



In the name of
His Highness Sheikh Mohamed bin Zayed Al Nahyan
President of the United Arab Emirates/ Ruler of the Emirate of Abu Dhabi

UNION PROPERTIES P.J.S.C

First Claimant

UPP CAPITAL INVESTMENT CO. L.L.C.

Second Claimant

and

TRINKLER & PARTNERS LTD

First Defendant

THOMAS PIERRE TRINKLER

Second Defendant

PATRICK ALBERT HELD

Third Defendant

FIRST FUND MANAGEMENT LIMITED

Fourth Defendant

JORG KLAR

Fifth Defendant

PARESH CHANDRASEN KHIARA

Sixth Defendant

AMNA HASAN ALI SALEH ALHAMMADI

Seventh Defendant

DAHI YOUSEF AHMED ABDULLA ALMANSOORI

Eighth Defendant

NASER BUTTI OMAIR YOUSEF ALMHEIRI

Ninth Defendant

KHALIFA HASAN ALI SALEH ALHAMMADI

Tenth Defendant

STEFAN DUBACH

Eleventh Defendant



AHMED YOUSEF ABDULLA HUSSAIN KHOURI

Twelfth Defendant

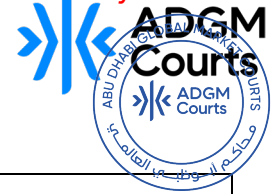
HASSAN ASHOOR AL MULLA

Thirteenth Defendant

JUDGMENT OF JUSTICE SIR ANDREW SMITH



Neutral Citation:	[2025] ADGMCFI 0016
Before:	Justice Sir Andrew Smith
Decision Date:	22 July 2025
Decision:	<p>1. The Application is granted, and the claims against the Eighth Defendant are struck out.</p> <p>2. Submissions on costs may be filed by 5.00 pm on 29 July 2025.</p>
Hearing Date:	16 July 2025
Date of Order:	22 July 2025
Catchwords:	Application to strike out claim or for summary judgment. Whether realistic prospect of success on claims. Negligent misstatement. Director's duties under UAE Law. Duties of Approved Persons under Financial Services and Markets Regulations 2015. Unlawful conspiracy.
Legislation Cited:	<p>ADGM Court Procedure Rules 2016, rr. 9(2)(a) and 68(1)</p> <p>ADGM Financial Services and Markets Regulations 2015, Sections 103 (1) and 242</p> <p>UAE Federal Law 2/2015 on Commercial Companies (as amended), Articles 22 and 162</p> <p>UAE Securities and Commodities Authority Governance Rules</p> <p>ADGM Financial Services Regulatory Authority General Rulebook</p>
Cases Cited:	<p>Independents' Advantage Insurance Co Ltd v Cook [2003] EWCA Civ 1103</p> <p>Swain v Hillman [2001] 1 All ER 91</p> <p>Union Properties PJSC & Anor v Trinkler & Partners Ltd & Others [2024] ADGMCFI 0006</p> <p>Three Rivers District Council v Bank of England (No 3) [2001] UKHL 16</p> <p>JSC Bank of Moscow v Kekhman [2015] EWHC 3073 (Comm)</p> <p>Secretary of State for Trade and Industry v Swan [2003] EWHC 1780 (Ch)</p> <p>Union Properties PJSC & Anor v Trinkler & Partners Ltd & Others [2023] ADGMCFI 0009</p> <p>Union Properties PJSC & Anor v Naser Butti Omair Yousef Almheiri [2025] ADGMCA 0001</p> <p>Union Properties PJSC & Anor v Trinkler & Partners Ltd & Others [2024] ADGMCFI 0014</p> <p>Williams v Natural Life Foods Ltd [1998] 1 WLR 830</p> <p>British Airways Pension Trustees Ltd v Sir Robert McAlpine & Sons Ltd (1995) 11 Const LJ 365</p>



Case Number:	ADGMCFI-2022-265
Parties and Representation:	Mr Nils de Wolff of Greenberg Traurig Limited for the Claimants. Mr Paul Bonner Hughes of Counsel for the Eighth Defendant.

JUDGMENT

Introduction

1. By an application notice filed on 30 May 2025, the Eighth Defendant in these proceedings, Mr Dahi Yousef Ahmed Abdulla Almansoori, applied for an order striking out the claims against him, or alternatively for summary judgment on them (the “**Application**”). The Application was supported by witness statements of Mr Almansoori and of Mr Andrew Mackenzie of DLA Piper Middle East LLP, his legal representatives.
2. I heard submissions on the Application on 16 July 2025. Mr Almansoori was represented by Mr Paul Bonner Hughes of Counsel. The Claimants, Union Properties PJSC (“**UP**”) and UPP Capital Investment Co LLC (“**UPPC**”), were represented by Mr Nils de Wolff, Counsel, of Greenberg Traurig Limited, their legal representatives.

The Statutory Provisions

3. The Application is made on the basis that the Claimants’ statement of case discloses no reasonable grounds for bringing the claims against Mr Almansoori. The ADGM Court Procedure Rules 2016 (the “**CPR**”) provide at rule 9(2)(a) that in those circumstances the Court may strike out the claims against him, or any of them.
4. The application for summary judgment is made under CPR r.68(1), which provides as follows:

“The Court may give summary judgment against a claimant or defendant on the whole of a claim or on a particular issue if it considers that –

- (a) the claimant has no real prospect of succeeding on the claim or issue; or*
 - (b) the defendant has no real prospect of successfully defending the claim or issue;*
- and*
- (c) there is no other compelling reason why the case or issue should be disposed of at trial”.*

The Legal Principles

5. The legal principles governing applications of this kind are well established, and, unsurprisingly, were not controversial. As Mr Bonner Hughes recognised, the two applications largely, if not wholly, overlap: it was said in *Independents’ Advantage Insurance Co Ltd v Cook* [2003] EWCA Civ 1103 that: “*If the particulars of claim disclose no reasonable grounds for bringing the claim, the*



court has ample power to strike out the pleading and to enter judgment for the defendant”, per Chadwick LJ (at para. 8). The essential question on both limbs of the Application is whether the Claimants have a realistic, as opposed to a “fanciful”, prospect of success on their pleaded claims against Mr Almansoori: see *Swain v Hillman*[1999] EWCA Civ 3035. If they do not, in this case I would consider an order under CPR r.9 more natural in view of the nature of Mr Almansoori’s arguments.

6. In previous judgments in this case (see [2024] ADGMCFI 0006 at para. 29), I have referred to two authorities about pleading allegations of dishonesty, bad faith and comparable misconduct:
 - a. In *Three Rivers District Council v Bank of England (No 3)* [2001] UKHL 16, Lord Hope said: “Of course, the allegation of fraud, dishonesty or bad faith must be supported by particulars. The other party is entitled to notice of the particulars on which the allegation is based. If they are not capable of supporting the allegation, the allegation itself may be struck out. But it is not a proper ground for striking out the allegation that the particulars may be found, after trial, to amount not to fraud, dishonesty or bad faith but to negligence” (at para. 55).
 - b. In *JSC Bank of Moscow v Kekhman* [2015] EWHC 3073 (Comm), Flaux J, having examined the speeches of Lord Hope and others in the *Three Rivers DC* case, said:

“The claimant does not have to plead primary facts which are only consistent with dishonesty. The correct test is whether or not, on the basis of the primary facts pleaded, an inference of dishonesty is more likely than one of innocence or negligence. As Lord Millett put it, there must be some fact ‘which tilts the balance and justifies an inference of dishonesty’. At the interlocutory stage, when the court is considering whether the plea of fraud is a proper one or whether to strike it out, the court is not concerned with whether the evidence at trial will or will not establish fraud but only with whether facts are pleaded which would justify the plea of fraud. If the plea is justified, then the case must go forward to trial and assessment of whether the evidence justifies the inference is a matter for the trial judge” (at para. 20).

7. Mr de Wolff has made it clear that, while the Claimants allege dishonesty against other defendants, they do not allege it against Mr Almansoori. However, the claims against him are serious ones, and Mr Almansoori is entitled to have the Claimants set them out with corresponding particularity. In *Secretary of State for Trade and Industry v Swan* [2003] EWHC 1780 (Ch), in which there was a dispute between counsel about whether fraud was alleged so as to engage the principles about pleading fraud, Laddie J opined that the dispute obscured the point, observing this (at para. 23): “For present purposes, I think it is clear that the more serious the allegations made against the director, the more important it is for the case against him to be set out clearly and with adequate particularity. In my view this does not apply only to cases of fraud. It applies in all cases where serious wrongdoing is alleged, particularly where it is asserted that the director knew his acts were wrongful or improper”.



The Proceedings

8. I shall introduce the allegations of the Claimants as succinctly as I can. They are described more fully in my judgment of 24 April 2023, [2023] ADGMCFI 0009, and in the judgment of the Court of Appeal of 25 June 2025, [2025] ADGMCA 0001.
9. The Claimants allege that they are the victims of a fraud which was perpetrated by various former directors and other persons and which involved UPPC purchasing 391,789,341 units of Participation Notes ("**P-Notes**") for AED 320,712,867.84. For the most part (as to 364,549,341 units purchased for AED 286,516,611.54), they were P-Notes the underlying security of which was by way of shares in UP. The Claimants' case about the nature of the fraud is this:
 - a. Between January and April 2018, UP transferred AED 337 million to UPPC, its wholly owned subsidiary, and UPPC invested it with Julius Baer & Co Limited ("**JB**"), and AED 287 million of the money was invested in JB's UAE Focus Fund.
 - b. In July 2018, UPPC withdrew the funds in the UAE Focus Fund, now reduced to AED 270 million, and bought 391,789,341 units of P-Notes with the proceeds.
 - c. Between 10 September 2018 and 5 October 2018, the 364,549,341 units were converted into shares in UP, and the shares were transferred to accounts held at different banks or financial institutions in the name of Mr Hassan Ashoor Al Mulla, a lawyer and the Thirteenth Defendant.
 - d. According to the Claimants, Mr Khalifa Hasan Ali Saleh Alhammadi, the Tenth Defendant, arranged for companies owned by members of his family to buy properties from UP with money from the sales of the shares.
 - e. These transactions were not authorised by the Claimants and were concealed from them. The Claimants' case is that, in order to keep the true position hidden, in June 2018 it had been arranged that UPPC enter into a Mandate Agreement and an Investment Management Agreement (the "**IMA**") with Trinkler & Partners Limited ("**TAP**"), a Swiss company registered in Zurich and the First Defendant, and that in September 2018 TAP entered into a Service Level Agreement ("**SLA**") with First Fund Management Limited ("**FFM**"), a company incorporated in the Abu Dhabi Global Market ("**ADGM**") and the Fourth Defendant. According to the Claimants, TAP and FFM falsely reported that they had received the 364, 549,341 P-Notes, and that they had sold them and reinvested the proceeds in Middle East securities.
 - f. The Claimants discovered what was happening only after being alerted in late October 2021 that the Federal Prosecution Authorities were conducting an investigation into the activities of Mr Alhammadi. They learned that the reports from TAP and FFM were false, and that they had been defrauded.



10. The Claimants originally brought the proceedings against 13 defendants. They have entered judgment in default against Ms Amna Hasan Ali Saleh Alhammadi, the Seventh Defendant, Mr Alhammadi, and Mr Al Mulla. The proceedings are not pursued against TAP, which is in liquidation, Mr Patrick Albert Held, the Third Defendant, and Mr Stefan Dubach, the Eleventh Defendant. They have been struck out against Mr Naser Butti Omair Yousef Almheiri, the Ninth Defendant. Subject to this Application, they are due to proceed to trial in November 2025 against the remaining six defendants.

The Procedural History

11. The proceedings have a long and pretty tortuous history. They were issued on 14 November 2022. By an application dated 29 August 2023, Mr Almheiri applied to have the claims against him struck out. At a hearing on 7 November 2023, I determined that the Claimants' pleading was defective but gave them an opportunity to amend it. On 8 December 2023, they applied to do so, and on 13 and 14 May 2024 at the restored hearing of Mr Almheiri's strike-out application, they made a further application to amend. By a judgment of 23 May 2024 ([2024] ADGMCFI 0006), I refused both the Claimants' amendment applications, and I struck out the claims against Mr Almheiri. In my judgment (at para. 63), I observed that the Claimants had had "*every opportunity for putting their pleading in order*". By a judgment of 25 June 2025 ([2025] ADGMCA 0001), the Court of Appeal refused the Claimants' application to present further evidence to support their case against Mr Almheiri, and it rejected their appeal against my decision.
12. Meanwhile, on 14 June 2024, the Claimants issued a third application to amend their Particulars of Claim. By a judgment of 15 November 2024 ([2024] ADGMCFI 0014), I permitted some of the proposed amendments and refused others. On 9 December 2024, the Claimants filed a pleading amended in accordance with my judgment. (I shall refer to this version as the "**December 2024 pleading**".) On 14 January 2025, Mr Almansoori filed a defence to the claims against him (his time for doing so having been extended). At a Case Management Conference on 21 May 2025, I directed that the trial should start on 27 November 2025.

The Claims against Mr Almansoori

13. The Claimants plead that Mr Almansoori was a director of UP from June 2020 to November 2021, and that he was a director of FFM from 27 February 2020. That is uncontroversial. In his witness statement in support of the Application, Mr Almansoori says that he was a non-executive director of the two companies, having full-time employment as Director of Studies and, since August 2020, as an E-Commerce Specialist, at the Abu Dhabi Department of Economic Development. This evidence is not disputed in the Claimants' evidence in response.
14. The Claimants plead four claims against Mr Almansoori:
 - a. a claim for damages on the basis of negligent misstatement;
 - b. a claim for damages or compensation for breach of his duties as a director of UP;



- c. a claim for compensation under the ADGM Financial Services and Markets Regulations 2015 (the “FSMR”), or in the alternative for damages for breach of statutory duty; and
 - d. a claim for damages on the basis of unlawful means conspiracy.
15. Thus, there are two statutory claims, one under UAE legislation and governed by UAE law, and the other under ADGM legislation. The Claimants plead that the misrepresentation claim and the conspiracy claim are governed by ADGM law, and also that, if another law applies, it is presumed to be the same as ADGM law. Mr Almansoori does not take issue with this, and I therefore consider these claims by reference to ADGM law, which is materially the same as English law.
 16. Before considering these claims individually, I observe that Mr de Wolff suggested that some of Mr Almansoori’s complaints might be met by amendment. I have little sympathy with that response: the Court has given the Claimants numerous opportunities to put the pleading in order, and they have repeatedly amended it. The parties face a demanding timetable to trial, and both the defendants and the Court are now entitled to certainty about what the Claimants allege. I should need a good deal of persuasion that further significant amendments should be permitted if the Claimants could have made them earlier. In any case, I can deal with Mr Almansoori’s Application only on the basis of the December 2024 pleading, the Claimants having made no application to amend in response to it.

Negligent Misstatement

17. The claim in negligent misstatement is pleaded in these terms (at paras. 66 and 67 of the December 2024 pleading):

“... Dahi Almansoori made repeated representations to TAP, such representations also being made in turn to the Claimants, at least on the basis of the relationships identified at paragraph 33 above, that FFM was actively trading in UAE, Saudi and Egyptian stocks throughout the period between, at least, 27 February 2020 and 31 March 2021.

The said representations were made negligently in circumstances where Dahi Almansoori owed a duty to the Claimants not to mislead [UPPC] in relation to its investment. The said duty derives from and forms part of the duty of Dahi Almansoori to exercise reasonable skill, care and diligence in the management of the Claimants’ assets consequent upon the SLA, as pleaded at paragraph 36 above. The Claimants, by refraining from investigating or unwinding the misappropriation of the Transferred Funds and/or Trust Assets, did in fact rely on each of the aforesaid representations and have suffered loss and damage as a result. Dahi Almansoori is liable to the Claimants for the same”.

18. The “relationships” pleaded at para. 33 are stated as follows: “... by reason of TAP’s contractual undertakings and its position as the agent of [UPPC] in directing and authorising financial transactions on its behalf in respect of assets to be managed under the IMA, [UPPC] reposed trust and confidence in TAP”. Accordingly, it is said, TAP owed UPPC certain fiduciary duties.



19. Para. 36, which is said to plead the source of the duty of care owed by Mr Almansoori, reads as follows: *“In circumstances where the SLA was entered into and acted upon for the sole purpose in fact of managing the Claimants’ assets, FFM and each of Thomas Trinkler, Jorg Klar, Paresh Khiara, and Dahi Almansoori (in their capacity as directors of FFM from or after 4 September 2018) owed the Claimants a duty to not act improperly and to exercise reasonable skill, care and diligence in how FFM managed the Claimants’ assets”*.
20. Mr Bonner Hughes submitted that the pleading of this claim is inadequate in these respects:
 - a. the Claimants do not allege that the representations were false;
 - b. the pleading is unclear about the basis of the alleged duty of care;
 - c. the *“repeated representations”* are unparticularised, both as to the words or conduct used and as to when and where they were made;
 - d. the Claimants do not state in what ways Mr Almansoori is said to have failed to comply with his duty of care; and
 - e. the alleged loss is not particularised.
21. Mr de Wolff said that the *“repeated representations”* referred to in para. 66 of the December 2024 pleading are stated in para. 48:

“Despite having never received the Trust Assets [sc. the P-Notes] from Julius Baer:

- a. *TAP and/or FFM provided [UPPC] with regular security balance reports and cash flow statements, which purported to show a picture of active trading in UAE, Saudi and Egyptian stocks;*
 - b. *the reports were either compiled by TAP based on reports retrieved online from two websites ... and sent to FFM for review, or generated by FFM using Excel; and*
 - c. *it is understood that the stock portfolios were in fact ‘fake’ and websites were created by employees of [UP] on instructions of Khalifa Alhammadi and/or Ahmed Khouri”*.
22. Mr de Wolff submits that it is *“self-evident”* that the Claimants allege that the representations were false. I accept that submission: the similar wording used in paras. 48(a) and 66 make it clear that para. 66 refers to the representations stated in para. 48, and the pleading in paras. 48(b) and 48(c) make sufficiently clear how they are alleged to have been false.
23. Mr Bonner Hughes had better points. He said that, when Mr Almansoori made the Application, he had understood the Claimants’ case to be that he owed them a duty of care as a result of his status as a director of UP or his status as a director of FFM or both. It would follow that he did not owe a



duty of care until February 2020 at the earliest. However, Mr de Wolff explained in the course of the Application that the Claimants' case is that Mr Almansoori owed the duty because, as pleaded in para. 36, the SLA was "*entered into and acted upon for the sole purpose in fact of managing the Claimants' assets*". In response to my specific question at the hearing, he said that Mr Almansoori was under a duty of care to the Claimants from September 2018, when the SLA was made.

24. This surprised me: in para. 36, the Claimants plead that Mr Almansoori (and others) owed a duty of care "*in their capacity as directors of FFM ...*", and Mr Almansoori was not a director until February 2020. Mr de Wolff contended that, if necessary, para.36 might be amended so as to read "*particularly in their capacity as directors of FFM in or after 4 September 2018*" so as to "*clarify*" its intended meaning. To my mind, that would not clarify the pleading, but would significantly change it. Further, the new contention is simply unarguable: the December 2024 pleading does not allege that Mr Almansoori had any association with the affairs of FFM before February 2020, and a contract between FFM and TAP cannot have put him under a duty of care. Mr de Wolff's response that, for all the Claimants know, Mr Almansoori might have been involved with FFM before he was a director is beside the point: the Claimants have not pleaded that he was.
25. Further, it is not alleged that Mr Almansoori had any personal involvement in producing or issuing the reports and statements, and the Claimants have pleaded no other basis for a case that, after he became a director of UP, Mr Almansoori was under a personal duty of care as to representations made by FFM. In *Williams v Natural Life Foods Ltd* [1998] 1 WLR 830, the House of Lords made clear that, without more, a director is not subject to a duty of care in respect of representations made by a company: there must be some basis on which the director can be said to have assumed a responsibility for the representations.
26. I would also uphold Mr Almansoori's complaint that the December 2024 pleading is defective in that it does not state when and how the representations are said to have been made to the Claimants. While I have accepted that the implication of the pleading is that the representations were made by way of "*regular security balance reports and cash flow statements*" (para. 48(a)), Mr Almansoori is entitled to know when the relevant reports or cash flow statements are said to have been provided. However, had this been the only deficiency in the pleading, I would have allowed it to be cured by particulars, and I would not have struck out the claim on this basis alone.
27. I consider more serious the complaint that the pleading does not state how Mr Almansoori failed to comply with his duty. In a witness statement dated 16 June 2025, Mr de Wolff contended that "*had Dahi Almansoori acted diligently, he should and would have discovered that FFM served no proper purpose (i.e. that it was a sham company)*". If that is the Claimants' case, it should have been pleaded, and it has not been.
28. It is not said that the Claimants' funds or assets were misappropriated as a result of any breach of duty of Mr Almansoori: Mr de Wolff submitted that, as a result of his breach, they suffered damage by way of loss of the chance of "*detecting, investigating and unwinding the misappropriation*". As I understand it, therefore, the Claimants say that they suffered loss because they learned that they had been defrauded only in about October 2021 and not at some time in or after June 2020 (if Mr



Almansoori owed a duty of care because he was a director of UP) or at some earlier time. However, the claim is not pleaded on the basis of loss of a chance. The December 2024 pleading simply says that the Claimants suffered loss because they “*refrain[ed] from investigating or unwinding the misappropriation of the Transferred Funds and/or the Transferred Assets*” (para. 64). The term “*Transferred Assets*” refers to the 391,789,341 units of P-Notes, and at the hearing, Mr de Wolff acknowledged that the Claimants could not have “*unwound*” matters so as to recover them. The term “*Transferred Funds*” refers to “*the sum of AED 320,717,867.84 ... paid by [UPPC] towards the purchase of the 391,789,341 units of P-Notes [less the value of certain of the P-Notes]*” (para. 9(b)). No explanation has been offered about how matters might have been “*unwound*” so that the sum of AED 320,717,867.84 might have been recovered.

Breach of Duty

29. The Claimants plead that, as directors of UP, Mr Almansoori and others owed certain duties pursuant to the UAE Federal Law 2/2015 on Commercial Companies (as amended) (the “**CCL**”) and the UAE Securities and Commodities Authority Governance Rules (the “**SCA Governance Rules**”). They then plead with regard to Mr Almansoori that:

“In breach of his above duties in his capacity as a director of [UP], by his failure to act with due diligence in relation to the false reports of the putative investments underlying the P-Notes, in circumstances where he was at one and the same time during the same period a director of FFM, Dahi Almansoori failed to act with reasonable diligence in the protection of the property rights and interests of [UP]” (para. 72).

30. Mr Almansoori makes these criticisms of the pleading of this claim:

- a. the December 2024 pleading sets out nine duties under the CCL and SCA Governance Rules as relevant to the claims against Mr Almansoori and two other defendants, Mr Jorg Klar, the Fifth Defendant, and Mr Ahmed Yousef Abdulla Hussain Khouri, the Twelfth Defendant. It does not make clear which duties are relied on in relation to the claim against Mr Almansoori; and
- b. the pleading does not state what acts (or omissions) on Mr Almansoori’s part are said to have constituted a breach of duty. As a result, their allegations of breach are obscure, particularly since “*reasonable diligence*” is irrelevant to some of the duties upon which the Claimants rely.

31. The Claimants respond that Mr Almansoori is in breach of the duties that they plead as follows (at para. 69):

- (i) “*a duty to act in the company’s interests and specifically to protect the rights and interests of the company (Article 22 CCL); in doing so to exercise the care and diligence of a prudent person, i.e., a duty to exercise the standard of care expected of a suitably qualified and informed director in the relevant market exercising reasonable diligence (Article 22 CCL read together with the definition of a ‘prudent person’ in Article 1 CCL)*”;



(ii) *“a duty to protect the rights and interests of the company (Article 22 CCL)”*;

(iii) *“a duty to carry out their duties with due diligence and to conduct all acts consistent with the objectives of the company and the powers granted to them (Article 22 CCL and Article 11 read together with Articles 42 to 44 SCA Governance Rules)”*; and

(iv) *“a duty to act in the best interests of the company and with due diligence (Article 11 read together with Articles 42 to 44 SCA Governance Rules)”*.

32. The pleaded case against Mr Almansoori is not, on its face, confined to a breach of these (alleged) duties, but Mr Almansoori’s first complaint about the claim for breach of duty could be cured by particulars and is not a sufficient reason to strike it out.
33. The more serious complaint about the pleading of this claim is that nothing is said about how Mr Almansoori is said to have failed in his duties. It is not alleged that he was aware that the reports and statements received from TAP or FFM were false: that would have been inconsistent with him acting honestly. It is by no means self-evident that, as a non-executive director of UP, he should have discovered that the reports and statements were false, and Mr Almansoori is entitled to know how the case against him is put. I consider later in relation to the FSMR claim whether Mr Almansoori is liable in his capacity as FFM’s non-executive director if he was unaware of this, but on any view that would not constitute a breach of duty owed to UP in his capacity as its director. In short, I accept Mr Bonner Hughes’ submission that the alleged breach of duty is not properly pleaded.
34. I add two other points:
 - a. the first relates to the duties said to arise under article 22 of the CCL. It is not at all clear to me whether, and if so how, this article might apply to non-executive directors without managerial responsibilities; and
 - b. the other point relates to claims based on the SCA Governance Rules. The Claimants seek relief on the basis of liability under article 162 of the CCL, which provides for liability in cases of acts of fraud, misuse of power, an error in management and violation of the provisions of the CCL or the Articles of Association of the company. It is not clear to me whether, and if so how, this article might cover a claim for breach of a duty under the SCA Governance Rules against a director who was not dishonest and who had no managerial role.
35. However, Mr Bonner Hughes did not rely on either of these points: he did not need to do so, and they were not explored in submissions. I do not need to rely on them for my decision.



Liability under the FSMR

36. The basis for the claim that Mr Almansoori is liable under the FSMR is that FFM was an “*Authorised Person*” within the meaning of the regulations, and permitted to carry out “*Regulated Activities*” by way of advising on investments or credit, managing assets and managing a collective investment fund, and that Mr Almansoori and other directors were “*Approved Persons*”. Section 242 of the FSMR, entitled “*Actions for damages*”, provides as follows:

“(1) Unless otherwise provided under Rules made by the Regulator, where a person (whether or not a Private Person) —

(a) intentionally, recklessly or negligently commits a breach of duty, requirement, prohibition, obligation or responsibility imposed by or under these Regulations; or

(b) commits fraud or other dishonest conduct in connection with a matter arising under such Regulations;

that person is liable to compensate any other person for any loss or damage caused to that other person as a result of such conduct, and otherwise is liable to restore such other person to the position they were in prior to such conduct”.

37. It is said in the December 2024 pleading that FFM and the defendants who were its directors, including Mr Almansoori, “*have intentionally, recklessly or negligently committed a breach of duty, requirement, prohibition, obligation or responsibility imposed by or under the FSMR and/or (save for Dahi Almansoori) committed dishonest conduct in connection with their obligations to invest and manage the Trust Assets pursuant to the SLA*”. In the case of Mr Almansoori, it is said that he did so in breach of section 103(1) of the FSMR “*by creating a false impression as to the value of the Financial Instruments purportedly held by/on behalf of FFM in the period February 2020 to July 2021*” (para. 85(e)).
38. It is also said that, by reason of this conduct, he “*acted in breach of the General ... Rules*” made by the ADGM Financial Services Regulatory Authority (the “**General Rulebook**”) under its statutory powers. The pleading identifies five “*Principles*” applicable to Approved Persons that Mr Almansoori and other individual defendants are said to have breached “*in carrying out their Controlled Functions and in their dealings with the Claimants*”. (The December 2024 pleading does not expressly state what “*Controlled Functions*” are or when Mr Almansoori and others were carrying them out, but Mr Almansoori took no point on that.) It is then pleaded: “*Accordingly, each of FFM, [other defendants] and Dahi Almansoori are liable to compensate the Claimants in respect of their loss resulting from the breaches of Section 103(1) FSMR and of [the Principles] pursuant to Section 242(1)(a) and 242(2) FSMR*” (para. 90).



39. Thus, there are two parts to the FSMR claim. I take the allegation of breach of section 103(1) of the FSMR first. It provides, so far as is material for present purposes, that:

“(1) A person (“P”) who does any act or engages in any course of conduct which creates a false or misleading impression as to the market in or the price or value of any Financial Instruments, Accepted Virtual Assets or Accepted Spot Commodities commits a contravention of these Regulations if—

(a) P intends to create the impression; and

(b) the case falls within either subsection (2) or (3) or both.

(2) The case falls within this subsection if P intends, by creating the impression, to induce another person to acquire, dispose of, subscribe for or underwrite the investments or to refrain from doing so or to exercise or refrain from exercising any rights conferred by the investments.

(3) The case falls within this subsection if —

(a) P knows that the impression is false or misleading or is reckless as to whether it is; and

(b) P intends by creating the impression to produce any of the results in subsection (4) or is aware that creating the impression is likely to produce any of the results in that subsection.

(4) Those results are —

(a) the making of a gain for P or another; or

(b) the causing of loss to another person or the exposing of another person to the risk of loss ...”.

40. Mr Almansoori says that the pleading of this part of the claim is deficient for two reasons: (i) that it is not alleged that he intended to create a false impression, which is an essential ingredient of any claim of this kind; and (ii) it is not said how he created a false impression of the value.
41. The Claimants accept that, for a person to contravene section 103(1), he must intend to create a false or misleading impression. Mr de Wolff submitted that, therefore, the allegation that Mr Almansoori acted in breach of section 103(1) necessarily introduces an allegation that he so intended. That is not a satisfactory response: as Mr Bonner Hughes submitted, it “*gets things precisely the wrong way around*”. If intention is a necessary ingredient of a cause of action, it must be distinctly pleaded: it is not enough to say that, because the cause of action is asserted, necessarily all the ingredients of it are implicitly alleged.



42. I also see force in Mr Almansoori's second point. In his evidence, Mr de Wolff said that the allegation that Mr Almansoori created a false impression of the value of the instruments held by FFM on the basis pleaded at para. 48 of the December 2024 pleading (see para. 21 above) is that FFM provided balance reports and statements showing trading in Middle East stocks. He submitted that, since FFM had no such instruments, the reports necessarily misstated the value of the purported holding; and I accept that this argument would be sufficient for present purposes.
43. The pleading should have made clear that the alleged breach of section 103(1) is based on the reports pleaded in para. 48: it is not satisfactory that Mr Almansoori is left to infer this. However, I would not strike the claim out if this were its only deficiency: it could be remedied by a request for particulars.
44. I come to the second part of the FSMR claim: that Mr Almansoori acted in breach of the five identified Principles in the General Rulebook, which apply to all Approved Persons. The December 2024 pleading does not set out the identified principles, but it is useful to do so:
 - a. Principle 1 – Integrity: *"Each Approved Person must observe high standards of integrity and fair dealing in carrying out every Controlled Function"*.
 - b. Principle 2 – Due skill, care and diligence: *"Each Approved Person must act with due skill, care and diligence in carrying out every Controlled Function"*.
 - c. Principle 3 – Market conduct: *"Each Approved Person must observe proper standards of conduct in the ADGM Financial System in carrying out every Controlled Function"*.
 - d. Principle 5 – Management, systems and control: *"Each Approved Person who has significant responsibility must take reasonable care to ensure that the business of the Authorised Person for which they are responsible is organised so that it can be managed and controlled effectively"*.
 - e. Principle 6 – Compliance: *"Each Approved Person who has significant responsibility must take reasonable care to ensure that the business of the Authorised Person for which they are responsible complies with any Regulations or Rules"*.
45. The December 2024 pleading states:
 - a. neither in what way each of these Principles is said to have been breached by Mr Almansoori, other than inadequately and in the general terms of *"by reason of [the] conduct aforesaid"*, sc. by acting as pleaded in preceding paras. of the Particulars of Claim;
 - b. nor in respect of each Principle, whether the breach is said to have been intentional, reckless or negligent.



46. As for the second point, Mr de Wolff explained that the allegations of intention, recklessness and negligence are alternative contentions, and I do not criticise the December 2024 pleading in that regard. I regard the first criticism as more serious. For example with regard to:
- Principle 1 – Integrity: it is unclear whether Mr Almansoori is alleged to have failed to observe high standards of integrity or fair standards of fair dealing or both, and if so, in what respects;
 - Principle 2 – Due skill, care and diligence: the complaints made in relation to the claim in negligent misstatement (see para. 27 above) apply equally here;
 - Principle 3 – Market conduct: the pleading does not say what “*standards of conduct in the ADGM Financial System*” are relevant to the claim, and the alleged failings with regard thereto; and
 - Principle 5 – Management, systems and control and Principle 6 – Compliance: the pleading does not state what “*significant responsibility*” Mr Almansoori had either with regard to organising the business of FFM or with regard to compliance with “*Regulations or Rules*”.
47. In short, the pleading of this part of the FSMR claim is unacceptably vague.

Conspiracy

48. The claim against Mr Almansoori in conspiracy involves allegations against him that he “*combined or acted in concert with a common intention of misappropriating the Transferred Funds [sc. sum of AED 320,717,867.84] and/or the Trust Assets [sc. 391,789,341 units of P-Notes]*” and that he (and others) used unlawful means “*with the intention of injuring the Claimants*”. I cannot reconcile the Claimants’ stated position that they allege no dishonesty against Mr Almansoori with the allegation that he, a director of UP from June 2020, acted to misappropriate its assets or those of its subsidiary with the intention of injuring UP and its subsidiary.
49. Further, the only allegation of fact in support of the allegation that Mr Almansoori was party to the conspiracy is that FFM made the reports and provided the cash flow statements to which I have referred. That is not a sufficient basis to advance an arguable claim in conspiracy.

Delay

50. Mr Almansoori was served with the Claim in November 2022 and did not bring the Application until May 2025. He has not explained the delay, and, as I was told, he did not complain in correspondence about the deficiencies in the December 2024 pleading (or any of its predecessors) before making the Application. Mr de Wolff submitted that, in these circumstances, the Court should not exercise its discretion to strike out the claims or to grant summary judgment.
51. I have some sympathy with this criticism. It would have been better for Mr Almansoori to have presented his complaints about the pleading earlier than he did. However, I am not persuaded that this is sufficient reason for the claims against him to go to trial.



Conclusion

52. I accept that, as Mr de Wolff submitted, it is often difficult for the victim of a fraudulent conspiracy to know exactly how the fraud was perpetrated. Nevertheless, I had no difficulty in deciding that at least some of the claims should be struck out. My decision was more finely balanced with regard to others, particularly the breach of duty claim and the FSMR claim in so far as it is based on Principle 2 - Due skill, care and diligence. However, in the end, for the reasons that I have explained, I have concluded that I should grant Mr Almansoori's Application in full. I cannot accept that any of the claims should proceed to trial against Mr Almansoori, against whom no allegation of dishonesty is made or, as far as I can see, could properly be made.
53. I am comforted in this conclusion by this: the difficulty that the Claimants would have in showing that the complaints against Mr Almansoori caused any loss, which I have noted in relation to the negligent misstatement claim at para. 28 above, applies equally to the relief for the other claims.
54. In *British Airways Pension Trustees Ltd v Sir Robert McAlpine & Sons Ltd* (1995) 11 Const LJ 365, 367, Saville LJ said: "*The basic purpose of pleadings is to enable the opposing party to know what case is being made in sufficient detail to enable that party properly to prepare to answer it*". The December 2024 pleading simply does not sufficiently and fairly enable him to do so. Further, in my judgment, none of the claims, as pleaded, has a realistic prospect of success.
55. I therefore grant the Application and strike out the claims against Mr Almansoori.
56. I invite submissions about costs by 5.00 pm on 29 July 2025.



Issued by:

Linda Fitz-Alan
Registrar, ADGM Courts
22 July 2025