

JUDGMENT SUMMARY

Neutral Citation	[2026] ADGMCFI 0005
Case Number	ADGMCFI-2025-283
Name of Case	Castello Cafe and Restaurant - L.L.C - S.P.C v. TSL Properties LLC & Others
Judge	Justice Paul Heath KC
Date Issued	4 February 2026
Catchwords	Summary judgment. Strike out of statement of case. Security for costs. Whether there is a real prospect of succeeding on the claim. Whether economic loss can be claimed on an action in negligence. Commercial lease agreement. Authorised agent and facility management company liability under commercial lease agreement. Whether a parent company can be held liable for acts of its subsidiary.
Legislation and Authorities Cited	Cabinet Resolution No. (41) of 2023 Abu Dhabi Law No. (4) of 2013 as amended by Law No. (12) of 2020 ADGM Application of English Law Regulations 2015 ADGM Court Procedure Rules 2016
Cases Cited	Union Properties PJSC v Trinkler & Partners Ltd [2024] ADGMCFI 0014 Al Nashef v Empire Island Tower Ltd [2025] ADGMCFI 0025 Phonogram Ltd v Lane [1982] 3 CMLR 615 (CA) Murphy v Brentwood District Council [1991] 1 AC 398 (HL) Caparo Industries Plc v Dickman [1990] 1 All ER 568 (HL) Hedley Byrne & Co Ltd v Heller & Partners Ltd [1964] AC 465 (HL) Chandler v Cape Plc [2012] 3 All ER 640 (CA) Global Private Investments RSC Ltd v Global Aerospace Underwriting Managers Ltd [2021] ADGMCFI 0005
Executive Summary	In the case of Castello Cafe and Restaurant v TSL Properties LLC et al., the Abu Dhabi Global Market (“ ADGM ”) Court of First Instance granted summary judgment in favour of the Second, Third, and Fourth Defendants (“ Three Sixty ”, “ Modon ”, and “ MENA ”). The Court ruled that the Claimant, Castello, had no real prospect of succeeding in its

	<p>claims for breach of contract or negligence against these parties. The Court found that these defendants were not parties to the lease and owed no duty of care to Castello regarding the failure to obtain a fit-out permit. The claim against the First Defendant (“TSL Properties”), the actual landlord, remains active and will proceed to trial</p>
<p>Overall Summary</p>	<p>Background</p> <ul style="list-style-type: none"> • <i>The Parties and Lease:</i> The dispute arose from a commercial lease entered in December 2021 between the Claimant, Castello (a restaurateur), and the First Defendant, TSL Properties (the landlord), for a unit on Al Reem Island. • <i>The Conflict:</i> The lease included an eight-month rent-free period for fit-out works. However, Castello was unable to renew a necessary "No Objection Certificate" (“NOC”) required to complete the fit-out. Consequently, Castello did not pay rent, leading TSL Properties to terminate the lease in March 2024. • <i>The Claim:</i> Castello sought damages of approximately USD 1.08 million for wasted costs, loss of profits, and moral damages. They sued TSL Properties as the landlord, but also joined Three Sixty (facility manager), Modon (parent company), and MENA (facility manager), alleging they were also liable for the failure to secure the NOC. • <i>The Application:</i> Three Sixty, Modon, and MENA applied for summary judgment to dismiss the claims against them, arguing they had no legal liability. TSL Properties did not join this application <p>Analysis</p> <p>The Court analysed the liability of the non-landlord defendants under both contract and tort law:</p> <ul style="list-style-type: none"> • Contractual Liability: The Court found that only TSL Properties and Castello were parties to the lease. Presumptively, the other Defendants were not contracting parties. <ul style="list-style-type: none"> ○ Although Three Sixty was named in an "Attested Tenancy Contract", the Court ruled this was a clerical error and that Three Sixty acted solely as TSL Properties' agent. Agents generally cannot be sued on contracts they negotiate for principals. ○ The lease explicitly placed the obligation to obtain all necessary permits and approvals on the lessee (Castello), not the landlord or its agents.

	<ul style="list-style-type: none">• Tortious Liability (Negligence):<ul style="list-style-type: none">○ Castello argued the Defendants made assurances regarding the NOC, creating a duty of care. The Court rejected this, noting that the contractual guidelines clearly allocated the risk and responsibility for permits to Castello.○ The Court applied the <i>Caparo</i> test for negligence, ruling that no duty of care arose between these third parties and Castello. Furthermore, claims for pure economic loss are generally not recoverable in negligence under the applicable law.○ Regarding Modon (the parent company), the Court found no evidence that it exercised "<i>wrongful operational control</i>" over its subsidiaries that would justify holding a parent company liable for the acts of a subsidiary.• Security for Costs:<ul style="list-style-type: none">○ Although not necessary to decide given the summary judgment ruling, the Court noted it would have granted an order for security for costs against Castello. Evidence of dishonoured cheques indicated Castello would likely be unable to pay the Defendants' costs if the claim failed. <p>Conclusion</p> <p>The Court issued the following orders:</p> <ol style="list-style-type: none">1. Summary Judgment is entered in favour of Three Sixty, Modon, and MENA, effectively dismissing Castello's claims against them.2. The alternative applications for Strike Out and Security for Costs were dismissed as moot.3. The question of costs was reserved, with the Court indicating it will likely determine costs summarily, potentially on an indemnity basis, following written submissions.4. The primary claim against the landlord, TSL Properties, will proceed to trial.
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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.