September 2022, *"as appearing particularly cogent and calling for a detailed response"* from the Defendant ([59(iii) and (iv)]).

The further evidence following the consequentials hearing

21. In addition to the previous evidence in the case and the continuation of the correspondence, for the purposes of the Claimant's applications on 17 December there were fourth and fifth affidavits and fifth, sixth and seventh witness statements from Mr Haralambos Tsiattalou who is a partner at SPS. The Defendant filed a fourth witness statement, dated 4 December, which made clear that he also relied on his earlier evidence in these proceedings. There was also a fifth witness statement from him, dated 13 December 2024. Although the latter was served late in the day and outside the timetable which I had directed, Mr Tomson did not object to it being admitted in evidence. There were also short statements from Mr Donnellan-Bouchier, an accountant, dated 3 December, and **[**the person to whom the Defendant sold his shares in Metaheights**]**, dated 4 December 2024. And there was a third witness statement from Mr Roberts, a partner at CYK, dated 4 December 2024.

22. The Defendant also filed a second supplemental expert opinion from Mr Vassilios-Maximos Stavropoulos dated 4 December and a third supplemental opinion from him

dated 14 December 2024. Mr Tomson objected to the latter and I will return to this issue below.

Key points relied on in support of the Claimant's applications

Overview

23. Mr Tomson's overall submission was that the concerns about the Defendant's conduct and the opacity of the Vulcan Forged business which I identified in the Return Date and the consequentials judgments, on which he relied in any event, persist and have increased in the light of the information which has since come to light. He alleged that the Defendant had engaged in a concerted course of conduct to conceal, obscure and actively misrepresent his asset position and had deliberately ignored various requests to explain how the business was structured and the role of each of his different companies in this structure. Mr Tomson identified the areas of greatest concern but said that the Claimant relied on the points made in the solicitors' correspondence more generally. I will deal with each of these key areas in turn below.

24. Mr Shirazi disputed this characterisation of the Defendant and the position on the evidence. As noted above, he accepted that there had been a lack of transparency earlier in the proceedings but submitted that the concerns expressed had now been addressed in detail by the Defendant in the evidence which had been filed on his behalf. The approach of the Claimant was on the wrong side of the fine line, described by Vos J (as he then was) in *Jennington International v Assaubayev* [2010] EWHC 2351 (Ch) at [58], between genuine scepticism about the veracity of asset disclosure and refusal to accept the truth of any statements made by the Defendant. The Claimant simply ignored or refused to accept the truth of anything the Defendant said, querying everything unnecessarily and demanding documents to support every point.

25. For the reasons explained in the Return Date and consequentials judgments and further below, Mr Tomson's characterisation of the position was much closer to the mark than Mr Shirazi's.

The Defendant's asset disclosure

26. The overall context for the points advanced by Mr Tomson is a detailed series of arguments about the reliability of the Defendant's evidence, in his asset disclosure and in these and the Greek proceedings, that he is nowhere near as wealthy as the Claimant supposes. In very broad summary, the Defendant's position is that the Vulcan Forged business may have been extremely successful in 2021/2022 but since then there has been deterioration in his financial position which has accelerated. Between the summer of 2023 and the summer of 2024 Vulcan Forged made average losses of EUR 100-150,000 per month. The average figure for 2024 was EUR 270,000. **[Sentence redacted]**.

27. The Defendant's position is that his shares in VFL (which are subject to the FO) are, he estimates, worth **[redacted]**. Similarly, he says in relation to his assets abroad that he believes that his 100% shareholding in Vulcan Forged Foundation Ltd (Singapore) which, in turn, wholly owns BVI Co, is worth **[redacted]**. He says that his 15% shareholding in the Greek company, Metaheights, of which he was previously the sole

shareholder, is worth between approximately **[redacted]**. These claims are disputed by the Claimant.

28. Also of relevance to the points discussed below, there is a long running dispute in relation to the Defendant's evidence that he does not personally hold any cryptocurrency.

VFL's statutory accounts

29. The position in relation to the VFL accounts was relied on in the Claimant's application to HHJ Pelling KC. As noted above, I also dealt with this issue at [21] and [107] of the Return Date judgment and [34]-[37] and [59(i)] of the consequentials judgment.

30. As far as the accounts for 2021 are concerned, notwithstanding what I said at [107] of the Return Date judgment, the Defendant has failed to explain, in any detail, how these came to state that VFL was dormant. He was the sole director of the company and the accounts purported to be approved and signed by him. His position is that *"it was an [unnamed] accountant who was previously retained who filed the dormant 2021 accounts in error"* but, other than his general plea that he lacks experience or qualifications in these matters, he has not explained how the error came to be made and how he could be unaware of it. Nor has he disclosed any documents in relation to this issue. Nor has he specifically explained a further concern which I identified at [107], namely the lateness of the 2022 accounts. My view at the time of the Return Date judgment was that these concerns supported the conclusion that the lack of transparency in relation to the Vulcan Forged business was deliberate, and he has not said anything since which persuades me otherwise.

31. Having, he said, been made aware of the issue in relation to the 2021 accounts for the first time when he read the Claimant's first affidavit the Defendant's position, for example in the CYK letter of 18 September 2024, was that he took immediate steps to rectify the situation. As noted above, these had not been rectified by the time of the hearing on 14 November but what had happened was that accounts for 2022 and 2023 were filed which stated that the company was dormant in both of these years and had no assets. In both cases the accounts purported to be signed by the Defendant and approved by the Board (i.e. him) on 31 October 2024. There was no dispute at the consequentials hearing that VFL was not dormant in either of those years. On instructions Mr Shirazi provided the following explanation to the court:

> *"Following the point being pointed out to him, my client instructed his accountant to resolve the issue about the fact that the 2021 dormant accounts had been filed. For some reason, his accountant did the opposite, and filed two further sets of dormant accounts."*

32. Insofar as Mr Shirazi suggested, at the 17 December hearing, that he misunderstood his instructions I note that this issue was raised with CYK by SPS on 11 November, two full working days before the consequentials hearing, and again on 13 November. The fact that Mr Shirazi's instructing solicitors, who were present at the hearing, did not immediately seek to correct what he had said suggests that it was also in accordance with their understanding of their instructions at the time.

33. There were obvious difficulties with this explanation (such as it was) as I found at [59(i)] of the consequentials judgment, and SPS pointed out in their letter of 15 November 2024. How had the accountant misunderstood what he was being asked to do (i.e. to rectify the 2021 accounts)? How had he come to file dormant accounts for 2022 and 2023 when the company was not dormant? Why did those accounts purport to be signed and approved by the Defendant if he had not done so? These accounts also contained a statement that *"During the year the company acted as agent for a person"* which did not appear in the 2021 accounts: how did this come to be added if not on the basis of instructions from the Defendant? Accordingly, SPS also requested various categories of documents to evidence what had happened.

34. CYK replied on 22 November 2024. They said that the accountant, a Mr Donnellan-Bouchier, had made a mistake in relation to the 2022 and the 2023 accounts and they enclosed an email dated 4 November 2024, from him to Companies House, which requested the urgent withdrawal of these filings. In this email he said that the accounts *"were mistakenly submitted due to a miscommunication on my part, and I am eager to have this matter corrected as soon as possible"*. CYK also enclosed a reply from Companies House, dated 13 November, which stated that these accounts could not be removed even if they were filed in error, but that amending accounts could be filed.

35. In the 22 November letter CYK went on to say, in effect, that Mr Shirazi's explanation to the court was wrong although they did not say that he had misunderstood his instructions. The correct position was that the accountant had been instructed *"to resolve the more urgent issue of the notification issued by Companies House that the company would be struck off if the accounts were not filed. The issue of the incorrect 2021 accounts was already being addressed by the accountant and the filing of the 2022 and 2023 dormant accounts did not relate to that separate issue"*. It appeared from their letter that the accountant referred to was the same person: Mr Donnellan-Bouchier. Although CYK recognised that it might be said that the court had been misled, no explanation of the miscommunication was provided, nor any underlying documentation other than the email exchange with Companies House. Nor did the letter explain how Mr Shirazi had come to give an incorrect explanation to the court. I agree with Mr Tomson that I should infer that the Defendant's instructions on this issue had changed since the consequentials hearing.

36. The Defendant's fourth witness statement rehearses the events and exchanges summarised above, but some additional details emerge in the course of his summary:

    i) It appears that another unnamed accountant – not Mr Donnellan-Bouchier as had been indicated by CYK in the letter of 22 November - had been given the task of rectifying the situation in relation to the 2021 accounts, the Defendant having immediately instructed them to do so on seeing the Claimant's first affidavit. It is not clear whether this was the same unnamed accountant as is said to have filed the original dormant accounts for that year or why they had not completed this task. The impression given by the Defendant's fourth statement is that it was not the same accountant, and that a total of three accountants were involved.

    ii) The Defendant says, somewhat surprisingly, that he did not appreciate that accounts would need to be filed in order to address the threat of the company being struck off for not filing accounts. He thought that some sort of application

or declaration from the accountant could be made. This appears to suggest that therefore he did not initially instruct Mr Donnellan-Bouchier to file accounts for 2022 or 2023. Mr Donnellan-Bouchier also says that when he was contacted by the Defendant *"around mid-October 2024"* and asked urgently to act to prevent VFL from being struck off he merely *assumed* that the Defendant appreciated that it would be necessary to file accounts for these years and that this was what he was being instructed to do. He was not actually instructed to file accounts.

iii) The Defendant says that when he realised that Mr Donnellan-Bouchier had misunderstood his instructions, and had filed dormant accounts for 2022 and 2023, he immediately instructed him to remove these accounts and to prepare correct accounts for those years. Mr Donnellan-Bouchier therefore sent the email of 4 November 2024 to Companies House. The Defendant points out that this predated the Claimant discovering what had happened and says that he did not give these instructions because he had been "caught out".

iv) The Defendant says that he *"later fired the other accountant due to his delays"* (i.e. the one who was working on correcting the 2021 accounts) and gave the task of preparing the 2021 accounts to Mr Donnellan-Bouchier. He does not say why there were the delays or when this was, other than to indicate that it was after 4 November.

v) Amended accounts for VFL were filed for 2021 by Mr Donnellan-Bouchier on 25 November and, for 2022, on 27 November 2024.

37. Mr Donnellan-Bouchier's witness statement is consistent with the Defendant's evidence but it does not add a great deal. He says that he is an accountant and that he works with UK companies. It appears that he may be a sole practitioner but he does not give any other information about his qualifications, his career or his experience. His position is that the Defendant *"just asked me to prevent the imminent strike off"* and that he was aware that the two-month deadline from the publication date in the Gazette (3 September 2024) was fast approaching. He assumed that he was being asked to file accounts for 2022 and 2023 and, based on his awareness that the company had filed dormant accounts for 2021, he mistakenly assumed that it was dormant in both 2022 and 2023. He says that the inclusion of the statement that *"During the year the company acted as agent for a person"* in both sets of accounts *"was unintentional and nothing more than a mistake due to time pressure"*.

38. I agree with Mr Tomson that, for various reasons, these explanations are as unconvincing as the explanation given to the court by Mr Shirazi at the consequentials hearing on 14 November. For one thing, by 15 October 2024 notice of objection to the striking off of the company had already been filed at Companies House with the result that action under section 1000 of the Companies Act 2006 had been temporarily suspended. There had been no further communication from Companies House which would explain why the Defendant would consider it necessary to file a further objection rather than get on and file the late accounts, and why Mr Donnellan-Bouchier would think that he was working to a 3 November deadline. This point is not dealt with by the Defendant in his fourth or his fifth witness statements and nor is it dealt with by Mr Donnellan-Bouchier.

39. In addition to this:

i) It is odd that the Defendant decided to instruct an additional accountant, rather than the existing one, simply to file some sort of notice of objection to the striking off of the company. Nor is anything said about any prior relationship between the Defendant and Mr Donnellan-Bouchier (VFL's *"new accountant"* in the words of the Defendant) or how the former came to contact the latter in particular, as opposed to any other accountant.

ii) Very little detail is given as to what was said by the Defendant and Mr Donnellan-Bouchier when the former was giving the latter instructions. It is not even indicated whether they spoke on the phone or face to face and/or communicated in writing, or how often they communicated. Given the issues in the ongoing litigation about the Defendant's assets in Greece and in this jurisdiction, and bearing in mind that the Return Date judgment had been sent out in draft on 7 October 2024, and given the concerns about the striking off of the company, it might be expected that the Defendant would take care to ensure that Mr Donnellan-Bouchier was fully briefed and that no further "mistakes" were made.

iii) It is also difficult to envisage a conversation or instructions in which the Defendant gave Mr Donnellan-Bouchier so little information, about VFL or any of the background, that he remained as ignorant as he implies he was, and in which Mr Donellan-Bouchier said nothing about what would be required to be done or, for example, what it would cost the Defendant, and asked no questions from which the relevant information emerged: the accountant was simply told to prevent the imminent strike off and that was it.

iv) It is yet more difficult to envisage an accountant then proceeding to file accounts for two years without further reference to the sole director of the company, assuming without asking that the company which the Defendant was anxious to avoid being struck off was dormant in both years, and *"unintentionally"* adding, for reasons which he says he cannot explain, that during the years in question the company acted as agent for a person.

v) Neither the Defendant nor Mr Donnellan-Bouchier explains how the dormant accounts came to be electronically signed by the Defendant, and were represented to have been approved by him, if they had not been.

vi) Despite SPS's requests for documents which evidence this part of the Defendant's case none have been produced by him or Mr Donnellan-Bouchier which show what was said to each other and when, although they have chosen to produce the 4 and 13 November emails which they evidently see as supporting their account. Nor has the Defendant produced any communications between him and the other unnamed accountant(s). I note that neither he nor Mr Donnellan-Bouchier has suggested that there are no other documents of this nature, such as emails.

40. I take the Defendant's point that he took steps to correct the position in relation to the 2022 and 2023 accounts before there was any challenge to them by the Claimant. But, in the context of the evidence as a whole, I am not satisfied that this decisively demonstrates that mere incompetence and error explain the failings which I have identified going back to the original filing of the dormant accounts for 2021. On the

evidence, this would not be the first time that the Defendant had taken steps or said things which were likely to be discovered to be wrong and/or later had to backpedal (see the Return Date judgment), and it is perfectly plausible that it had been pointed out to him, or it occurred to him, that he had made a false tactical move and that he had been advised or decided to reverse it.

41. The Defendant says in his evidence that the explanation for the extraordinary sequence of events in relation to the VFL statutory accounts is in part his lack of business experience and qualifications in finance, business or accountancy. He says he has *not "run the overall Vulcan Forged business in a sophisticated or formal way"*. This does not instil confidence in the present context but, in any event, I do not accept that this explains what happened. It is clear that he has created a highly sophisticated business and been party to the setting up of an international corporate structure including the incorporation of offshore companies (albeit he says that this was done with the advice of Jenga and via Jenga). He has also been assisted by accountants and other advisers at all material times. It also appears that two or three different accountants have been involved, which brings Lady Bracknell's famous quip about carelessness to mind.

42. I have been told even less about the other accountant(s) than I have been about Mr Donnellan-Bouchier and I am not prepared to assume that they acted incompetently and without the knowledge of the Defendant. Mr Shirazi, in effect, asked me to conclude that on the one hand Mr Donnellan-Bouchier's evidence (so far as it went) must be reliable because he is an accountant and no accountant would admit negligence unless it was a very clear case but, on the other, that Mr Donnellan-Bouchier acted with a very high degree of incompetence and, by implication, represented that the accounts which he filed were signed and approved by the Defendant when they were not. I am not prepared to do either.

43. As for what the amended accounts say, I agree with Mr Tomson that on the evidence (which also includes the Defendant's evidence that VFL does not have management accounts), one can have limited faith in their reliability. However they state that in both 2021 and 2022 VFL was seriously balance sheet insolvent with no intangible assets despite the fact that VFL earned commission from the sale of PYRs and NFTs and **[redacted]** in 2023 (see further below). The company is said to have had no tangible assets in 2021 but £2,410 worth of computer equipment in 2022, and no employees despite various public statements that it has more than 100. I agree with Mr Tomson that it is unclear from these documents how VFL is being sustained and how it is able to support the operations of the Vulcan Forged business.

44. I accept Mr Tomson's submission that it remains a matter of serious concern that key points in relation to the operation of VFL and the economic value of the Vulcan Forged business, have not been reliably explained and/or that explanations proffered by or on behalf of the Defendant are lacking in credibility. As noted above, this issue goes directly to the value of the Defendant's shares in VFL, but also forms part of an overall picture of the Defendant which emerges from the evidence as a whole.

<u>BVI Co and the PYR Treasury reserves</u>

45. I dealt with the issue of the role of BVI Co at [22]-[25] and [106] of the Return Date judgment and [38]-[44] and [59(ii)] of the consequentials judgment.

46. In his fourth witness statement, the Defendant contests my finding that he deliberately gave misleading evidence for the purposes of the Return Date hearing in that he gave the impression that BVI Co had never become active when in fact it was the issuer of PYR and LAVA and the seller of tokens, as illustrated by the TPA with SkyBridge Capital. He acknowledges that *"perhaps the wording in my First Witness Statement could have been clearer"* but says that *"there was plainly no attempt to mislead"*; and he points out that the true role of BVI Co came to light when he voluntarily disclosed the TPA.

47. Having considered this issue again, I am not persuaded that my earlier findings were wrong. I took the TPA argument into account when I made my findings in the consequentials judgment but did not find it particularly compelling in the context of the evidence as a whole. The TPA was disclosed as part of the dispute about the SkyBridge Capital investment (dealt with below). In my view, the implications of the fact the BVI Co was the counter party to the agreement appear to have been overlooked on the Defendant's side, so that the Claimant's discovery of the true position in relation to BVI Co was an unintended consequence of the disclosure of the TPA. Moreover, since it has emerged that BVI Co did in fact perform the role which was envisaged when it was set up, the evidence has tended to underline the importance of BVI Co to the overall business and therefore the seriousness of the Defendant's omission to mention this in his earlier evidence, whilst positively giving the impression that BVI Co played no significant role in the Vulcan Forged business. There is also evidence that BVI Co was dissolved in November 2023, raising the question which entity has performed its role since then.

48. The emerging information about BVI Co has brought a focus on whether the Defendant has undervalued that company in his asset disclosure, and therefore his interest in Vulcan Forged Foundation Ltd (Singapore). Mr Tomson relies on Mr Roberts' acknowledgment, in his third witness statement, that BVI Co holds PYRs in treasury, and on a White Paper published by the Vulcan Forged business which provides an updated Distribution and Release Schedule as at 16 August 2023. This White Paper includes statements, albeit by reference to "Vulcan Forged" rather than any particular person or legal entity, which do not appear to be questioned by the Defendant as being unreliable, that:

    i) There were reserves of 13,000,400 which were scheduled to be released at a rate of 204,000 per month for staking (staking is analogous to interest paid to holders of PYR who lock up their PYR on the Vulcan Forged platform for periods of time). Three million of the 13 million total are said in the White Paper to be "unlocked" and available for future exchange listings and security deposits, acquisitions etc, albeit it is said that it is highly unlikely that the 3 million will all be used given the USDT/FIAT reserves which are available. The projected reserves as at 15 April 2025 were 6,138,892, which were scheduled to be unlocked in April 2025.

    ii) According to the White Paper there were another 3.6 million PYRs which were owned but unsold and were to be used for market making across various public markets. The projected number of the market making tokens for 15 April 2025 was the same on the basis that they would be returned.

iii) There was also a USDT/FIAT reserve which was said to be able to carry the business for a minimum of 4 years *"at current [i.e. August 2023] expenditures"*.

49. As to the Defendant's position:

i) On 18 September 2024, CYK explained that as far as the reserve of c13 million was concerned, the **[redacted figure]** PYRs transferred and contingently due to SkyBridge Capital (as to which see further below) were paid and are payable from this supply. Further, approximately 200,000 are released to players each month as staking, amounting to 2.6 million PYRs since the date of the White Paper. Approximately 1 million were paid to listing advisors. This produces a balance of approximately 3.8 million PYRs. These tokens are owed to users of the platform as staking. They are assets of the issuer but they therefore do not contribute to the net asset value of Vulcan Forged. The Defendant did not address this point in his fourth statement but, in his fifth, he says that staking payments are made by BVI Co from the treasury via an escrow wallet, and he sets out the wallet addresses for the treasury or payout wallet and the escrow wallet, which are publicly accessible PYRs.

ii) **[redacted]**.

50. Mr Shirazi submitted that the Claimant's approach was simply to ignore the perfectly credible explanations which had been given on this point. And the Defendant himself went further, accusing the Claimant taking advantage of his limited business inexperience and of not genuinely believing that there is any risk of dissipation by him. However, Mr Tomson cast doubt on the Defendant's evidence. His submissions, in summary, were that it does not square with the evidence of the White Paper:

i) **[redacted]**.

ii) The White Paper itself indicates that the rate of release of PYRs for staking would be 204,000 per month. In the sixteen months since it was published the 13 million figure therefore ought to have been reduced by c3.264 million i.e. to c10 million. The USDT/FIAT reserve referred to in the White Paper has not been accounted for. Even assuming that the whole of the additional "unlocked" 3 million PYRs had been used (which was said in the White Paper to be highly unlikely) this did not explain how the reserves were now as low as the Defendant indicates.

iii) Moreover, it cannot be the case that all of the reserves are tied up for staking given that the White Paper indicates that at least 9 million PYRs were not committed for that purpose. On the other hand, if the Defendant is telling the truth, he has been able to realise for value the PYRs which are not reserved for staking and this value ought to be reflected in the asset disclosure, which it is not.

iv) Moreover, the evidence shows that the escrow and the treasury wallets have not made payments, for staking or otherwise, since 12 August 2024 when the FO was ordered. And the last payments out of the treasury wallet in August 2024 were (unexplained) payments for PYR 2,700,000 and PYR 1,234,170 (i.e. c4 million) which is substantially more than the monthly 204,000 which the

> Defendant says is paid out for this purpose. This indicates both that the PYRs in the treasury wallet are not exclusively used for staking and that there must be undisclosed treasury funds held elsewhere which are being used for staking.

51. These points about the treasury wallet led SPS, on 16 December 2024, to write to CYK seeking an explanation. This was provided late that night. It included the following passage:

> *"PYR in reserves on Ethereum is committed to users for staking purposes, and has been and will no doubt continue to be transferred to users as rewards for staking. However, the PYR reserves on Ethereum are not the only source of staking rewards. PYR generated from the sale of NFTs on Elysium is also used to pay out staking rewards. PYR rewards from sales are transferred to users on the Elysium blockchain (not Ethereum), and it therefore might appear that staking rewards are not always routinely transferred from reserves on Ethereum."* (emphasis added)

52. No attempt was made to explain the transfers of PYR 2,700,000 and PYR 1,234,170 from the treasury wallet.

53. Mr Tomson submitted, on the basis of the part of the CYK letter of 16 December which I have highlighted above, that it was apparent that funds belonging to VFL (i.e. the proceeds of the sale of NFTs) were being used to meet liabilities of BVI Co. He made the point that 4 months' worth of staking payments would amount to 816,000 tokens, or approximately USD 2.8 million at today's prices, so this was not an insignificant matter. It was unclear why a company which, according to the Defendant's evidence, is balance sheet insolvent and making monthly losses of in the order of EUR 270,000, and which he was required to bail out with injections of cash, would be meeting the liabilities of BVI Co which is beyond the reach of the FO, instead of using the PYRs held by BVI Co which are specifically allocated for that purpose.

54. It was in relation to this submission that Mr Shirazi asked for the opportunity to take instructions. The exchange of correspondence after the hearing, to which I have referred at [3], above, then took place. CYK's position in its letter of 20 December 2024 is that Mr Tomson's allegation was denied in full and it is said that there had been no change in the routing of the proceeds of the sale of NFTs since the FO was made. The letter explains that:

> *"Agora is a marketplace in which sellers are able to sell NFTs and buyers are able to buy them. The seller is normally a third party unconnected to the Defendant and his business (and Vulcan Forged Ltd (UK) earns revenue by taking a commission on these sales)."*

55. It then explains how a sale of a NFT through Agora is effected, including the following:

> *"Vulcan Forged Ltd (UK) makes a commission from the sale of NFTs which take place on Agora. It is through this commission that Vulcan Forged UK produces for itself income from the sale of NFTs. Those PYRs – which are Vulcan Forged Ltd (UK) income – are not used to pay staking.*
>
> *On-chain PYR in the Market Escrow Wallet generated in that wallet for the sale of NFTs and paid out via the Payout Wallet is not Vulcan Forged Ltd (UK) income.*

Some PYR paid out to users from the Payout Wallet travels via the Market Escrow Wallet…and PYR deposited into the Market Escrow Wallet is, in broad terms, deposited by users to acquire NFTs in the Agora marketplace."

56. Having read the letter of 20 December, and CYK's reply of 5 January 2025, however, I have to say that the statement in the 16 December 2024 CYK letter that *"PYR generated from the sale of NFTs on Elysium is also used to pay out staking rewards"* is not clearly explained in the subsequent correspondence and it is not clear how this statement is reconciled with the denials in the letter of 20 December 2024. However, I am conscious that this point arose late, albeit it arose out of the Defendant's (late) fifth witness statement, and there is a risk that I and SPS have misunderstood what is said by CYK and therefore have not placed weight on the suggestion that the Defendant has been deliberately using funds due to VFL to meet the liabilities of BVI Co.

57. But this point and the arguments which I have addressed above tend to underline the lack of clarity and transparency about the Defendant's asset disclosure and his evidence about how the Vulcan Forged business is operated. I also agree with Mr Tomson that the disparity between the statements and the projections in the White Paper and the information and evidence provided by the Defendant and CYK has not been convincingly explained. In this connection I note that the TPA and, it appears, the transfer of a substantial number of the SkyBridge Capital PYRs, took place in September 2022 and therefore predated the White Paper by nearly a year. According to the CYK letter of 4 October the 1 million PYRs paid to listing advisers were spent 2 years earlier i.e. around 10 months before the White Paper. It is not clear why, if this is the case, the White Paper failed to take this into account; if it was taken into account, Mr Tomson's point as to discrepancy appears compelling. More generally, I note the way in which the information and evidence about BVI Co has emerged under detailed questioning from SPS rather than as a result of openness on the part of the Defendant, and after he had misled the court as to its role in the Vulcan Forged business.

The Defendant's disposal of his cryptocurrency holdings

58. An argument which the Claimant has raised on a number of occasions in the correspondence since 12 September 2024 and at the hearings which have taken place is that it is not credible for the Defendant, as a cryptocurrency entrepreneur, to claim, as he did in his asset disclosure, that he does not own any crypto currency or NFTs directly. Since the Defendant made his application in the Greek courts to reduce his alimony payments on 3 October, it has also been argued by the Claimant that this is inconsistent with what he has said in those proceedings.

59. The Defendant has consistently disputed these arguments, maintaining that he does not legally or beneficially own any PYR tokens or other cryptocurrency or NFTs. **[redacted]**

60. What neither the Defendant nor CYK said was that, after he had been served with the FO, he had disposed of all of his remaining crypto assets. This emerged in the following way:

    i) In their letter of 11 November 2024, SPS asked the Defendant about the date by reference to which the Defendant had provided his asset disclosure. They said that they had presumed that although the Defendant's asset schedule referred to

10 September 2024, it set out the position as at 19 August 2024, on which date (they maintained) he had been required to give disclosure but had, instead, applied to vary the ADO. They asked for confirmation that the schedule stated the position as at 19 August. If it only reflected the Defendant's asset position as at 10 September 2024, they asked that he provide a schedule of his assets as at 19 August so that the Claimant and the court could be satisfied that the Defendant did not breach the FO between that date and 10 September. The letter went on, in a separate section, to advance a number of arguments as to why the Defendant's evidence that he held no crypto assets was incredible and inconsistent with what he had said in the Greek proceedings.

ii) SPS's request was not responded to by CYK in the correspondence which followed. However, at [39] of his fourth witness statement dated 4 December 2024 the Defendant, somewhat delphically, addressed a challenge based on his statement in the Greek alimony proceedings that his income for 2024 consists *"mainly of my cryptocurrency sales"*. He said that *"this income was derived from the sale of crypto assets in a period prior to the time of asset disclosure (which was first provided on 10 September 2024), from crypto assets which were not frozen by the domestic freezing order and I paid the entirety of the proceeds of those sales into my Revolut account."* (emphasis in the original)

iii) This caused SPS, on 6 December 2024, to write to CYK asking for clarification and for confirmation that the Defendant had disposed of his remaining crypto assets after being served with the FO.

iv) On 9 December 2024, CYK confirmed that this was the case and what the Defendant had said about the proceeds going into the Revolut account. They said that there had been no breach of the FO because none of his crypto assets were frozen by that Order. They also stated that the Defendant had obtained market value for these transactions and that *"our client has routinely generated income from the sale of crypto assets for years, so there is nothing unusual or calling for explanation in his behaviour here."*. They did not say where the tokens were located, how many were sold, when or to whom, nor what sums had been realised and paid into the Revolut account.

61. Mr Tomson suggests that the way in which the information about the disposal of the crypto assets has emerged is both characteristic of the Defendant and telling. Notwithstanding the application to vary, the Defendant should have disclosed his assets as at the date required by the original ADO: see *Electromotive Group Ltd v Pan* [2012] EWHC 2742 (QB) at [90], but this would have revealed what he had done. Moreover, even if this is not so, in the context of the Claimant's repeated questioning of his claim that he did not own any crypto currency the Defendant should have disclosed why this was the position. He argues that the Defendant's claims that the disposals were legitimate transactions should be regarded with a high degree of scepticism given their timing and that this is particularly so in circumstances where the Defendant was, by his variation application, refusing to comply with the ADO in the period in which he was disposing of these assets. It is now part of the Claimant's application for further disclosure that the Defendant should be ordered to disclose his assets as at the date of the FO so that there is transparency about what was disposed of after the FO and when.

62. In his fifth witness statement the Defendant argues that the suggestion that he attempted, by the variation application, to delay providing his asset disclosure so that he could sell his assets is absurd. He goes on to say that he applied for the variation because of his concerns about the misuse of his confidential asset information which, he says, have proved clearly justified. (This allegation, effectively that the Claimant's lawyers have breached the confidentiality club agreement which was put in place in relation to the Defendant's asset disclosure on 9 September 2024, is denied and is another ongoing battle front in the litigation between the parties). The Defendant goes on to reiterate that he placed the proceeds of the sale of those assets, which were not subject to the FO, in his Revolut account which is. The specifics of the sales and the proceeds are, however, not revealed by him.

63. Mr Shirazi emphasised that the Defendant's asset disclosure made clear that he was stating the position as at 10 September 2024 i.e. the deadline as varied by my Order of 9 September. I agree. He also submitted, by reference to *Gee on Commercial Injunctions (7th Edition)* ("Gee") at 23-024, that the correct approach is indeed to provide information which is accurate as at the time when it is provided. Again, I agree. And he disputed Mr Tomson's reliance on *Pan* for the proposition that as the Defendant's asset disclosure was late (i.e. served c3 weeks after the date required by the ADO) his affirmation ought to have set out the position as at that date required by Judge Pelling's Order as well as the then current position. *Pan* was a case in which, in breach of the asset disclosure order, the required disclosure had been provided 6 weeks late. Here, the deadline set by Judge Pelling had been varied by me and the disclosure had been provided by that deadline.

64. Again, I agree that *Pan* is distinguishable on this basis. Whether, as a matter of law, this is a distinction without a difference in terms of the result is not a question which I need to determine. Clearly, there is a lot to be said for the proposition that where there is any material delay in the provision of the asset disclosure which has been ordered the respondent should generally also provide disclosure as at the date originally ordered. Eder J decided that this was appropriate in *Pan*, albeit apparently as a matter of discretion, given the possibility that assets may have been disposed of in the interim ([90]). But it seems to me that, as Mr Shirazi submits, what matters in the present case is the substance rather than the question whether there was a technical breach of the ADO.

65. Turning to the substance, I dealt with the variation application in my judgment on that application and my findings on the issue of the costs of that application are also relevant: see [83] to [89] of the consequentials judgment. As the Defendant himself accepts, his stance was adopted because, despite Judge Pelling's Order, he was not willing to share information about his assets, albeit for the reasons which he gives. However, I did not accept that there was any good reason for the Defendant to fail to comply with the ADO and therefore rejected the substance of his application on 9 September. Moreover, I found the purported reasons for his insistence that the Claimant's solicitors and counsel in the English proceedings could not be included within the confidentiality club arrangements, which the Claimant was willing to agree as a pragmatic way of breaking the impasse, to be entirely unconvincing. Erring on the side of caution and in fairness to the Defendant, however, given that his approach to compliance with the ADO is now the subject of an application by the Claimant to

commit him for contempt of court which will be before a different judge, I will go no further than this on this issue at this stage.

66. Whether or not the Defendant was deliberately stalling to buy time to dispose of his crypto currency, I agree with Mr Tomson that his lack of candour in addressing the Claimant's incredulity about this aspect of his asset disclosure is symptomatic of his overall approach and adds to the overall concerns which form the basis for the applications which are before me. This episode is also highly relevant to part of the application for further disclosure, which I will address in a separate judgment. On the evidence as it currently stands, I cannot positively find that the Defendant's actions in disposing of all of his PYRs were in breach of the FO, or go behind his statement that the proceeds were paid into his Revolut account, but the timing of this step, the fact that (he says) it meant that he no longer held any crypto currency, and his lack of openness about it are concerning. What he did merits further investigation.

67. I reach this conclusion without relying on the Claimant's evidence that the Defendant has also been moving significant sums of PYR from the treasury reserves across multiple wallets. The interpretation of that evidence was contested and the position is not sufficiently clear to reach firm conclusions at this stage.

The transfer of shares in Metaheights

68. I referred to this issue at [45(ii)] and [59(iv)] of the consequentials judgment.

69. The allegation made by the Claimant under this heading is that the Defendant dissipated some of his assets in that, on 24 July 2024, he sold 85% of his 100% shareholding in Metaheights to **[redacted]**. He and **[redacted]** maintain that this was an entirely legitimate arm's length transaction for fair value and, with its 18 September 2024 letter, CYK disclosed a copy of the written agreement which they entered into. The purchase price was approximately the figure for the capital and reserves of the company, which was evidenced in its balance sheet as at 31 December 2023 which had been prepared by the company's accountants and which CYK also disclosed.

70. By way of background, Metaheights was incorporated in Greece on 17 October 2022 and it became a single member company in December 2022, the Defendant being the single member. He also is, and was at all material times, the sole director of the company and its CEO. He says that the company was set up with a view to it being the software development arm of his business: *"a software and gaming development studio"*. Vulcan Forged was a pre-existing product, and Metaheights would service that product as well as develop new ones. Metaheights employs a staff of 16 who are highly skilled in software development and graphic design, and it has dedicated physical premises in Greece. Its only source of income is payment for the services which it provides to VFL.

71. Metaheights has two wholly owned Greek subsidiaries – Metaproject Single Member PC and Metamoda Single Member PC:

    i) The Defendant is the sole administrator, director and CEO of Metaproject which was set up to be a property holding company in September 2023. Metaheights paid EUR 1.65 million as its shareholder capital. On 12 October 2023, Metaproject acquired a residential property in Greece for EUR 1.5 million which

is said by the Defendant to be an investment property. Metaheights borrowed these funds from VFL.

ii) Metamoda appears to have been set up to conduct the business of retailing clothing and related accessories although it has not actively traded. The Administrator of the company is the Defendant's current partner.

72. The effect of the sale of the Metaheights shares to **[redacted]** was, of course, that **[redacted]** gained indirect control of these companies. However, the information provided by CYK in the context of the Defendant's asset disclosure includes that he intends to acquire Metaproject from Metaheights, most likely through VFL. This would be after 20 September 2025 when a tax exemption would become available under Greek law.

73. In a letter dated 24 September 2024, SPS challenged the legitimacy of the 22 July 2024 agreement on the basis that nothing in **[redacted]** background suggested that **[redacted]** was likely to be an entrepreneur with interests in the blockchain gaming industry, or Greek property investment, or a Greek retail business. They said that their researches showed that **[redacted]**.

74. SPS said that they therefore very much doubted CYK's claims that **[**this was an arms length business transaction**] [redacted]**.

75. By letter dated 4 October 2024, CYK disputed the suggestion that the agreement with **[redacted]** was anything other than at arms-length and argued that SPS's theory did not make sense and was inherently implausible. However, they did not address the points which had been made about **[redacted]**, stating that:

*"**[redacted]**"*

76. The matter was taken up again by SPS on 11 November 2024 as part of a lengthy letter indicating their intention to apply for further disclosure. CYK did not respond on this issue until the Defendant served his evidence on 4 December i.e. after the consequentials judgment.

77. The evidence of the Defendant and **[redacted]** is broadly consistent with what has been said by CYK in the correspondence. Essentially, he relies on **[redacted]** statement without going into detail himself. In his fourth statement he also advances arguments to the effect that the Claimant is wrong in her contention that the shares in Metaheights were worth a good deal more than **[redacted]** paid and the Claimant's *"theory is incoherent and internally inconsistent"*. As for **[redacted]**:

i) **[redacted]**

ii) **[redacted]**

iii) **[redacted]**

iv) **[redacted]**

v) **[redacted]**

vi) **[redacted]**

78. I take Mr Shirazi's point that both the Defendant and **[redacted]** have given evidence as to the legitimacy of this transaction and that I should not lightly reject that evidence, particularly when there has been no cross examination. There is also force in his point that, if their evidence is accepted, the Defendant's proposal that **[redacted]** buy the shares was originally made some time before the Claimant threatened a claim in relation to the Mediation Agreement in June 2024. And the Defendant is entitled to argue that, if he was dissipating his assets in anticipation of a claim, he would have divested himself of all of the shares. However, in my view, and again in the context of the evidence as a whole, the Claimant's concerns about this transaction have not been convincingly addressed:

i) It remains the case that the reasons for the timing of the discussions and the agreement are not specifically explained by the Defendant in the correspondence or his evidence. Even assuming that the discussions with **[redacted]** began in February 2024, the Claimant's evidence in her first affidavit (without knowledge of the share sale) is that her lawyers had written to the Defendant's lawyers at the end of 2023 about the blocking of PYRs transferred to her pursuant to the Mediation Agreement and that, from February 2024, his alimony payments were regularly late. This was also against the background, according to the Defendant's evidence, of the Vulcan Forged business making significant losses in 2023 and, it appears, his growing conviction that the Mediation Agreement was unfair and unaffordable. I also note that **[redacted]** evidence is that the agreement as to an 85% stake was reached in late June i.e. at around the time when the Claimant was threatening litigation in relation to the Mediation Agreement.

ii) Although **[redacted]** says that the Defendant did not ask **[redacted]** to buy the Metaheights shares *"because of his divorce from [the Claimant] or any other reason"* **[redacted]** may not have been told or aware of his true reasons for approaching **[redacted]** and entering into the agreement. Mr Tomson also points out that there is other evidence, in the Claimant's first affidavit, of the Defendant **[redacted]**.

iii) **[redacted]**

iv) With respect to **[redacted]** statement does not directly or convincingly address the points about **[redacted]** made in the SPS letter of 24 September 2024 to which I specifically drew attention at [59(iv)] of the consequentials judgment, although it would be reasonable to expect **[redacted]** to do so in the circumstances if **[redacted]** had compelling answers. **[redacted]**.

v) When I asked Mr Shirazi what evidence I had about **[redacted]** business I had in mind evidence about legal entities, premises, employees, finances etc which would demonstrate that **[redacted]** truly is in business and the sort of person who would be expanding and diversifying **[redacted]** business by acquiring shares in other businesses. **[redacted]**

vi) I was also unable to accept, what appeared to be Mr Shirazi's suggestion, that there was some similarity between the target audiences for **[redacted]** and the

customers of Vulcan Forged, or that the virtual worlds, with their crypto currency etc, created by Vulcan Forged were similar to **[redacted]**.

vii) Neither the Defendant nor **[redacted]** gives any evidence that **[redacted]** has in fact been involved in the Metaheights business in anyway or in contact with the team in Greece or made any use of the technical resources of Metaheights either before or since the EGM on 25 July 2024. Nor does **[redacted]** give evidence of any plans to do so, or that **[redacted]** has taken any steps towards **[redacted]**.

viii) SPS also questioned whether **[redacted]**.

ix) I agree that it is also surprising the Defendant was willing to give **[redacted]**. If it be the case that he has a right to require that they be sold this serves to underline the point that he is plainly in de facto control of Metaheights, which is tied into the Vulcan Forged business, and that he will be for the foreseeable future.

x) More generally, the few documents which have been disclosed by the Defendant in relation to this issue have been limited to ones which are self-serving.

79. In the context of the evidence as a whole I have concluded that it is likely that the Defendant disposed of the bulk of his shares in Metaheights so as to put them beyond the reach of the Claimant. Moreover, I note that on his own evidence Metaheights was a very important part of the overall Vulcan Forged business. He did so because he wished to reduce his liability to pay alimony under the Mediation Agreement and to argue that he could not afford it. He anticipated that this would be disputed and there would be legal proceedings. It is not necessary for me to decide whether he sold his shares at an undervalue but, as matters stand, there is credible evidence that he did.

The Skybridge Capital investment

80. I referred to this issue at [45(iii)] and [59(iv)] of the consequentials judgment.

81. The point arises because, in her second affidavit dated 11 September 2024, the Claimant disputed the Defendant's claim that Vulcan Forged was not thriving. By way of example, she referred to the fact that Vulcan Forged had had a major conference in London in June 2024 which hosted speakers including Mr Anthony Scaramucci, former member of the first Trump administration and founder of the investment firm, SkyBridge Capital, which led a USD 8 million funding round in Vulcan Forged in September 2022. She exhibited a SkyBridge Capital press release dated 21 September 2024 as evidence of the investment and she said that she did not know which entity the money was invested in.

82. The SkyBridge Capital press release was entitled *"SkyBridge Capital Leads Series A Funding Round for Leading Metaverse Company Vulcan Forged."*. So far as material it stated:

> *"SkyBridge led the $8 million round, which included the option to invest $33 million. This funding aims to further accelerate the growth of Vulcan Forged's patented mataverse-as-a-service engine, Metascapes, and enable the company to scale operations in North America and existing key markets."*

83. Skybridge was described as a global alternative investment firm which was founded by Mr Scaramucci in 2005. It specialises in cryptocurrencies, digital assets, fintech and venture capital. The Defendant was identified as the media contact for Vulcan Forged and it appears from his fifth witness statement that he was party to the discussions about the press release when it was in draft.

84. However, in his first affirmation in relation to his asset disclosure, dated 11 September 2024, the Defendant responded to the Claimant's evidence on this point by saying that:

> *"Vulcan Forged did not receive USD 8 million in cash from SkyBridge Capital. To the best of my recollection we sold what was then USD* ***[redacted]*** *worth of PYR tokens to SkyBridge in return for approximately* ***[redacted]*** *USD (i.e SkyBridge received a very large discount) which would have been spent on normal operating expenditure of the business*.".

85. On 18 September 2024, CYK then disclosed the TPA which the Defendant had now located. They said:

> *"As you can see, on 1 September 2022, SkyBridge agreed to purchase* ***[redacted]*** *PYR tokens for USD (or USDT)* ***[redacted]****, with delivery of* ***[redacted]*** *of those tokens (and payment of USD(T)* ***[redacted])*** *being deferred until the price per PYR was USD* ***[redacted]*** *(which price has never been reached since the date of this agreement)*
>
> *Taking away the contingent instalment, SkyBridge acquired* ***[redacted]*** *PYR tokens for USD(T)* ***[redacted]****. The actual value of a PYR token on 1 September 2022 was approximately USD 3.44. We believe that SkyBridge must have achieved its USD 8 million "investment" figure by multiplying its actual purchase price of USD(T)* ***[redacted]*** *by the then-current value of the tokens it acquired.*
>
> *As you can see, the bare financial terms of the deal with SkyBridge were loss-making. Our client's plan was that Mr Scaramucci's profile would draw attention to Vulcan Forged, and to that end Mr Scaramucci attended and spoke at VulCon events and also spoke of Vulcan Forged at other events and in the media. Our client had hoped that the upfront loss would constitute a good investment. With the passage of time, our client does not believe the arrangement had that effect."*

86. Mr Tomson does not accept that the TPA is what SkyBridge Capital were referring to in the press release. His position is that it is simply a separate commercial agreement that SkyBridge Capital will purchase PYRs from BVI Co, and not evidence of a Series A funding round. In their 24 September letter SPS pointed out that SkyBridge had said that it was the lead investor and, from publicly available information, SPS identified three other investors: Exnetwork Capital, Redswiss Venture Capital and TDeFi who were part of the consortium but were not referred to in the TPA. They also pointed to information that the funding round closed on 21 September 2022, whereas the TPA was dated 1 September 2022, three weeks earlier. The TPA also did not include an option to invest $33 million, as the press release implied had been agreed.

87. In their letter of 4 October 2024, CYK effectively said that they stood by what had already been said and had nothing to add.

88. I agree with Mr Tomson that, bearing in mind that in the consequentials judgment I highlighted this issue as calling for an explanation, it is surprising that the Defendant does not fully address the SkyBridge Capital issues in his evidence for the 17 December hearing:

    i) In his fourth witness statement he simply says that *"the crypto market is full of exaggeration"* ([10]) and that there were no other agreements with SkyBridge ([68] and [76]).

    ii) In his fifth, he says that he had searched his email account for an explanation of why the investment in the press release does not match the sum in the TPA. It is not clear why he did not do so for the purposes of his fourth statement. He says that the PR agencies had advised that there should be a figure in the press release. SkyBridge Capital had initially suggested USD 4.7 million but eventually the figure of USD 8 million had been decided upon for reasons which the Defendant did not remember. *"There were no further 'investments' during this time …so to the best of my knowledge and recollection, the figure ultimately chosen by SkyBridge was the product of some arithmetic based on their purchase of PYR at a huge undervalue."*. He goes on to say that the reference in the press release to an option to invest USD 33 million was a reference to discussions about further investment rounds by SkyBridge which never materialised. The relevant exchanges about the press release are not exhibited by him.

    iii) The Defendant has not provided any evidence to explain the respective dates of the TPA and the closure of the funding round, and nor has he addressed the question why the TPA does not refer to the other investors whom publicly available information suggests were involved in the funding round. Nor has he served any evidence from SkyBridge Capital to explain the position when, it appears, he continues to enjoy a good relationship with that business.

89. Mr Shirazi relied on the arithmetical argument set out above as explaining the relationship between the figures in the TPA and in the press release. I see the argument but it was not firmly supported by the Defendant's evidence. Similarly, Mr Shirazi's assertions that SkyBridge Capital's description of itself as leading the investment round was entirely consistent with it being the only party to the TPA given that it is an alternative investment firm were not specifically supported by evidence. Mr Shirazi did not emphasise the Defendant's argument that the press release was unreliable because the crypto market is full of exaggeration but, in any event, Skybridge is an SEC regulated firm. Whilst there may have been an element of "puff" about the press release it is therefore unlikely to be wholly unreliable as a source of information.

90. Whilst the SkyBridge Capital point is not clear cut, the way in which it has been addressed by the Defendant adds to the overall picture of a pattern of a lack of transparency in the Defendant's approach to providing information related to his assets. In the context of the evidence as a whole it also adds to the impression that his evidence about his assets and those of the Vulcan Forged business is unreliable, and that he is deliberately understating the value of his assets.

Vulcan X and activities in Liechtenstein

91. This point was taken by the Claimant at the consequentials hearing on 14 November. In a YouTube interview in July 2024, the Defendant referred to having a legal team in Switzerland which was helping him to set up a Vulcan Forged business (Vulcan X) that was going through Liechtenstein. He had said in the interview that they could *"launch it next month really in terms of like how it works, but the legal -- legal things need to get tied up, [securities] need to get tied up. I'd rather go to the quarter four on this to be sure"*. (emphasis added). In another YouTube video on 18 August 2024, Vulcan Forged also announced that Vulcan X had obtained a Virtual Asset Service Provider ("VASP") license from an unnamed regulator.

92. In his third witness statement, dated 7 November 2024, the Defendant said, in relation to the July 2024 interview, that he was talking about a potential crypto exchange, Vulcan-X, which he was working on. Although the plan was for Vulcan-X to be launched as a Lichtenstein entity, that plan and structure was in fact still under consideration. However, his position as at 7 November was that "*At the time of this witness statement, Vulcan-X has not yet been launched and is still under review. In fact, in the circumstances, I doubt very much that Vulcan-X will be launched anymore*".(emphasis added). He did not elaborate on what those circumstances were.

93. In his fourth witness statement, the Defendant says that the position is still as per his previous statement: by implication, that he continued to doubt very much that Vulcan-X would be launched. Nor had he set up any entities in Liechtenstein or Switzerland and he does not have any bank accounts there. He also argues, as part of his overall contention that the Claimant's case does not make sense, that he would not make these public statements if, at the same time, he was seeking to minimise and conceal the evidence of his wealth.

94. However, in his seventh witness statement, Mr Tsiattalou exhibits posts in the interim period between the Defendant's third and fourth witness statements which contradict the Defendant's pessimism about the prospects of a launch of Vulcan X. These are:

    i) On 19 November 2024, the Vulcan Forged account posted an announcement that *"We're expecting VulcanX to drop this quarter*";

    ii) On 27 November 2024, Vulcan Forged posted that *"Development is in full swing, with CEO @JamiesThomsonVF set to finalize the business plan in the next few days".* The post contained a video in which it was stated *"the set up of VulcanX is not far from completion";*

    iii) The Defendant has retweeted, from his personal X account, a post by a user called Acadian74 dated 29 November 2024 which says *"The @VulcanXofficial exchange is on the horizon"*.

95. This evidence is not responded to in the Defendant's fifth witness statement.

96. Mr Tomson argued that an entity must have been incorporated in order to have been granted a VASP license. Contrary to the Defendant's evidence, there must be a legal entity in Switzerland or Liechtenstein and yet no reference is made to any such business or entity in the Defendant's asset disclosure. Moreover, in the light of the interviews and the posts referred to above, the Vulcan X exchange must be imminent.

97. Mr Shirazi submitted that the Claimant's case on this point was mere assertion based on supposition that there is a company in which the Defendant has an interest rather than a subsidiary of some other company. This was not enough and was not a solid basis on which to grant a WFO. He referred me to Gee at 12-041 which emphasises the need for solid evidence, the potential unreliability of press reports and that the defendant is not obliged to put in evidence or respond to the claimant's case and nor should any failure to do so be held against him.

98. I agree with Mr Tomson that the Defendant's evidence on this issue is not credible or reliable. He has effectively entered bare denials rather than specifically explaining the position in relation the VASP licence. In the context of the evidence as a whole it is a legitimate inference that the licence must have been issued to a legal entity given that he has chosen not to disclose the position. And his statement that he very much doubts that Vulcan X will be launched any more is at odds with the statements referred to in Mr Tsiattalou's seventh witness statement. Again, this discrepancy between what appears to be the position in relation to the Defendant's assets and what he says is the position adds to the overall picture contended for by the Claimant and supports the argument that there is a real risk that the Defendant is dissipating or will dissipate his assets and that, at the very least, he should be required to provide further disclosure.

The Defendant's expenditure on proceedings in Greece and his Greek bank account

99. Mr Tomson took three points under this heading.

100. The first two concern the question how the Defendant is paying his Greek lawyers. The FO permits him to pay for legal representation in the Greek litigation provided he notifies SPS. To date he has not notified them of any such payments (save for one on 16 December 2024 at 10:06am) despite the fact that, since October 2024, he has filed 3 different sets of legal proceedings in the Greek courts. These are a 40-page petition to vary his alimony payments on 3 October 2024, a 35-page claim for slander against the Claimant on 9 November 2024, and a 26-page claim for joint custody of their daughter on 19 November 2024. He has also served extra judicial notifications on the Claimant through his lawyers. Under Greek law, lawyers are prohibited from receiving payments of more than EUR 500 other than by electronic payment and, in the context of his asset disclosure, the Defendant has said on 18 September 2024 that the only bank account which he has is his Revolut account in England and that he does not have a bank account in Greece (see Defendant's asset disclosure table at 13).

101. Accordingly, SPS raised this issue with CYK on 20 November 2024. A further reason for their belief that the Defendant must have a bank account in Greece, which they gave, was that he was required to have one as a resident in Greece and as a result of being registered for tax there.

102. On 22 November CYK responded, denying any breach of the notification obligations under the FO. They said that all payments to the Defendant's Greek lawyers since the FO had been made in accordance with the relevant provisions of Greek law but without explaining how the Defendant's Greek lawyers were being paid. They also said that they would address the question about Greek bank accounts in due course when the Defendant responded to other queries which SPS had raised.

103. When the Defendant served his fourth witness statement he revealed for the first time that he did in fact have a bank account in Greece and he said that he had not used it for many years, although he did not explain why. He said it had a balance of EUR 771.38 which had not materially changed since 2020. As for the question of legal fees, the Defendant said that his Greek lawyers offer him significant discounts from their usual rates because he has given them a lot of business since the summer of 2022, including for Metaheights. Smaller invoices are paid in cash, and *"just a couple of larger invoices have not yet been paid. There is nothing further to explain"*.

104. Mr Tomson notes, first, the discrepancy in the Defendant's evidence about whether he has a Greek bank account and says that the Defendant's claims not to use this account cry out for an explanation. Secondly, he notes that the Defendant has requested that all of the payments permitted by the FO in respect of his living expenses are paid into his partner's bank account. This indicates that he must have control over, or the use of, her account. Third, he submits that the Defendant's evidence that he has not made any payment to his Greek lawyers of more than EUR 500 is implausible given the six figure sums which he has been paying his English lawyers.

105. Taken on their own, these points would not carry sufficient weight to support the Claimant's applications but I agree with Mr Tomson that they add to the overall picture of the Defendant's asset disclosure lacking transparency and reliability. The Defendant had attested as part of his asset disclosure made pursuant to a court order that he had no bank account in Greece, only for it to emerge that he has. He has not explained why his original sworn evidence was that he did not have one. The position relating to the payment of his lawyers is surprising and the fact that he makes use of his partner's bank account, in relation to which the Claimant has no visibility, is also odd given that he has bank accounts in the UK and Greece. These considerations lend additional support to her applications.

Other issues on real risk of dissipation

106. Apart from contesting each of the points addressed above, and Mr Tomson's overall argument that there was a real risk of dissipation based on the conduct of the Defendant, Mr Shirazi advanced specific arguments in relation to the Defendant's assets in different parts of the world.

107. Mr Shirazi submitted that there was no risk of unjustified dissipation of the Defendant's assets in Greece. These consisted of personal assets – a luxury car and a luxury watch which were status symbols necessary for the Defendant to maintain his lifestyle – and EUR 70,000 in cash which was a relatively modest sum given the court's assessment that £50,000 per month in respect of living expenses was appropriate, and the Defendant's own view that £75,000 was a more accurate figure. The Defendant's other assets in Greece, his shares in Metaheights, are business assets. They are privately held and not publicly traded and, submitted Mr Shirazi, there is no evidence of any party which might be interested in acquiring shares in this company. Moreover, the Defendant retaining a 15% shareholding in Metaheights, instead of transferring 100% to **[redacted]**, is fundamentally inconsistent there being a risk that he will now dissipate these assets.

108. Mr Shirazi submitted that nor was there any risk of the Defendant dissipating his assets elsewhere in the world, all of which are business assets. His shares in the Singaporean

company, Vulcan Forged Foundation Limited, are not publicly traded and nor are that company's shares in BVI Co. He needs to retain them as they are his business assets and he has an obvious interest in doing so and growing the value of his business. Why would he effectively divest himself of his business or damage it in the way suggested on behalf of the Claimant? To do so would also be inconsistent with the fact that he has been making regular injections of cash into VFL from his personal account.

109. On the evidence, the most significant of the Defendant's assets abroad other than in Greece is his contractual right as against Binance to receive PYR tokens which asset is held in Hong Kong. As an overarching point, crypto assets and transfers of them are recorded on a public blockchain. Any attempt to dissipate them would be immediately apparent and the assets could not be hidden. Moreover, these assets are held for market making purposes i.e. they are used to fill buy orders to prevent excessive volatility and upward movement in the price. They are central to the Defendant's business interests, and dissipating them would lead to a collapse in the value of PYRs and the Vulcan Forged business.

110. As far as the PYRs which are required for making staking payments to members of the Vulcan Forged community are concerned, the evidence indicates that these are assets of BVI Co. Mr Shirazi submitted that, in any event, if the Defendant were to procure the dissipation of these PYRs Vulcan Forged would not retain its customers and the value of PYR and the Vulcan Forged business would be irreparably harmed. Trust would be lost and could not be regained. As he put it, it would be like a lottery stealing its own prize money.

111. Mr Shirazi also argued that the delay in making the WFO application is not consistent with there being a real risk of dissipation. He points out that the Defendant has been on notice of the Claimant's position since then but says that the Defendant has not dissipated his assets. He adds that, after I declined to make a WFO in the Return Date judgment, it took more than a month for a formal application to be made despite CYK inviting SPS, shortly after the judgment was circulated in draft, to agree a timetable for such an application. The application was then made at a point at which, the Claimant accepted, it would not be heard at the consequentials hearing on 14 November 2024.

112. I attach some weight to these arguments, but they have various weaknesses. As far as the general submission that the Defendant would not dispose of any of his shares or procure such a disposal is concerned, it is true that there is no evidence of a specific interested buyer but nor is there any evidence that there is little or no prospect of finding a private buyer. Given that the Vulcan Forged business has been highly successful in the past and, on the Claimant's case, continues to be, it seems unlikely that no one would be interested. Moreover, the Metaheights example shows that **[redacted]**. It also shows that the Defendant would not necessarily dispose of the whole of his holding and might agree with the buyer that he would retain de facto control of the company in question. As Mr Tomson submitted, and I agree, it is not the case that the Defendant would have a binary choice between retaining all of his or the relevant shares and an outright disposal of all of the shares with the consequence that he lost control over, or a financial interest in, the success of the Vulcan Forged business: there would be a range of options available to him.

113. As far as crypto currency is concerned, the principal weakness in Mr Shirazi's arguments is that I agree with Mr Tomson that, as he put it, the Defendant has *"not told*

the whole story". There does appear to be a discrepancy between what is said in the August 2023 White Paper about the numbers and projected numbers of PYRs and the number which the Defendant says there now are. And, in addition to this, I am not persuaded on the evidence that it genuinely is the case, somewhat conveniently for the Claimant's purposes, that he has disposed of all of his own PYRs (shortly after being served with the FO), that "his" only remaining PYRs on the evidence are those which are held by Binance which are all necessary for market making purposes, and that the only other PYRs held by Vulcan Forged are all committed or necessary for staking.

114. In any event, even assuming that the only remaining PYRs held on behalf of the Defendant or Vulcan Forged are intended for market making and/or staking this would not prevent the Defendant from transferring these assets to a nominee for these purposes. For example, in his fifth affidavit Mr Tsiattalou pointed out, in response to the Defendant's fourth witness statement, that it appeared from an interview given by the Defendant on 19 October 2023 that the listing on Binance required a third party market maker and it was not clear why the Defendant was carrying out market maker functions on the Binance exchange. The Defendant responded, in his fifth statement, by confirming that a third party market maker, CLS Global, was in fact being used and that they access the PYR balance in his Binance account for this purpose via an application programming interface ("API"). PYRs could be transferred to such a party or some other party for market making purposes and, similarly, it is not clear why PYRs needed for staking could not be transferred to a third party for this purpose.

115. As far as delay is concerned, I agree that the Claimant was slow to make a formal application after I indicated that I was not prepared to make a WFO on the basis of an application made in Mr Tomson's skeleton argument shortly before the Return Date hearing. However, Mr Tomson told me, and I accept, that this was in part due to the fact that the investigations on behalf of the Claimant were continuing and the factual position was developing. The confidentiality club also gave rise to complications in taking instructions from the Claimant given that the information disclosed by the Defendant pursuant to the ADO could not be disclosed to her. And her legal team also had the distraction of having to deal with the Defendant's allegations that the confidentiality club agreement entered into as a result of my 9 September Order had been breached. The reality of those allegations was that the Defendant was (and is) alleging serious professional misconduct against SPS in that it is alleged that they disclosed confidential asset disclosure information to the Claimant and/or her Greek lawyers when this was prohibited. This necessitated taking advice from Leading Counsel as to the professional position of the relevant lawyers.

116. I do not accept that the delay relied on by the Defendant indicates that the Claimant does not really think that there is a real risk of dissipation and/or demonstrates that there is no such risk, as he and Mr Shirazi argued. An explanation for the delay has been provided, as I have said, but in any event it is plain that at all material times the Claimant has considered that a WFO is necessary in this case. That was her position in her original application and it has been her position at all of the hearings before me. Moreover, for the reasons explained above, this is not a case in which the evidence was static - where the applicant knew all of the facts, took no steps to apply for a WFO and then, after a delay, applied on the basis of those known facts. Since the hearing before HHJ Pelling KC the evidence of the Defendant's conduct has developed and, as I have accepted, the evidence of a real risk of dissipation has become more powerful.

Real risk of unjustified dissipation of assets abroad?

The guidance in the caselaw

117. I have reminded myself of the summary of the key principles given by Popplewell J (as he then was) in *Fundo Soberano de Angola v dos Santos* [2018] EWHC 2199 (Comm) at [86]. These were adopted, with one slight modification, by Haddon-Cave LJ in *Lakatamia Shipping Co Ltd v Morimoto* [2019] EWCA Civ 2203, [2020] 2 All ER (Comm) 359 at [34] as follows:

> "(1) The claimant must show a real risk, judged objectively, that a future judgment would not be met because of an unjustified dissipation of assets. In this context dissipation means putting the assets out of reach of a judgment whether by concealment or transfer.
>
> (2) The risk of dissipation must be established by solid evidence; mere inference or generalised assertion is not sufficient.
>
> (3) ..
>
> (4) It is not enough to establish a sufficient risk of dissipation merely to establish a good arguable case that the defendant has been guilty of dishonesty; it is necessary to scrutinise the evidence to see whether the dishonesty in question points to the conclusion that assets may be dissipated. It is also necessary to take account of whether there appear at the interlocutory stage to be properly arguable answers to the allegations of dishonesty.
>
> (5) The respondent's former use of offshore structures is relevant but does not itself equate to a risk of dissipation. Businesses and individuals often use offshore structures as part of the normal and legitimate way in which they deal with their assets. Such legitimate reasons may properly include tax planning, privacy and the use of limited liability structures.
>
> (6) What must be threatened is unjustified dissipation. The purpose of a WFO is not to provide the claimant with security; it is to restrain a defendant from evading justice by disposing of, or concealing, assets otherwise than in the normal course of business in a way which will have the effect of making it judgment proof. A WFO is not intended to stop a corporate defendant from dealing with its assets in the normal course of its business. Similarly, it is not intended to constrain an individual defendant from conducting his personal affairs in the way he has always conducted them, providing of course that such conduct is legitimate. If the defendant is not threatening to change the existing way of handling their assets, it will not be sufficient to show that such continued conduct would prejudice the claimant's ability to enforce a judgment. That would be contrary to the purpose of the WFO jurisdiction because it would require defendants to change their legitimate behaviour in order to provide preferential security for the claim which the claimant would not otherwise enjoy.
>
> (7) Each case is fact specific and relevant factors must be looked at cumulatively."

118. As Males LJ noted in *Mex Group Worldwide Limited v Ford & Others* [2024] EWCA Civ 959 at [62], Hadden-Cave LJ added, at [51]:

> "(1) Where the court accepts that there is a good arguable case that a respondent engaged in wrongdoing against the applicant relevant to the issue of dissipation, that holding will point powerfully in favour of a risk of dissipation.
>
> (2) In such circumstances, it may not be necessary to adduce any significant further evidence in support of a real risk of dissipation; but each case will depend upon its own particular facts and evidence."

119. I also note the following additional pointes which were noted by Henshaw J in *Arcelormittal USA LLC v Ruia & Others* [2020] EWHC 740 (Comm) at [219] and are relevant in this case:

v) "Relevant factors include the nature, location and liquidity of the defendant's assets, and the defendant's behaviour in response to the claim or anticipated claim; past events may be evidentially relevant, but only if they serve to demonstrate a current risk of dissipation of the assets now held…..

vi) Where a defendant knows that he faces legal proceedings for a substantial period of time prior to the grant of the order, and does not take steps to dissipate his assets, that can be a powerful factor militating against any conclusion of a real risk of dissipation….

vii) A cautious approach is appropriate before deployment of what has been called one of the court's nuclear weapons", and "the risk is not to be inferred lightly. Bare or generalised assertion of risk by a claimant is not enough…."

120. Applying these principles, I am satisfied that there is a real risk of dissipation by the Defendant of his assets located outside England and Wales. In my judgment there is solid evidence of such a risk based on my findings in the Return Date judgment, the consequentials judgment and the findings made above. The conduct of the Defendant prior to the negotiation of the Mediation Agreement, during the negotiations and since has shown a pattern of a lack of transparency and misleading in relation to his assets and the operation of the Vulcan Forged business, a wish to conceal or minimise the true position and instances of him putting assets beyond the reach of the Claimant (despite his actions being detectable in some cases), all in order to minimise his obligations to her following their divorce. The fact that he has given misleading and unreliable evidence about the Vulcan Forged business in the context of these proceedings and his response to the ADO, i.e. an order of the court, has served to reinforce my view of the level of risk. Although it is said that he has not dissipated his assets in the course of these proceedings, I am not satisfied that the evidence shows that this is the case and that he has provided the full picture in terms of his assets and his actions in relation to them.

121. It is clear that the Defendant continues to regard the Claimant as a cynical opportunist who will deliberately harm her own interests in order to harm him. He says that it does not make sense for the Claimant to seek a WFO as the value of her own PYRs would suffer as well. He views her actions as *"incredibly counterintuitive"* given that she also *"already complaining that I do not have enough funds to satisfy her spurious claims"*.

He says that he believes that the Claimant is attempting to create a situation where he would have nothing left and is operating on the basis that if she cannot have all of his money, then he should have none of it either. However, thus far the evidence does not support these beliefs and, instead, supports the view that they are the reason why he has behaved as he has and that he has a strong motivation to take matters into his own hands as he has done in the past.

If the WFO were sought in support of proceedings in England and Wales would it be just and convenient to grant a WFO?

The Defendant's arguments

122. Mr Shirazi emphasised that WFOs are an exceptional form of relief and referred me to Gee at 12-048 and 049. He particularly drew attention to the following passage at 12-049:

> "The court is reluctant to grant worldwide relief against a defendant who carries on business in the ordinary course on a worldwide basis (e.g. an international airline, insurance company or bank). This is because such relief would inevitably cause problems for the defendant in carrying on its business. If an application for worldwide relief is made against such a defendant, the applicant must show why it is appropriate to grant the relief notwithstanding the likely interference to the defendant's business…"

123. He also referred to *Nova Supply Chain Finance v Active Capital Reinsurance* [2024] FCA 1398 at [8] and [11] in which Jackson J, sitting in the Federal Court of Australia, pointed out the practical difficulties which may result from the practice of serving freezing orders on banks. And he relied on *Arcelormittal* (supra) at [240], where Henshaw J noted that, albeit *"particularly in this type of context"* the "ordinary course of business" exception was likely to create great uncertainty about whether particular transactions may or may not proceed without the applicant or the court's consent. Henshaw J referred to the risk that third parties would refuse to accede to any transaction that had not been specifically sanctioned and said that it is well known that in practice banks will not permit any payment to be made once a worldwide freezing order is imposed unless there is a court order or an agreement specifically sanctioning that payment. Mr Shirazi submitted that whilst the Defendant's business is significantly less complex than the business in *Arcelormittal*, the effect of a WFO would be similarly severe.

124. The Defendant says in his fourth witness statement that the value of PYRs and of Vulcan Forged are intrinsically linked to his personal reputation and brand within the Vulcan Forged community and the broader online gaming and crypto currency community. The Defendant considers that it is very likely, if a WFO is granted, that this will substantially ruin his reputation in these communities and in the international crypto currency market. The users of Vulcan Forged, if and when they become aware of a WFO, will not understand why it may or may not have been ordered. Underpinning these points, the Defendant says that the Claimant has *"shown a propensity to plaster freezing orders to all and sundry"* and that she is likely to do this again, with disastrous consequences, notwithstanding that the value of her own PYRs would suffer as well.

125. The Defendant says, in relation to the PYRs held by Binance for market making purposes, that if a WFO is granted and that has the effect of preventing buy orders from being filled he is sure that Binance will delist PYR as a tradeable token on its platform, and this would have a catastrophic effect on the value of PYR. Later in the same statement he says it is almost certain that Binance will act on a WFO as the account with them is in his name. There is therefore a very real risk that Binance will look to freeze the PYRs and his account, which would lead to delisting. In his fifth statement, however, he says *"I simply do not know how Binance will react, and I have attempted to explain what the likely consequences might be if Binance do take action…"*. He also says that third parties trade PYR on all the major crypto exchanges and he does not know how they will react if the Claimant notifies those other exchanges of a WFO in the mistaken belief that he holds disclosable assets with those exchanges.

126. The Defendant says that there will therefore be very unpredictable and serious consequences if a WFO is made. He stands to lose a great deal reputationally and financially, as do third party owners of PYRs which lose value. There is a very real risk that millions of dollars worth of damage being caused and claims being brought against the Claimant which she will not be able to meet. Notwithstanding her cross undertaking she will not be good for the money.

127. Mr Shirazi also relied on the fact that the EDVs were finally issued by Edverse Ltd on 8 December 2024 and submitted that this will significantly alter the nature of the claim in the Greek proceedings and reduce its value. Moreover, he alleged, and Mr Tomson disputed, that the Claimant had not been cooperative in relation to the Defendant's attempts to procure their transfer to her. These considerations also militated against the grant of a WFO.

Discussion

128. I accept that these are important considerations. As Cockerill J put it at [21] of her judgment in *Petroceltic Resources Limited & Ohers v David Fraser Archer* [2018] EWHC 671 (Comm)

> "Even if a real risk of dissipation is established, considerations of confidentiality and commercial stigma and the impact on the defendant's commercial interests can weigh heavily in any assessment of justice and convenience."

129. However, it was common ground that the assets frozen within the jurisdiction are not sufficient to satisfy the Claimant's claim in the Greek proceedings. The issuing of the EDVs may result in a diminution of the value of the claim in the Greek proceedings but the evidence does not establish this at this stage. It is not clear what the value of the EDVs will be and, in any event, the Claimant's claim is for damages for failure to deliver the EDVs in the timescale envisaged by the Mediation Agreement. This, she contends, resulted in a loss of a minimum of EUR 13 million given what she says was her right to require the Defendant to buy them from her with effect from 15 December 2023. According to the asset disclosure thus far, with the claim in respect of the PYRs the value of the claim in the Greek proceedings is more than twice the value of the Defendant's assets in this jurisdiction. The evidence does not establish that the Claimant was obstructing the transfer of the EDVs either. Exchanges between the parties on this subject were ongoing at the time of the 17 December hearing.

130. I accept Mr Tomson's submission that the Claimant is unlikely to try to use any WFO to damage the Vulcan Forged business given that, as the Defendant himself points out, it would be contrary to her own interests to ruin him.

131. As far as reputational damage is concerned, the Defendant has already been the subject of two judgments in the course of these proceedings, the first of which makes adverse findings about him and concludes that there is a real risk of unjustified dissipation of his assets in England and Wales. The second of these judgments makes further adverse findings, including that he had given misleading evidence to the court, and concludes that a worldwide ADO is justified on the basis that it is necessary because of the risk that he would deal with his assets or the assets of the Vulcan Forged business abroad in such a way as to render the FO ineffective. There is no evidence that these judgments, or the FO, have had any relevant adverse effect on the Defendant's reputation and that this, in turn, has harmed the operation or profitability of the Vulcan Forged business. I recognise that a WFO is wider in scope and likely to come to the attention of a wider audience but I agree with Mr Tomson that the risk of reputational harm to the Defendant resulting in damage to the Vulcan Forged business is not such as to render it just and convenient to refuse the Claimant's application. Such an order is in no way a reflection on the Vulcan Forged business itself or the quality of the products or services which it offers, or PYR as a cryptocurrency. The order is merely a reflection of the Defendant's conduct in the context of a bitter private dispute with his former wife, and is likely to be seen as such.

132. As far as practical difficulties for the Vulcan Forged business are concerned, a WFO would apply to the Defendant's assets albeit he would be prevented from procuring the disposal of the assets of the business in order to undermine the Order. In any event, plainly this case is a very long way from the factual situation in *Arcelormittal*, which concerned a hugely complex international business structure. Moreover, on the evidence, it does not appear to be the case that there are multiple bank accounts, the operation of which will be impeded by a WFO. And there is no evidence that the FO has had this effect notwithstanding that the Defendant's principal bank account and the bank account of VFL are apparently in the United Kingdom.

133. The principal concern expressed by the Defendant is about the reaction of Binance if they are served with a WFO but his evidence is ultimately that he does not know how they will react. Given that, as I have said above, the making of a WFO does not in any way reflect a lack of propriety in the services or the product provided by the Vulcan Forged business or any concerns about PYR as a crypto currency or its compliance with industry standards, there is no reason for Binance to delist PYR. As I have said, any WFO is likely to be understood as an essentially private matter which does not reflect on the Vulcan Forged business or PYR. Given that the market making function is in any event carried out by a third party, nor is there any reason why the ordinary course of business exception would be applied in a way which proved harmful to, or impeded, these activities. The evidence is that staking is done through BVI Co rather than external exchanges and there is no reason why the Claimant would serve the WFO on exchanges other than Binance given the evidence that he does not have PYRs on such exchanges and given that it is not in her interests to undermine the value of PYR or the Vulcan Forged business more generally.

Conclusion

134. So, taking into account the degree of risk of dissipation and the other risks and factors pointed to by Mr Shirazi, I would be minded to grant a WFO if the proceedings in relation to the Mediation Agreement were before the courts of England and Wales.

Is it inexpedient to grant the relief sought?

The applicable principles

135. In *ICICI Bank UK plc v Dominco NV* [2014] EWHC 3124 (Comm), [2014] 2 CLC 647 Popplewell J (as he then was) reviewed the authorities and, at [27], derived the following principles which are applicable where the court is asked to grant a freezing order in support of foreign proceedings pursuant to section 25 of the 1982 Act:

> "(1) It will rarely be appropriate to exercise jurisdiction to grant a freezing order where a defendant has no assets here and owes no allegiance to the English court by the existence of *in personam* jurisdiction over him, whether by way of domicile or residence or for some other reason. Protective measures should normally be left to the courts where the assets are to be found or where the defendant resides or is for some other reason subject to *in personam* jurisdiction.
>
> (2) Where there is reason to believe that the defendant has assets within the jurisdiction, the English court will often be the appropriate court to grant protective measures by way of a domestic freezing order over such assets, and that is so whether or not the defendant is resident within the jurisdiction or for some other reason is someone over whom the English court would assume *in personam* jurisdiction.
>
> (3) Where the defendant is resident within the jurisdiction, or is someone over whom the court has *in personam* jurisdiction for some other reason, a worldwide freezing order may be granted applying the discretionary considerations which were explained in the *Cuoghi, Motorola* and *Banco Nacional* cases.
>
> (4) Where the defendant is neither resident within the jurisdiction nor someone over whom the court has or would assume *in personam* jurisdiction for some other reason, the court will only grant a freezing order extending to foreign assets in exceptional circumstances. It is likely to be necessary for the applicant to establish at least three things:
>
> > (a) that there is a real connecting link between the subject-matter of the measure sought and the territorial jurisdiction of the English court in the sense referred to in *Van Uden*;
> >
> > (b) that the case is one where it is appropriate within the limits of comity for the English court to act as an international policeman in relation to assets abroad; and that will not be appropriate unless it is practical for an order to be made and unless the order can be enforced in practice if it is disobeyed; the court will not make an order even within the limits of comity if there is no effective sanction which it could apply if the order were disobeyed, as will often be the case if the defendant has no presence within the jurisdiction and is not subject to the *in personam* jurisdiction of the English court;

(c) it is just and expedient to grant worldwide relief, taking into account the discretionary factors identified at paragraph 115 of the *Motorola* case….".

136. The case to which Popplewell J referred at [27(3)] and [27(4)(c)] is *Motorola Credit Corporation v Uzan* [2003] EWCA Civ 752, [2004] 1 WLR 113. He summarised the discretionary factors identified at [115] of *Motorola* as:

> "… (i) whether the making of the order will interfere with the management of the case in the primary court, e.g. where the order is inconsistent with an order in the primary court or overlaps with it; (ii) whether it is the policy in the primary jurisdiction not itself to make to make worldwide freezing/disclosure orders; (iii) whether there is a danger that the orders made will give rise to disharmony or confusion and/or risk of conflicting, inconsistent or overlapping orders in other jurisdictions, in particular the courts of the state where the person enjoined resides or where the assets affected are located; (iv) whether at the time the order is sought there is likely to be a potential conflict as to jurisdiction rendering it inappropriate and inexpedient to make a worldwide order; and (v) whether in a case where jurisdiction is resisted and disobedience may be expected the court will be making an order which it cannot enforce."

137. The whole of [27] of *ICICI* was endorsed by the Court of Appeal in *Mex Group Worldwide Limited v Ford & Others* (supra) at [90] as a statement of the principles which should in general be applied. Mr Shirazi also relied on a point which was dealt with by Males LJ as follows at [107]:

> "….one of the matters identified in Motorola as relevant to the exercise of discretion under section 25 is whether it is the policy in the primary jurisdiction not itself to make worldwide freezing/disclosure orders. A distinction was drawn at [119] between cases where the foreign court seised of the substantive claim has no power to grant the interim relief in question and cases where it is the policy of that court not to grant such relief. In the latter case, this will generally be a factor telling against the grant of a freezing order under section 25."

Summary of the arguments

138. Mr Shirazi relied on the fact that the Defendant is not resident here and argued, with reference to *Agulian v Cyganik* [2006] EWCA Civ 129 at [5] and [6], that whereas the Defendant's domicile of origin was the United Kingdom, his domicile of choice is now Greece. This was on the basis that:

i) The Defendant's evidence in his first witness statement was that, after meeting the Claimant in England she moved back to Greece, *"We maintained a long-distance relationship for a few months before deciding to start a new life together in Greece in December 2017. I brought with me my savings of approximately £10,000…"* (emphasis added)

ii) They then got married in Greece and had a baby there. Their daughter, with whom he has an ongoing relationship, lives in Greece and that is where he sees her.

iii) While in Greece, the Defendant set up the Vulcan Forged business. Whilst it was established in the United Kingdom through VFL it has offices and staff in Greece.

iv) The Defendant lived in Greece throughout his marriage to the Claimant and their divorce took place in Greece and under Greek law.

v) He continued to live in Greece following the divorce and he lives there now, maintaining a home at Maroussi Attica, 35 Akakion Street, Greece.

vi) He now has a (Greek) long-term partner with whom he lives in Greece.

vii) On 19 November 2024, he applied for joint custody of his daughter in Greece.

139. Mr Shirazi's submission was that I should conclude on the evidence that the Defendant has voluntarily fixed his sole or chief residence in Greece with an intention of continuing to reside there for an unlimited time, and has no plans to return to the United Kingdom. Absent assets within the jurisdiction, there would be no other basis on which the English court would have *in personam* jurisdiction over the Defendant. It followed that the court should only grant a freezing order extending to foreign assets in exceptional circumstances, and this required the Claimant to establish at least the three matters identified in *ICICI* at [27(4)(a)-(c)]. In Mr Shirazi's submission, however, there were no relevant exceptional circumstances in this case and the requirements identified at [27(4)] of *ICICI* were not satisfied either. In particular:

i) There was no real connecting link between the subject matter of the measure sought and England and Wales. In this regard, Mr Shirazi compared this case to the decision of the Court of Appeal in *Banco Nacional v Empresa de Telecommunicaciones de Cuba* [2007] EWCA Civ 662 at [29]. He submitted that the same principles apply here given that the Defendant is not resident here and the WFO application is only directed at assets outside the jurisdiction.

ii) Although the Defendant accepts that there would be an effective sanction for breach of any WFO because of the presence of assets within the jurisdiction, Mr Shirazi submitted that it is not just and convenient to grant the order. In particular, first, the effect of a WFO would be interference with the management of the Greek proceedings by the Greek court; second, such an order would be also contrary to the policy of the Greek jurisdiction; and, third, there was a danger of disharmony/confusion and/or risk of conflicting, inconsistent or overlapping orders of this court and the Greeks courts.

140. As far as the <u>first</u> point under (ii) is concerned, Mr Shirazi submitted that:

i) The fact that the Claimant would be obliged to give an undertaking not to commence proceedings in any foreign jurisdiction would mean that this court would need to police the Claimant's approach to proceedings in Greece. She, for example, would require the permission of the English court before commencing any other proceedings against the Defendant or making any applications. That would inherently involve significant interference with the management by the primary court of the proceedings before it.

ii) The practical difficulties noted above, as to the reality of an individual trying to make payments while subject to a WFO, also present practical difficulties in the management of the Greek proceedings. If these difficulties arise, then the Defendant would need to invest significant time to ensure that he is able to pay his lawyers and this would impact the ongoing nature of the Greek proceedings. Moreover, a WFO could be fatal to the Defendant's business depending on the reaction of Binance and would therefore potentially affect the progress of the Greek proceedings. These are arguments which I have addressed above.

141. As far as the second point is concerned, Mr Shirazi submitted that the policy of the Greek courts is that they will, in appropriate cases, issue freezing injunctions in relation to assets in Greece but they will not issue worldwide freezing injunctions. In his skeleton argument he set out his own interpretation of certain articles of the Greek Code of Civil Procedure, essentially pointing out that certain articles setting out the powers of the Greek courts to make freezing orders (682 and 707) and identifying the sorts of assets which could be frozen (953 and 982) do not specify that the assets have to be located in Greece. By the time of the hearing on 17 December, Mr Stavropoulos' third supplemental report had been served, on which Mr Shirazi sought to rely and to which Mr Tomson objected as noted above.

142. As to the third point, Mr Shirazi argued that whatever the decision in relation to the Defendant's assets located elsewhere, no order should be made in relation to his assets situated in Greece. Any such relief should be left to the Greek courts. They are the primary jurisdiction and they have the requisite powers. They are better placed to determine issues of Greek law and to police any injunction, and they have not asked the English courts to make any order. There is also a significant risk that an injunction covering assets in Greece could interfere with the Greek proceedings in that, for example, the Greek courts may wish to make orders in relation to the Defendant's assets. This could produce conflicting, inconsistent or overlapping orders.

143. Mr Shirazi emphasised that the Claimant could have applied for relief in Greece months ago but had not done so. Nor had she provided any explanation for her failure to do so. He submitted that this undermined the credibility of her position that there are real risks that the Defendant will improperly dissipate assets in Greece or any assertion that the Greek courts would be prepared to exercise their jurisdiction in favour of granting that injunction. This court should not step in where the primary court could deal with the assets within its jurisdiction but the claimant simply does not wish to avail herself of this power.

144. Mr Tomson submitted that this case falls within [27(3)] of the *ICICI* principles rather than [27(4)]. He also disputed that the evidence establishes that the Defendant's domicile of choice is Greece, noting that this point was not taken in relation to the worldwide ADO at any of the previous hearings. He submitted that, in any event, the Defendant has strong connections with this jurisdiction and there is a real connecting link between the subject matter of the measure sought and England and Wales. The Greek courts are unable to grant worldwide freezing relief and are only able to make such orders in relation to assets within the jurisdiction. Moreover, it was not suggested that a WFO would not be obeyed by the Defendant, no doubt because this would effectively exile him from his country of birth, where much of his family is resident, and would impede his ability to operate his business through VFL. The difficulties in

relation to the Greek proceedings envisaged by Mr Shirazi if a WFO were to be ordered were more apparent than real.

145. As far as Mr Shirazi's argument that no order should be made in relation to assets located in Greece is concerned, Mr Tomson relied on the following passage from Gee at [6-075] to argue that since this court is seised of the matter it should order worldwide relief:

> "Once there is good reason for granting a measure of interim relief in England because of substantial connections with England of the application for interim relief, this may make it desirable for the English court shaping its orders to avoid the applicant having to go to other courts for further interim measures. As a general principle it is desirable to avoid having fragmented litigation in several jurisdictions. Fragmentation is liable to cause extra expense and delay. One court is more likely to produce a consistent set of measures to be carried out in an orderly way.

Discussion

146. Save in one respect, I did not find Mr Shirazi's submissions on the issue of expediency to be persuasive.

147. The first point is that the authorities identify principles which are to be applied in forming an opinion as to what is or is not expedient. What Popplewell J distilled in *ICICI* was not a set of rules or statutory provisions, the words of which fall to be closely interpreted.

148. Secondly, at the Return Date hearing the Defendant conceded that the court has in personam jurisdiction and that concession is maintained for present purposes. This is therefore a case in which the principle at [27(3)] of *ICICI* applies in any event.

149. Thirdly, in any event, on balance I do not accept that the Defendant has proved that his domicile is now Greece. In my judgment, this is a case in which the following words of Scarman J (as he then was) in *Re Fuld* [1968] P 675 page (684F–685D) apply:

> "though a man has left the territory of his domicile of origin with the intention of never returning, though he be resident in a new territory, yet if his mind be not made up or evidence be lacking or unsatisfactory as to what is his state of mind, his domicile of origin adheres …." (emphasis added)

150. The issue as to the Defendant's domicile was raised for the first time at the present stage of the proceedings. His many witness statements and affirmations do not purport specifically to address the question of domicile and do not say, in terms, that his mind is made up to live in Greece or explore any circumstances in which he might return. Rather, the passage in his evidence which is most heavily relied on by Mr Shirazi appears in an introductory section of his first witness statement where he explains the background to his relationship with the Claimant. He explains that he was born and raised in England but that he has resided in Greece since December 2017. The new life referred to in the phrase *"starting a new life together in Greece"* is capable of referring to their joint intention to live together for the first time. I accept that the Defendant has since acted consistently with being resident in Greece for the time being but this does

not say much about the degree of permanence of his residence there. Moreover, what one gathers from his evidence and the correspondence overall does not supply the sort of detail which would enable me to come to the conclusion that he has chosen to be domiciled in Greece. He has said nothing about his immigration status in Greece, for example.

151. At the same time, nor has the Defendant given detail as to his ties to the United Kingdom, but it is common ground that his family is here and he has other substantial connections with this jurisdiction. He is a UK national and in December 2020, i.e. after he had moved to Greece, he chose to establish the Vulcan Forged business in the UK. He thought it would best serve the business to operate it through a UK company, VFL, of which he is the sole director (and shareholder) with obligations, as such, under English law. Moreover, as a director of VFL he is required under section 1140 of the Companies Act 2006 to provide an address for service here even if he is not present within the jurisdiction: see *PJSC Bank "Finance and Credit" & Others v Zhevago & Others* [2021] EWHC 2522 (Ch) at [55]. He also has assets here including a bank account and, until recently, his position was that he has no bank account in Greece. It also appears, for example from the evidence of **[redacted]** and from the fact that he organised a major conference in London in June 2024, that he comes to the United Kingdom on a reasonably regular basis. His first affirmation, attesting to the accuracy of his asset disclosure, appears to have been sworn here. These connections, and the Defendant's connections with Greece and what they say about his intentions as to residence, are not sufficiently dealt with in his evidence for me to conclude that his domicile of origin has been displaced.

152. Fourthly, in any event this is not a case in which there is no real connecting link between the subject matter of the measure sought and the territorial jurisdiction of the English court or it is being suggested that an order of this court would be disobeyed by the Defendant. As noted above, the Defendant has substantial personal and business links with this jurisdiction which go well beyond the mere fact that he has assets here. The Defendant's own evidence is that, albeit the Vulcan Forged business includes a foreign corporate structure, the business which those companies and VFL comprise is run through the UK company of which he is the sole shareholder and director. Moreover, the Defendant is the owner of VFL and (indirectly) BVI Co as well as 15% of Metaheights, and he has rights over other assets of the business and de facto control of the whole business. The facts are materially different to the facts of the *BNC* case, on which Mr Shirazi relies, where the only the connection with this jurisdiction was that the respondent had assets here.

153. Fifth, nor do I accept that to grant a WFO would be contrary to the policy of the Greek jurisdiction. It is common ground that the Greek courts may grant freezing injunctions in relation to assets located in Greece but will not do so in relation to assets located elsewhere. However, the question of the basis and the reasons for the approach of the Greek courts is one which, in my view, requires evidence notwithstanding the degree of flexibility which the court has on proving the position under foreign law (see *Brownlie v FS Cairo (Nile Plaza) LLC* [2021] UKSC 45, [2022] AC 995 and the Commercial Court Guide at H3). Mr Shirazi's interpretation of certain articles of the Greek Civil Procedure Code on the basis that they do not in terms rule out worldwide orders does not take the matter very far in any event.

154. No doubt Mr Stavropoulos' third supplemental report, dated 14 December 2024, was intended to address the evidential deficit but I agree with Mr Tomson that it would not be fair to admit it in evidence. Even I did admit it, I would not have attached a great deal of weight to it for the following reasons. Mr Stavropoulos' second supplemental report, dated 4 December 2024, was served in accordance with the timetable which I directed and in good time to give the Claimant a fair opportunity to respond with evidence if appropriate. In answer to Question 2 - *"What assets can a Greek freezing injunction extent to?"* - Mr Stavropoulos clearly stated, apparently on the basis of an interpretation of the relevant provisions of the Greek Code, that a freezing injunction can or could be made in relation to the Defendant's assets located in Greece. There was no suggestion that this was a matter of policy or that an order could in principle be made in relation to assets located outside Greece but, in practice, this was not done. Understandably, the Claimant prepared for the hearing on 17 December on the basis that there was no issue in relation to the position in Greek law.

155. Although Mr Stavropoulos' third supplemental report states that, further to his answer to Question 2, he was asked to clarify whether a Greek freezing injunction can extend to assets outside Greece there was, in truth, no need to clarify what he had said in his previous report. It was clear that it could not. His further report appears to have been requested because Mr Shirazi wished to run the argument set out in his skeleton dated 12 December 2024 but there was no reason why, if this was a good point, it could not have been included in the second supplemental report.

156. Moreover, the single substantive paragraph in the 14 December report is not an impressive piece of evidence. Mr Stavropoulos does not refer to any text or authority or example of which he is aware. He simply states that he considers that it is theoretically possible for the Greek courts to issue an injunction over assets outside Greece but that is not done as a matter of practice or policy because the Greek courts are concerned about offending the sovereignty of other states. This may be his opinion but his report does not amount to much more than an assertion of it.

157. Sixth, however, notwithstanding Mr Tomson's submission that it is desirable for this court to make orders which avoid the need for applications in other courts and the risk of fragmentation, I agree with Mr Shirazi that it is not expedient to make an order freezing the Defendant's assets in Greece. The Greek courts are seised of the primary proceedings, which include a dispute about the value of the Defendant's assets. They have a power to freeze the Defendant's assets located in Greece but have not been asked to do so. It is not clear why not given that the Claimant is before the Greek courts in any event. In my view considerations of comity and the potential for complications if this court were, in effect, to exercise powers which the Greek court has mean that this question should be left to the Greek court. On the evidence, although there are concerns about the reliability of the Claimant's asset disclosure, including what he says about assets in Greece, and although there is a real risk of dissipation of these assets following this judgment that risk is not sufficient to justify an intrusion by this court into the sovereignty of the Greek courts.

158. Seventh, subject to this I agree with Mr Tomson that the grant of a WFO will not materially interfere with the management of the proceedings in the Greek courts or lead to conflicting or overlapping orders or confusion etc. The difficulties which Mr Shirazi raises in terms of this court policing the Greek proceedings and potential difficulties

with the payment of lawyers and the potential collapse of the Vulcan Forged business are more apparent than real.

Conclusion

159. So for all of these reasons I consider that it is not inexpedient to extend the FO to the Defendant's assets located abroad, other than his assets located in Greece. I will therefore make a freezing order accordingly.