

### JUDGMENT SUMMARY

<b>Neutral Citation</b>	[2026] ADGMCFI 0015
<b>Case Number</b>	ADGMCFI-2025-462
<b>Name of Case</b>	Sulaiman Ali Adnan Zahir Mohammed Amin v. Edwin Holdings Ltd & Anor.
<b>Judge</b>	Justice William Stone SBS KC
<b>Date Issued</b>	22 May 2026
<b>Catchwords</b>	Admitted breach of settlement agreement. Whether clause providing for a daily penalty upon breach of settlement agreement is enforceable. Whether company's payment obligations were personally guaranteed. Whether there was a personal assumption of responsibility for company obligations by negligent misstatement. Separate legal personality of company.
<b>Cases Cited</b>	<p><i>Cavendish Square Holding BV v Makdessi; ParkingEye Ltd v Beavis</i> [2015] UKSC 67; [2016] AC 1172</p> <p><i>Hedley Byrne &amp; Co Ltd v Heller &amp; Partners Ltd</i> [1964] AC 465</p> <p><i>Prest v Petrodel</i> [2013] UKSC 34</p> <p><i>Saloman v Saloman</i> [1897] AC 22</p> <p><i>Williams v Natural Life Health Foods Ltd</i> [1998] UKHL 12</p>
<b>Executive Summary</b>	<p>The Claimant, Mr Sulaiman Amin, sought to recover against the Defendants sums owing under a settlement agreement dated 23 September 2025. The First Defendant, Edwin Holdings Ltd, admitted breach of the settlement agreement, and the Claimant successfully obtained judgment against it. However, this was limited to the outstanding principal sum of AED 918,000. The Court dismissed the Claimant's claim seeking to enforce a daily penalty said to accrue under the settlement agreement. The Court also rejected the Claimant's claim that the First Defendant's chairman, Mr Orral Nadjari, the Second Defendant, was personally liable for the same debt.</p>

## Overall Summary

### Background

The Claimant invested an initial tranche of USD 250,000 in the First Defendant, and was also employed by the First Defendant with an agreed monthly salary of AED 100,125. Following a deterioration in relations and an unpaid salary for March 2025, the Claimant resigned in April 2025.

The Claimant and the First Defendant executed a settlement agreement on 23 September 2025. The First Defendant agreed to pay a total of AED 1,018,125, representing the return of the capital investment and the one month's unpaid salary. The settlement agreement stipulated that payment would be made in two equal instalments in October and November 2025, and included a clause imposing a penalty of AED 10,000 for each calendar day of delay. The First Defendant failed to pay the instalments on the due dates, making only a single payment of AED 100,125 on 5 November 2025. The Claimant subsequently brought legal proceedings to recover the balance, the accrued daily penalties, and sought to attach liability to both the First Defendant and its chairman, the Second Defendant.

### Analysis

The Court analysed the daily penalty clause in light of the leading English decision of *Cavendish Square Holding BV v Makdessi*. The Court observed that enforcement of the clause would have resulted in a disproportionate increase in debt due to the Claimant, calculating to approximately AED 2,840,000 by the trial date. The Court held that the clause was a secondary obligation imposing a detriment “*out of all proportion to any legitimate interest*” of the Claimant. Because the rule against penalties is a matter of public policy, the fact that the penalty clause was expressly acknowledged by as binding by the Defendants was not material. The Claimant’s compensation for late payment should instead take the form of standard interest.

The Court rejected the Claimant’s attempts to hold the Second Defendant personally liable under the settlement agreement. The Second Defendant was not a party to the settlement agreement; he signed it expressly “*for and on behalf of*” the First Defendant. The “*entire agreement*” clause in the settlement agreement negated the Claimant’s reliance on a prior email from the Defendants’ legal representative suggesting the Second Defendant was signing in a personal capacity. Claims that the Second Defendant assumed personal liability for the debt through negligent misstatements failed because there was no evidence he assumed personal responsibility for the First Defendant’s obligations. The Court also refused to pierce the corporate veil. Citing foundational company law principles (*Saloman*), the Judge noted that the company was not a sham incorporated to perpetrate a fraud or evade obligations; it was simply

	<p>a business that failed to pay a contractual debt. This did not justify apportioning liability to its chairman.</p> <p><b>Conclusion</b></p> <p>Judgment was entered for the Claimant against the First Defendant for the principal sum of AED 918,000, plus accrued interest. The claim against the Second Defendant was dismissed, and the daily penalty provision in the settlement agreement was declared unenforceable.</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.*