Neutral Citation Number: [2025] EWHC 2367 (Ch)

Case No: BL-2021-002235

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
BUSINESS LIST (ChD)

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 17 September 2025

Before :

HHJ PAUL MATTHEWS
(sitting as a Judge of the High Court)

- -

Between :

KLOTHO BRANDS LIMITED (FORMERLY KNOWN AS LION/HEAVEN UK II LIMITED)	**Claimant/ Applicant**
- and -	
KEVIN-GERALD STANFORD (FORMERLY KNOWN AS KEVIN GERALD STANFORD)	**Defendant/ Respondent**

- -
- -

Ben Valentin KC and Ellen Tims (instructed by **Proskauer Rose (London) LLP**) for the **Applicant**
The Respondent did not appear and was not represented

Hearing date: 5 September 2025

- -
- -

This judgment was handed down remotely at 3 pm on 17 September 2025 by circulation to the parties or their representatives by e-mail and by release to the National Archive

HHJ Paul Matthews :

Introduction

1. This is my judgment following a hearing on 5 September 2025 to consider the sentence which I should impose for two contempts of court committed by the respondent. The acts of contempt were breaches of an injunction granted on 5 April 2022 by Clare Ambrose sitting as a deputy judge of the High Court: see [2022] EWHC 850 (Ch). The contempt application was heard by me on 23 July 2025. The respondent did not attend, and neither was he represented. During the course of the hearing, I delivered three short extempore judgments: see [2025] EWHC 2284 (Ch). I reserved my judgment on the contempt application and delivered it on 1 August 2025. I found the respondent guilty of the two acts of contempt: see [2025] EWHC 1966 (Ch).

2. The matter was then relisted for 5 September 2025, to consider sentence. At the hearing on 5 September 2025, the applicant was again represented by Ben Valentin KC and Ellen Tims of counsel. Once more, unfortunately, the respondent failed to attend or be represented. I am quite satisfied that he knew of the hearing, not least because he corresponded with the court about it, up to and including the early morning of the hearing itself, in an apparent attempt to derail it. He put forward no excuse for not attending, and I infer that there is none.

The respondent's further applications

3. In the interval between the judgment handed down on 1 August 2025 and the hearing on 5 September 2025, the respondent made two further applications. The first was an application by notice dated 13 August 2025, for an order setting aside the order of 5 April 2022, on the basis that it had been obtained by means of a fraud on the court. In addition to the evidence served and filed by the respondent at the time of that application, the respondent filed further evidence in support of that application as late as 2 September 2025.

4. There was also an email sent to the court on 3 September 2025, apparently by the respondent's son Lukas Stanford, purportedly in his capacity "as trustee" of the DS Family Trust. I had previously held Lukas Stanford not to have been validly so appointed as such trustee, because of a patent failure to follow the relevant provisions of the trust instrument: see [2025] EWHC 2284 (Ch), [21]-[23]. However, he claimed now to have become the duly appointed trustee of that trust, by virtue of further documents, to which he referred, but which he did not give himself the trouble of exhibiting to the court. In that email, he expressed his unconditional support for the application of his father, the respondent. The email takes the matter no further.

5. The second application was one by notice dated 4 September 2025, for an order striking out the applicant's contempt application, on the grounds that no resolution of the board of the claimant had been exhibited in evidence authorising the making of the application.

Dealing with the applications

6. The respondent had asked that these applications be dealt with on paper only, that is, without having to attend court. After consideration of the relevant documents, I declined to take that course. I judged that each of these applications should be dealt with in open court at the beginning of the hearing that was already listed between the parties on 5 September 2025.

7. In relation to the application of 13 August 2025, there was no good reason for having a hearing in the middle of the vacation, when the parties and their lawyers (to say nothing of the judge) would probably be enjoying their summer holidays. There was nothing about the application that required it to be dealt with as a matter of urgency. In relation to the application of 4 September 2025, the next listed hearing between the parties was to take place on the following day, and it made no sense to try and deal with the matter beforehand. There was no time, for example, for the respondent to that application (that is, the applicant in the contempt application) to consider and respond to the respondent's new application.

8. Accordingly, at the beginning of the hearing on 5 September 2025, I began by considering the respondent's two applications. As I have already said, the respondent was not present in court to make either of them. I could therefore have dismissed them both simply on the basis that the respondent (or any representative of his) was not there to make them when they were listed to be heard. Instead, I did not do so, and leading counsel for the applicant in the contempt application addressed me on them. I then gave an extempore judgment dismissing both applications on their merits.

The application of 13 August 2025

9. Although the reasons for my decisions were set out in my oral judgment, for reasons which will become apparent it is necessary that I give a short summary here. I held that the application of 13 August 2025, to set aside the declaration of 5 April 2022, was irrelevant to the prosecution of the contempt application and in particular of proceeding to sentence. This was because, even if the 2022 declaration were set aside, that would not have retrospective effect, and breaches of the injunction having been established, they would not be cured by that injunction's subsequently being set aside. I also held that an application to set aside an existing judgment for fraud had to be brought by a fresh claim rather than an application within the original proceedings, and I referred to a number of authorities which are authority for that proposition. So the application in its current form would fail in any event.

The application of 4 September 2025

10. As to the application of 4 September 2025, I held that there was no rule requiring that a corporate litigant should put in evidence a resolution of the board of directors authorising the bringing or defending of the proceedings in question. Nor indeed could I find any requirement in the articles of association of the applicant in the contempt application to the effect that such a resolution was the only way of authorising litigation. I also referred to the legal maxim *omnia praesumuntur rite esse acta*. It would be presumed that the company

had complied with its own corporate requirements unless the contrary was proved, which in the present case it had not been.

Sentencing in the absence of the respondent

11. I then went on to consider the question whether it was appropriate for me to proceed directly to sentencing when the respondent was not present. Again, leading counsel for the applicant in the contempt application addressed me on this. Once more, I gave an extempore judgment, holding that I would continue to sentence. Leading counsel then addressed me on the question of sentence. In order to make sure that I had appreciated all the points which could be made on behalf of the respondent, I reserved my decision.

The respondent's further application

12. After I had reserved my judgment, however, but before I could hand it down, the respondent issued a yet further application, on 9 September 2025. This application asked the court to make the following order:

> "Order under CPR 3.1(2)(f) staying sentencing in these contempt proceedings pending determination, or further order, of the Part 7 claim filed by me challenging the 5 April 2022 Declaration; alternatively, a stay until first case management directions in that claim. I ask that this application be determined on the papers before any sentencing order is sealed."

13. The application is supported by a further witness statement from the respondent, also dated 9 September 2025. This merely sets out a small part of the procedural history of the matter. But it misunderstands – or at any rate misstates – some of what I said at the hearing on 5 September. It also repeats arguments in favour of a stay of the sentencing decision which I rejected at that hearing. But it also says this:

> "For the avoidance of doubt, during any stay I will pursue the fraud allegation solely through the Part 7 claim and the Court process and will refrain from any external communications or actions inconsistent with the 5 April 2022 Declaration while it remains in force."

14. The respondent did indeed issue a Part 7 claim form (in the Business List of the Business and Property Courts of England and Wales) on 9 September 2025. The defendants are not only the applicant in the contempt application, but also its solicitors, Proskauer Rose (London) LLP, one of its officers, Mr Lyndon Lea, and Ernst & Young LLP. This claim form gives brief details of the claim as follows:

> "Claim to set aside the declaration dated 5 April 2022 made in Claim No BL-2021-002235 ('the 2022 declaration') on the single ground of fraud on the court in its procurement, and on the further ground that the DS Family Trust, as legal owner of one AllSaints Retail Ltd share and a necessary party under CPR 19.2(3), was excluded from those proceedings. The claim does not seek to relitigate the 2011 Share Purchase Agreement or

> 2012 Settlement, which are background only. The relief sought is a declaration that the declaration dated 5 April 2022 is void for fraud, together with appropriate consequential directions and costs."

The claim form states that the particulars of claim are "to follow". It is accompanied by a witness statement from the respondent, although the CPR make no provision (and certainly impose no need) for the service of such a document in a Part 7 claim.

15. It is clear, first of all, that the respondent has been made aware of at least some of what I said in giving judgment extempore in dismissing his application of 13 August 2025. This is despite the fact that my judgment has not yet been transcribed and published. There were three gentlemen sitting together at the back of the court throughout the whole of the hearing on 5 September 2025 (unlike the casual tourists and other court visitors who came in for a short time and then left). They were asked if any of them was the respondent but said No. As set out above in summary, during my extempore judgment I said that it was not possible to apply to the court to set aside an order for fraud by simple application in form N244 in the same proceedings. Instead, it could only be done by fresh action. As stated above, the respondent has now issued that fresh claim.

The position of the applicant in the contempt application

16. I directed that the applicant in the contempt application be asked whether it wished to respond to or comment upon this latest application by the respondent. (I will have to come back to this direction.) I received a short written submission dated 12 September 2025, which I have read. Amongst other things, that submission says that

> "2. … There is nothing in that witness statement that merits any evidential response from Klotho.
>
> […]
>
> 5. Klotho's position in respect of the Part 7 Claim will be that it is vexatious and totally without merit and should therefore be summarily dismissed. It would be surprising if that were not also the position of the other putative defendants.
>
> 6. The total lack of any merit in the Part 7 Claim is underlined by the statement in the claim form that: '*The claim does not seek to re-litigate the 2011 Share Purchase Agreement or 2012 Settlement Agreement, which are background only.*' The 2022 order which Mr Stanford now seeks to have set aside, the Ambrose Order, simply gives effect to what Mr Stanford agreed when he executed those agreements."

17. On 14 September 2025, the respondent produced a short "Note" in reply to the contempt applicant's written submission. This says that the contempt applicant "avoids the core issues", namely (i) the allegation that the order of 5 April 2022 was procured by fraud, and (ii) the allegation that the family trust was

excluded from the proceedings leading to that order, in breach of CPR rule 19.2(2). It says that a sentence for contempt or a civil restraint order would not validate the 2022 order, cure the exclusion of the family trust, or "displace statutory classifications under POCA 2002". It further says that it would be wrong and inconsistent to certify the present application as totally without merit. It denies that the contempt applicant is suffering any prejudice through further delay.

18. It then goes on to say this:

> "**6. The Court's Invitation**
>
> I am grateful to His Honour Judge Matthews for recognising that other parties are directly affected and for inviting their comments. That request was issued by judicial email via the Listing Office on 12 September 2025 and will be recorded on CE-File. It is therefore a judicial communication, not informal correspondence.
>
> The invitation was directed to Proskauer Rose LLP (Mr Steven Baker, Mr Steven Davis, Mr Ira Bogner, and Mr Daryn Grossmann); to Lion Capital LLP (Mr Lyndon Lea and Mr Robert Darwent, partner); to Ernst & Young LLP (Ms Anna Anthony, Mr Peter Reynolds, and Mr James Lovegrove); to Aztec Financial Services (Jersey) Limited and NALA AS Bidco Limited (Ms Kristin Holmes, Mr Mandeep Panasar, Mr Graham Tester, Mr Sean Hagerty, Ms Kathryn Purves, Mr Edward Moore, Mr James Duffield, and Ms Lynsey Magee); to the directors of AllSaints Retail Ltd (Mr Peter Wood, Ms Catherine Jobling, and Ms Elaine Deste); to Mr Richard Sean Lewis of J. Rothschild Capital Management; and to the trustee of the DS Family Trust, Mr Lukas Kevin Stanford."

19. I am afraid that there has been a misunderstanding. The email that I sent to court staff on 12 September 2025 followed receipt by me of the respondent's written submission. It read as follows:

> "Please can you tell me if Mr Stanford has confirmed sending his application to Klotho's solrs? If he has not confirmed, please send it anyway, inviting their comments."

It will be seen that this email (which is my direction referred to at [16] above) was concerned only to invite the contempt applicant solicitors to comment, and no one else. In fact, the email actually sent out by court staff read as follows:

> "Further to the below, His Honour Judge Matthews has asked if the other parties have any comments regarding Mr Stanford's application?"

20. However, the list of persons to whom this email was sent included the respondent himself and all the persons listed by the respondent and set out in the extract from his Note at [18] above. It appears that this is because the original email sent by the respondent to the court in making the application of 9 September 2025 had been gratuitously copied by the respondent to all these

other people, and court staff in sending successive emails in correspondence with the respondent or with the contempt applicant's solicitors had simply pressed "Reply all".

21. When my own email message was passed on, court staff did the same thing again, with the result that, not only did the contempt applicant's solicitors receive the email (as I intended), but all the other people in the list received a copy as well (which I did not intend). My message was not for them, and, if the respondent had not copied them all into his original email to the court, they would not have received it. It is therefore unnecessary for me to address the arguments mistakenly made on the basis of the supposition that I had invited all these third parties to comment on the respondent's application.

Discussion

22. The respondent's application of 9 September 2025, to stay the sentencing process, suffers from the same difficulty as the application of 13 August 2025. This is that, even if the fresh Part 7 proceedings were to survive any strike-out application, and were ultimately successful, and the order of 5 April 2022 were set aside (on whatever grounds), that setting aside would be *prospective* only. It would have no effect on either the respondent's past conduct, or the judicial decision already made that the respondent was guilty of contempt of court in breaching that order. This is because an order made by a court of competent jurisdiction is valid and has to be obeyed, even though it is liable to be overturned on appeal or otherwise set aside, *unless and until* it is so successfully appealed or set aside.

23. In *Hadkinson v Hadkinson* [1952] P 285, Romer LJ, with whom Somervell LJ agreed) said, at 288:

> "It is the plain and unqualified obligation of every person against, or in respect of whom, an order is made by a court of competent jurisdiction, to obey it unless and until that order is discharged. The uncompromising nature of this obligation is shown by the fact that it extends even to cases where the person affected by an order believes it to be irregular or even void. 'A party who knows of an order, whether null and void, regular or irregular, cannot be permitted to disobey it ... It would be most dangerous to hold that the suitors, or their solicitors, could themselves judge whether an order was null and void - whether it was regular or irregular. That they should come to the court and not take upon themselves to determine such a question: that the course of a party knowing of an order, which was null and irregular and who might be affected by it was plain. He should apply to the court that it might be discharged. As long as it existed it must not be disobeyed.' (*Per* Lord Cottenham LC in *Chuck v Cremer* (1846) Cooper temp Cottenham 205, 338.)"

Denning LJ delivered a concurring judgment.

24. The passage from the judgment of Romer LJ cited above was cited with approval by the Privy Council in *Isaacs v Robertson* [1985] AC 97, 101-102, which in turn was relied on by the House of Lords in *M v Home Office* [1994]

1 AC 377, 423. These authorities have been cited and relied on in numerous other cases. Most recently, the Supreme Court, in *R (Majera) v Home Secretary* [2022] AC 46, [56], cited with approval the passage from *Hadkinson v Hadkinson* set out above, and expressed the same view. The matter is simply beyond argument.

25. The other main argument made by the respondent is that the order of 5 April 2022 cannot stand because the family trust was not a party to the proceedings which led to that order. I dealt with this in one of the interlocutory extempore judgments that I gave on 23 July 2025. I said this ([2025] EWHC 2284 (Ch)):

> "26. What Mr Lukas Stanford [the respondent's son] concludes is that the trust's exclusion from these proceedings in 2022 rendered those proceedings procedurally defective. Well, even if rule 19.2(2) had said what Mr Lukas Stanford says it means, rule 3.10 of the Civil Procedure Rules says that a failure to comply with the rule does not invalidate a step taken in the proceedings, or indeed of course the proceedings themselves. So the proceedings are not, in fact, invalidated merely because if it were the case, which it is not, that a rule had not been followed but, in any event, the general rule in the English courts is that a claimant can sue who it wants and there is an old authority for that called *Dollfus Mieg v Bank of England* in 1951.
>
> 27. In this case, the claim that was being made by the claimant was only about the defendant's interest in All Saints shares, not the trust's shareholding in All Saints shares. So the trust would not have been and could not have been prejudiced by the 2022 proceedings because it did not affect their shareholding. Any rights which the trust had before the declaration made by the deputy judge in 2022 it still has."

26. The point attempted to be made has therefore already been decided in these proceedings. For these reasons, there is nothing in this argument.

Conclusion on the application

27. Accordingly, the application of 9 September 2025 for a stay pending the prosecution of the fresh Part 7 claim must fail, and it is accordingly dismissed. I will record that it was totally without merit, as always bound to fail, as indeed were those of 13 August 2025 and 4 September 2025.

Sentencing decision

28. And so, finally, I turn to the question of sentence. I bear in mind, at the outset, that I am sentencing not just for the particular conduct the subject of the contempts, but also for conduct which breaches the order of the court. It is not the offence in itself, so much as the offence against the administration of justice, which is important here. Punishment for these contempts holds out the threat of further punishment for future breaches. By way of penalty, the Court can impose an unlimited fine, or sequestrate assets, or it can impose a maximum prison sentence of two years: Contempt of Court Act 1981, section 14. In considering the appropriate sentence, I have taken into account all the

written submissions made to the court by the respondent. I record here that leading counsel for the contempt applicant was meticulous, both in his written and his oral arguments, in drawing my attention to anything that might assist the respondent.

The respondent's position

29. The respondent's letter to the court dated 24 July 2025 says this in part:

> "I have made no claim to ownership, and I assert no rights over the assets in question. If any of my communications have been construed otherwise, I can only say that such implication would have been unintentional and does not reflect my position in good faith.
>
> For the avoidance of doubt, I understand that contempt requires a deliberate and wilful breach. My classification under the Proceeds of Crime Act 2002 was not made to challenge the court's authority, but to discharge a statutory duty in the public interest. I am here not to assert, but to inform … "

30. The respondent's witness statement in support of the application of 13 August 2025 says this:

> "**7 … (iii) Good faith compliance and purge:** Without prejudice to my position that no intentional breach occurred, I now purge any such breach in full. This is consistent with my prior correspondence, including my letter of 25 July 2025, and reflects my ongoing willingness to comply with any lawful order of the Court. Acceptance of a purge is recognised as strong mitigation: *Crystal Mews Ltd v Metterick* [2006] EWCA Civ 1740 confirms that a genuine purge can justify suspension or reduction of any custodial penalty, and *JSC BTA Bank v Solodchenko* [2011] EWCA Civ 1241 affirms that a purge removes the coercive element of civil contempt."

31. (I may say in passing that I do not understand the reference in that passage to *Crystal Mews Ltd v Metterick* [2006] EWCA Civ 1740. That reference indicates a decision of the Court of Appeal. So far as I am aware there is no such decision. There *was* a decision in a case of that name *at first instance*, by Lawrence Collins J, under neutral citation number [2006] EWHC 3087 (Ch). On the other hand, the neutral citation number [2006] EWCA Civ 1740 refers to a decision of the Court of Appeal in a case about costs in the Lands Tribunal, irrelevant to the matters arising in this case, called *Winter v Traditional & Contemporary Contracts Ltd*.)

32. The respondent's supplementary witness statement of 2 September 2025 includes the following:

> "There is no commercial motive for me personally. Any proprietary right, if it existed, would vest in the 2019 bankruptcy estate controlled by Kaupthing, the vendor of AllSaints to Lion Capital in 2011. My correspondence and statutory notices were issued in the honest belief that

> they complied with the injunction and were directed solely to ensuring that regulated parties discharged their statutory duties under POCA 2002 and the Money Laundering Regulations 2017.
>
> I have already placed my purge on the record. On 25 July 2025, in a letter to Proskauer copied to the Court, I confirmed that if any part of my conduct were found to constitute contempt, I sought to purge it immediately. On 31 July 2025, by a CPR 40.12 submission to the Court, I reaffirmed that I remain willing to comply with any lawful order under due process. These assurances pre-date the reserved judgment of 1 August 2025 and demonstrate that my purge was contemporaneous and consistent, not tactical, or belated.
>
> To the extent that the Court nonetheless finds a technical breach, I have already purged it and I undertake to comply fully with all future orders."

The mental element in contempt

33. In these documents, the respondent makes a number of points. One is that contempt requires a deliberate and wilful breach, but any breaches of the order in this case were unintentional. Another is that he has now purged his contempt. The first point is wrong in law, and, even if he never intended to commit a contempt of court, that would be irrelevant to liability, though potntially relevant to sentence. The second point is simply wrong.

34. As to the first, the respondent knew of the order of 5 April 2022. The acts which the respondent did, which I have held amount to breaches of the order and thus contempt of court, were acts deliberately done by the respondent. He had a choice whether to do them or not, and he chose to do them. He may say that he did not know that they would amount to breaches. But this is irrelevant. The mental element of this kind of contempt of court is clearly stated in the judgment of Rose LJ (with whom Lewison and Stuart-Smith LJJ agreed) in the recent Court of Appeal decision in *Atkinson v Varma* [2021] Ch 180:

> "54. … once knowledge of the order is proved, and once it is proved that the contemnor knew that he was doing or omitting to do certain things, then it is not necessary for the contemnor to know that his actions put him in breach of the order; it is enough that as a matter of fact and law, they do so put him in breach."

Purging contempt

35. The second point relates to purging contempt. You do not purge your contempt merely by saying "I purge my contempt". It is not like the magic words "*Open sesame*" to cause the doors of Ali Baba's cave to open. Indeed, the first thing to make clear is that purging contempt is something that happens *after* sentence, not before. I note that the Contempt of Court Act 1981, section 14(1), now refers simply to "the power of the court to order [the contemnor's] earlier discharge" from prison. This is because until the 1981 Act it was possible for the court to commit a contemnor to prison indefinitely, leaving it to the contemnor to apply for release on purging the contempt – if he

can. Dickens' *Bleak House*, Ch 1, contains a chilling description of the situation of such a contemnor:

> "A sallow prisoner has come up, in custody, for the half-dozenth time to make a personal application 'to purge himself of his contempt,' which, being a solitary surviving executor who has fallen into a state of conglomeration about accounts of which it is not pretended that he had ever any knowledge, he is not at all likely ever to do."

36. Like the 1981 Act, the current rule of procedure, rule 81.10(1), provides that

> "A defendant against whom a committal order has been made may apply to discharge it."

But there is no reference in the rules to "purging contempt". And, in *Longhurst Homes Ltd v Killen* [2008] EWCA Civ 402, Hughes LJ (with whom Ward and Sedley LJJ agreed) said:

> "16. … Any person sentenced for contempt of court has the right, if he can establish genuine regret and a genuine promise as to future conduct, to make application to the court which sentenced him to purge his contempt."

37. As to what actually is (or was) "purging" a contempt, in *CJ v Flintshire Borough Council* [2010] 2 FLR 1224, Wilson LJ said:

> "6. An application for an order for early discharge is often described as an application to purge the contempt. Speaking for myself, I regard the terminology of 'purging' a contempt as not particularly helpful, at any rate in the present context. To purge a contempt would in my view ordinarily mean to atone for a contempt, eradicate it or cleanse it of its previous ill-effect. Although a person committed to prison for breach of a mandatory order to do an act (such as to hand over a child, as in *Corcoran v Corcoran* [1950] 1 All ER 495) may reasonably be said to purge his contempt if he thereupon does the act or causes it to be done, the notion is less easily applied to an act which amounts to the breach of a prohibitory order and which, once done, cannot be undone."

38. And Sedley LJ (who agreed with what Wilson LJ had said) added this:

> "32. In *Harris v Harris* [2002] Fam 253, [21], Thorpe LJ accepted that 'the application to purge is rooted in quasi-religious concepts of purification, expiation and atonement'. In such a context, while compliance with a mandatory order may be the kind of proof of contrition which a court can evaluate, contrition sufficient to purge a breach of a prohibitory order is much more elusive and, many people might think, not really the business of the courts. Their task is completed, subject to any appeal, at the moment of sentence."

Aikens LJ gave a short concurring judgment in which he agreed with both of the other judges.

39. In the present case the respondent wrote the statements complained of some time ago, obviously before sentence. He cannot now *un*write them. So, there can be no purging of contempt in the technical sense. But of course the court in passing sentence can and should take into account words and conduct which would (after sentence) potentially amount to purging contempt in an application for early discharge from prison. It can amount to a form of mitigation.

40. Here, however, the order which the respondent has breached is a prohibitory order, and nothing that he can now do or say can undo what he has already done. The doubts and uncertainties are already out there. To go back to the Arabian Nights, the genie is out of the bottle. It is not like a mandatory order to do a positive act, which the recalcitrant contemnor can belatedly perform. Nevertheless, at a minimum, the contemnor could acknowledge the legal effect of the order of 5 April 2022, recognise his or her contempt as such, express contrition for it, and promise not to do it again.

41. Unfortunately, the respondent has done none of these. He does not appear to accept that the 2022 order has had, and will continue to have, legal effect until it is set aside, if it ever is. Nor has he clearly recognised his contempt as such, saying only that any breaches by him of the order were unintentional. Nor again has he apologised for those breaches. Nor indeed does he say that he will comply in future with the order of 5 April 2022.

42. Instead, he refers simply to his "ongoing willingness to comply with any *lawful* order of the Court," and his willingness "to comply with any *lawful* order under due process" and "to comply fully with all *future* orders" (emphasis supplied). But we know that he considers the 2022 order to be void for alleged fraud on the court and failure to join the family trust. I have no doubt that, in his eyes, it therefore does not fall within the phrase "any lawful order of the Court" as used by the respondent. This is no mitigation at all.

Starting point

43. The starting point in a contempt sentencing case is usually that given in the Sentencing Council Guidelines, which were referred to by the Supreme Court in *Attorney General v Crosland* [2021] 4 WLR 103, [44]. The judge derives a starting point in the guidelines by looking at two things: the culpability involved in the breach; and the harm that has been caused by it.

44. In relation to culpability, the court generally looks in terms of A, B and C bands, A being the most serious and C being the least serious. The defendant's actions in the present case were deliberate, and designed to be a nuisance at the least, perhaps with a view to achieving a financial settlement. This is not the most serious case that can be imagined, but neither is it the least serious. In terms of culpability, I am satisfied that this falls within band B.

45. In terms of the harm caused, the whole point of the order of 5 April 2022 was to remove the source of uncertainty in the marketplace about the ownership of the shares. But that process has been effectively stymied, because the respondent has made his various claims in relation to them. Therefore, he has

frustrated the whole process, as well as adding further uncertainty to the market. In terms of the harm that has been caused, it is not the most serious harm that could be caused, but it is still serious. I evaluate that at Level 2, which is the middle level.

Aggravation and mitigation

46. Now, the starting point in the Sentencing Council guidelines for B2 cases of breach of a restraining order is 12 weeks' imprisonment. Are there any aggravating factors? I take account of the fact that the respondent acted deliberately to make the statements he did, and did not do so accidentally or under pressure from third parties to do so. He did what he did entirely in his own interests, and in order to cause damage to the applicant in the contempt application.

47. His statements to third parties show that he was aware that he was doing something which the order was designed to prohibit. I am struck by the clear difference between the tone and language used by the respondent in writing to Sir Nicholas Land (of the Private Equity Reporting Group) and in writing to officers of the applicant and other third parties. There has been no apology for the breaches, or any attempt to undertake not to repeat them in future. Are there any mitigating factors? The respondent has purported to "purge" his contempt, but, as I have already said, ineffectually. In my view there are none.

Decision in principle

48. In principle, therefore, I conclude that, on the face of it, the appropriate sentence of the court for the contempts committed by the respondent is that of sixteen weeks' imprisonment on each count. I need next to consider whether the custodial sentence for each count should be consecutive or served concurrently. Each of the two counts refers to a distinct occasion on which there was a breach of the injunction. They were made, in lengthy written documents, several months apart. It is not the kind of case where several offences are committed upon a single location, or in close proximity. The respondent had time, after the first occasion, to think carefully before doing something similar again. And he did so.

49. Secondly, whereas the first document was sent only to officers of the applicant company, the second was distributed more widely in the marketplace. So, the effect of the offence on the second occasion was actually more serious than the first. In my judgment, it is appropriate that the sentence of the court should be 16 weeks' imprisonment on *each count consecutively*, amounting to 32 weeks in total.

Fine?

50. Having established the appropriate sentence, I must expressly consider the question whether a custodial sentence is actually necessary, or whether a fine would be sufficient. First of all, I observe that the respondent is, and remains, bankrupt, and a fine would, in effect, be no penalty at all. However, even if

that were not the case, in my judgment, these matters are too serious to justify simply a fine. This is a case which necessitates a custodial sentence.

Suspended sentence?

51. The next question is whether that custodial sentence should be suspended. Once again, I remind myself that there has been no compliance. The respondent has simply written and said whatever he thought might best advance his own interests. I reject the argument that he has made the statements in question out of a sense of public spiritedness. On the contrary, he has done it in order to be as difficult as possible, whether to improve his own negotiating position, or simply out of spite. It does not matter. There is no mitigation.

52. But is there any likelihood of compliance, if the order were suspended? Is it likely to encourage the respondent to say, "Well, rather than go to prison, I will obey the injunction. I will give up"? I have to say that there has been very little sign of this so far in *this* case, though, as I understand it (though not from anything that the respondent has put in evidence), on a previous occasion, when the respondent was sentenced to imprisonment for contempt of court, he decided to purge his contempt after only a short time in prison.

53. But I also note the strenuous efforts being made by the respondent, through the various (hopeless) applications which he has made in an attempt to stay the sentencing process. And I note that, in his latest witness statement, he says that he

> "will pursue the fraud allegation solely through the Part 7 claim and the Court process and will refrain from any external communications or actions inconsistent with the 5 April 2022 Declaration while it remains in force".

54. Accordingly, it seems to me that there is a real (rather than illusory) possibility that the respondent retains such a desire not to repeat his previous experience in custody that he will observe the terms of the injunction granted on 5 April 2022 rather than serve a further term.

Conclusion

Sentence

55. I will therefore lean towards mercy, and suspend the sentence of imprisonment for two years, on terms that the respondent does not during that time further breach the injunction of 5 April 2022. I make clear that in my judgment the true construction and scope of the injunction extends to not saying or doing anything to cast any doubt on the full validity on the applicant's ownership of the shares.

56. Accordingly, for the purposes of my order, it is an express condition of the suspension of the custodial sentence that the respondent does and says nothing (apart from anything said in good faith in the court documents in and for the

purposes of the claim issued on 9 September 2025) to cast any doubt whatever on the full validity of the applicant's legal and beneficial title to the shares, unless and until the order of 5 April 2025 is set aside.

57. I remind the respondent that, if he breaches the conditions which I have attached, he will go to prison not only under my activated sentence, but he will also be liable to a *further* sentence for the new offence as well. And it is beyond certain that the court will not look kindly on a recidivist contemnor.

Costs

58. The applicant made an application for its costs of the contempt application, for which purpose it filed and served a costs schedule. That application is summarised at [28]-[29] of the applicant's skeleton argument. So far as I can see, the respondent did not deal with costs in any of his written submissions. I will give him an opportunity to do so. The applicant in the contempt application has in its latest written submission sought its costs of dealing with the respondent's application of 9 September 2025, though it has not yet served a costs schedule.

59. I will decide all the costs applications on paper, taking account of (i) any further costs schedule filed and served by 4 pm on 19 September 2025, (ii) any written submission from the respondent filed and served by 4 pm on 24 September 2025, and (iii) any reply submission from the applicant filed and served by 4 pm on 26 September 2025.

Other matters

60. I will also order a transcript to be made of my rulings at the public expense, so that they can be placed on the public website, as is usual in contempt of court cases. I remind the respondent that he is entitled to appeal to the Court of Appeal, in accordance with the provisions of CPR Part 52, without the need for permission to appeal: CPR rule 52.3(1)(a)(i).