

## JUDGMENT SUMMARY

<b>Neutral Citation</b>	[2025] ADGMCFI 0014
<b>Case Number</b>	ADGMCFI-2024-045
<b>Name of Case</b>	Faysal Mohamad Awad v 3AM Property Investment Company LLC & Anor
<b>Judge</b>	Justice Sir Andrew Smith
<b>Date Issued</b>	14 July 2025
<b>Catchwords</b>	Order for the execution of a power of attorney. Application for the appointment of a receiver.
<b>Cases Cited</b>	Faysal Mohamad Awad v 3AM Property Investment Company LLC & Anor [2025] ADGMCFI 0003 Choudhri v Palta & Ors [1992] BCC 787 Jaber v Science & Information Technology Limited [1992] BCLC 764
<b>Legislation and Authorities Cited</b>	ADGM Court Procedure Rules 2016 – Rules 238(2), 240 and 243 Practice Direction 10 – Paragraphs 10.27 and 10.28
<b>Executive Summary</b>	<p>This judgment concerns Mr Faysal Mohamad Awad’s (the Claimant) applications for relief and the appointment of a receiver in relation to the Leaf Tower project (the “<b>Project</b>”), which is mortgaged to Abu Dhabi Commercial Bank PJSC.</p> <p>The Court previously held that the Land Investment Contract between Mr Awad and 3AM Property Investment Company LLC (the First Defendant) is binding, entitling Mr Awad to a reimbursement of AED 167,057,638.60 once sales of the Project commence.</p> <p>This judgment considers Mr Awad’s various requests for orders, including for the issuance of a Power of Attorney (“<b>POA</b>”) to manage the Project and facilitate sales of the Project, and for the appointment of a supervisory receiver. Ultimately, the Court ordered 3AM to provide Mr Awad with a POA. The Court refused Mr Awad’s request for a supervisory receiver at this stage, finding it unconventional, expensive, potentially confusing, and would risk depressing the value of the Project.</p>
<b>Overall Summary</b>	<p><b>Background</b></p> <p>This Abu Dhabi Global Market (“<b>ADGM</b>”) Court of First Instance (Commercial &amp; Civil Division) judgment addresses two applications for relief by Mr Faysal Mohamad Awad (the Claimant) against 3AM Property</p>

	<p>Investment Company LLC (the First Defendant – “<b>3AM</b>”) and Mr Adel Abdulhameed Ibrahim Abdulla Alhosani (the Second Defendant).</p> <p>This judgment follows from a previous judgment dated 7 March 2025 ([2025] ADGMCFI 0003), which found <i>inter alia</i> that: (i) the Land Investment Contract (the “<b>LIC</b>”) is binding and enforceable; (ii) 3AM had breached its obligations under the LIC by excluding Mr Awad from managing the Leaf Tower project (the “<b>Project</b>”); and (iii) Mr Awad is entitled to be reimbursed AED 167,057,638.60 under the terms of the LIC, although this entitlement had not yet accrued.</p> <p>Abu Dhabi Commercial Bank PJSC (“<b>ADCB</b>”) provided loan finance to 3AM to construct the Project. The loan is secured by a first mortgage, which secures 3AM’s liabilities to ADCB to a value of AED 1,446,000,000.</p> <p>Mr Awad's applications sought various reliefs, including:</p> <ol style="list-style-type: none"> <li>1. an order for the Defendants to issue a Power of Attorney (“<b>POA</b>”) to Mr Awad, as contemplated by Clause 6(2) of the LIC, granting him authority to manage the Project, represent 3AM, and handle sales/leasing of the Project;</li> <li>2. an order for the appointment of a receiver to oversee the enforcement of Mr Awad’s rights under the LIC;</li> <li>3. an order for the Defendants to open a joint bank account in the names of 3AM and Mr Awad from which all financial transactions relating to the Project shall be administered; and</li> <li>4. an order that 3AM should consent to Mr Awad initiating the process of selling the Project.</li> </ol> <p><b>Analysis</b></p> <p>The Court noted that the LIC expressly obliged: (i) 3AM to provide Mr Awad with a POA to enable his management responsibilities under the LIC; and (ii) Mr Awad to represent 3AM at banks and manage/sell the Project.</p> <p>Despite a “<i>favourable</i>” market, no sales had commenced, which Mr Awad argued prevented his reimbursement from accruing. The Court noted that 3AM's conduct, including instructing ADCB to cease engagement with Mr Awad, raised suspicion that 3AM aimed to prevent sales and delay Mr Awad's reimbursement.</p> <p>The Defendants opposed the POA application, arguing that it was “<i>procedurally inadmissible</i>” and that Mr Awad could not manage property in which he had no ownership interest. The Court rejected these arguments, stating that the LIC specifically contemplated Mr Awad's management role and that damages would not be an adequate remedy for 3AM's breach of Clause 6(2) of the LIC. The Court found that a POA was</p>
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	<p>necessary for Mr Awad to fulfil his role under the LIC and concluded that without it 3AM would continue to breach the LIC.</p> <p>The Court refused the application to appoint a receiver. Initially, Mr Awad failed to meet the procedural requirements for making an application to appoint a receiver in accordance with the ADGM Court Procedure Rules 2016 and Practice Direction 10, such as: (i) providing a supporting witness statement; (ii) identifying the property which it is proposed that the receiver should get in or manage; and (iii) proposing remuneration and security for the receiver. ADCB also objected to the application to appoint a receiver, citing the Court's inability to order a receiver's charge to rank above its existing mortgage and the risk of receivership depressing the Project's value. Although Mr Awad later proposed a "<i>supervisory</i>" rather than a "<i>managerial</i>" receiver, the Court found this role unconventional, expensive, potentially confusing, and would risk depressing the value of the Project.</p> <p>Mr Awad's request for an order directing the parties to proceed with the commencement of the sale of the Project was deemed by the Court to be premature, given the Court's decision to grant the POA application.</p> <p>Mr Awad's request for an order for the opening of a joint bank account was deemed by the Court to be unpersuasive, considering the lack of information about the financial arrangements in place. The Court held that, if the opening of a joint account becomes necessary, then Mr Awad can restore this part of the relief application.</p> <p><b>Conclusion</b></p> <p>In conclusion, the Court ordered 3AM to provide Mr Awad with a POA consistent with the powers contemplated in Clause 6(2) of the LIC. The POA is intended to enable Mr Awad to obtain the necessary information to formulate marketing proposals for the sale of the Project and to manage the Project in accordance with the LIC. The Court directed Mr Awad to file and serve a draft POA (together with a certified English translation) by 16 July 2025 for consideration by the Defendants and ADCB. All other applications by Mr Awad, including for the appointment of a receiver, were adjourned generally or refused.</p>
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***This statement is not intended to be a substitute for the reasons of the Court or to be used in any later consideration of the Court's reasons.***