

ENGLAND AND WALES / JUDGMENT

Mex Group Worldwide Limited v Stewart Owen Ford & Ors

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[2026] EWHC 629 (KB) IN THE HIGH COURT OF JUSTICE KING'S BENCH DIVISION Case No:
KB-2023-004010 Royal Courts of Justice Strand, London, WC2A 2LL 17 March 2026 Before :
MR JUSTICE GRIFFITHS

- ----- Between : MEX GROUP WORLDWIDE LIMITED

- and - Claimant

(1) STEWART OWEN FORD

(2) BRIAN ROBERT CORMACK

(3) COLM DENIS SMITH

(4) MICHAEL GOLLITS

(5) MELVILLE CONSULTING PARTNERS LIMITED

(6) MELVILLE CONSULTANCY LIMITED

(7) REGAL CONSULTANCY INTERNATIONAL LIMITED

(8) CSM SECURITIES SARL

(9) VON DER HEYDT & CO AG

(10) VON DER HEYDT INVEST SA

(11) MEX SECURITIES SARL

(12) VIACHESLAV VOLOTOVSKIY

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- ----- Defendants Thomas Grant KC and Caley Wright (instructed by
Mackrell LLP) for the Claimant/Respondent Saaman Pourghadiri (instructed by Cooke,
Young & Keidan LLP) for the First, Second and Seventh Defendants / Applicants Hearing
date: 5 March 2026

- ----- Approved Judgment This judgment was handed down remotely at 10 am on 17 March 2026 by circulation to the parties or their representatives by e-mail and by release to the National Archives. MR JUSTICE GRIFFITHS MR JUSTICE GRIFFITHS Approved Judgment MR JUSTICE GRIFFITHS: Mex Group Worldwide Ltd v Ford and Others 1. 2. 3. 4. A worldwide freezing order was obtained by the Claimant against the Defendants. The Claimant had to give a cross undertaking in damages as a condition of getting the order: “If the court later finds that this order has caused loss to any Respondent, and decides that the Respondent should be compensated for that loss, the Applicant will comply with any order the court may make.” The injunction was later discharged. The question I have to decide is: should I order an inquiry as to what losses the First, Second and Seventh Defendants have suffered and whether they should be compensated for that loss? Or should I order no inquiry as to damages, so that the cross undertaking has no consequences even though the injunction has been discharged and the underlying action has come to nothing? This is an application by the First, Second and Seventh Defendants only (“the Applicants”). An inquiry as to damages has already been ordered by Freedman J on the application of the Third and Eighth Defendants: Mex Group Worldwide Ltd v Ford and others [2025] EWHC 2689 (KB) (“the Freedman Judgment”). The law Per Peter Gibson LJ in Cheltenham & Gloucester Building Society v Ricketts [1993] 1 WLR 1545, 1554: “The practice of requiring an undertaking in damages from the applicant for such an injunction as the price for its grant was originated by the Court of Chancery as an adjunct to the equitable remedy of an injunction. There is an obvious risk of unfairness to a respondent against whom an interlocutory injunction is ordered at a time when the issues have not been fully determined and when usually all the facts have not been ascertained. The order might subsequently prove to have been wrongly made but in the meantime the respondent by reason of compliance with the injunction may have suffered serious loss from which he will not be compensated by the relief sought in the proceedings. The risk of such injustice is the greater when the interlocutory injunction has been granted ex parte. The risk is particularly great with Mareva injunctions [i.e. freezing orders], granted as they are almost invariably ex parte, and frequently imposing severe restrictions on the respondents’ right to spend their money or otherwise dispose of their assets: such injunctions can have the effect of ruining a thriving business or of otherwise causing substantial loss to the respondent and were vividly described by Donaldson LJ in Bank Mellat v Nikpour [1985] FSR 87, 92 as being, with the Anton Piller order, one of the law’s “two ‘nuclear’ weapons.” The courts are properly concerned lest these weapons are used MR JUSTICE GRIFFITHS Approved Judgment Mex Group Worldwide Ltd v Ford and Others 5. 6. 7. 8. 9. 10. 11. inappropriately and the undertaking in damages provides a salutary potential deterrent against their misuse.” A two-stage approach is usually adopted, as it was in the case before me. I am concerned with the first stage. The two stages were identified by Lloyd LJ in Financiera Avenida SA v Shiblaq (7 November 1990; The Times 14 January 1991; and quoted verbatim in Cheltenham & Gloucester Building Society) as follows: “Two questions arise whenever there is an application by a defendant to enforce a cross-undertaking in damages. The first question is whether the undertaking ought to be enforced at all. (...) It is essentially a question of

discretion. (...) If the first question is answered in favour of the defendant, the second question is whether the defendant has suffered any damage by reason of the granting of the injunction.” In a simple case, the two stages might be considered together by one judge at one hearing. That would be in accordance with the overriding objective and CPR 1.4(2)(i) (“dealing with as many aspects of the case as it can on the same occasion”). However, many of these cases are, like the present case, not simple, involving questions of disputed fact, including causation, and potentially involving very large sums of money. Hence, the first question is taken at a separate hearing which can then, if and only if the first question is answered in favour of an order for an inquiry as to damages, give directions for the inquiry itself, in order to lay the ground for a second hearing which decides the second question. If the first question is answered in the negative, all the cost and resource of dealing with the second question will be avoided. The best course will be a matter for case management in the discretion of the court, depending on the facts of the case, including but not limited to its complexity and the amounts realistically at stake. The possibility of leaving over the exercise of the discretion to the later hearing was accepted by Evans J in *Barclays Bank Ltd v Rosenberg* (1985) 135 NLJ 633, 634 and by the Court of Appeal in *Zygal Dynamics Plc v McNulty* (20 June 1989; Court of Appeal (Civil Division) Transcript No. 571 of 1989) and *Financiera Avenida SA v Shiblaq* (1990). However, it was disapproved by different constitutions of the Court of Appeal in *Norwest Holst Civil Engineering Ltd v Polysius Ltd* (The Times, July 23,

- 1987) and *Cheltenham & Gloucester Building Society v Ricketts* [1993] 1 WLR 1545, 1557H. I will exercise this discretion now, following the first hearing. The starting point was set out by Cotton LJ in *Griffith v Blake* (1884) 27 Ch D 474, 477: “...the rule is, that whenever the undertaking is given, and the plaintiff ultimately fails on the merits, an inquiry as to damages will be granted unless there are special circumstances to the contrary.” MR JUSTICE GRIFFITHS Approved Judgment *Mex Group Worldwide Ltd v Ford and Others* 12. Similarly, James LJ said in *Graham v Campbell* (1878) 7 Ch D 490, 494: “The undertaking as to damages which ought to be given on every interlocutory injunction is one to which (unless under special circumstances) effect ought to be given. If any damage has been occasioned by an interlocutory injunction, which, on the hearing, is found to have been wrongly asked for, justice requires that such damage should fall on the voluntary litigant who fails, not on the litigant who has been without just cause made so.”
13. More recently, Neuberger LJ said in *Lunn Poly Ltd v Liverpool and Lancashire Properties Ltd* [2006] EWCA Civ 430 at paras 42 - 43: “As a matter of principle, and, indeed, of general practice, I would certainly accept that, where a claimant has obtained an interlocutory injunction restraining the defendant from doing something until trial, and the court decides at trial that a permanent injunction should not be granted, the defendant can normally expect, virtually as of right, to have an inquiry as to the damages to which he is entitled pursuant to the cross- undertaking which the claimant will have been required to give as a condition of obtaining the interlocutory injunction. However, there plainly are exceptions to this general rule. In *Hoffmann-Laroche v Secretary of State* [1975] AC 295 at 361D, Lord

Diplock said that the court “retains a discretion not to enforce the undertaking if ... it is inequitable to do so.” It is clear, however, that “special circumstances” are required before an inquiry can properly be refused.” 14. 15. Examples of “special circumstances” in which an inquiry has not been ordered were gathered by Peter Gibson LJ in *Cheltenham & Gloucester Building Society v Ricketts*

[1993] 1 WLR 1545, 1557. They include undue delay by the defendant in seeking the inquiry, and inequitable conduct by the defendant. Other examples given by Neuberger LJ in *Lunn Poly Ltd v Liverpool and Lancashire Properties Ltd* [2006] EWCA Civ 430 at para 44 are where the court is quite satisfied that no damages have been suffered, or where the court is satisfied that the damages have been suffered but should be summarily assessed by the court there and then. In *Yukong Line Ltd v Rendsburg Investments Corp* [2001] 2 Lloyd’s Rep 113, the Court of Appeal said (at para 33) that the court “may decide that the undertaking is not to be enforced” but “if it is established that the injunction was wrongly granted, albeit without fault on the plaintiff’s part, the Court will ordinarily order an inquiry as to damages in any case where it appears that loss may have been caused as a result” (emphasis in the original). 16. The Court of Appeal went on to say (at para 35): “So far as evidence of loss is concerned, upon an application for an inquiry, the applicant must adduce some credible MR JUSTICE GRIFFITHS Approved Judgment *Mex Group Worldwide Ltd v Ford and Others* evidence that he has suffered loss as the result of the making of the order. The Court will not order an inquiry if it appears to be pointless to do so because the intended claim for damage is plainly unsustainable. That may be because it is clear that the order is no more than the factual context for loss which would have been suffered regardless of the granting of the order, or it may equally be clear that the damage is too remote. However, at the stage of exercising its discretion whether to order an inquiry, the Court does not ordinarily hear protracted argument on whether the suggested loss will be recoverable. If the defendant shows that he has suffered loss which was *prima facie* or arguably caused by the order, then the evidential burden of any contention that the relevant loss would have been suffered regardless of the making of the order in practice passes to the defendant and an inquiry will be ordered: see for instance *Financiera Avenida S. A. v Shiblaq* (above); *Tharros Shipping Co. Ltd. v. Bias Shipping Ltd.*, [1994] 1 Lloyd’s Rep. 577.” 17. 18. Similarly, Blair J said in *Malhotra v Malhotra* [2014] EWHC 113 (Comm) at para 52, at the first stage, “all that the defendants need show is an arguable case on causation”. The measure of damages was explained by Lord Diplock in *Hoffmann-La Roche & Co AG v Secretary of State for Trade and Industry* [1975] AC 295, 361: “The undertaking is not given to the defendant but to the court itself. Non-performance of it is contempt of court, not breach of contract, and attracts the remedies available for contempts, but the court exacts the undertaking for the defendant’s benefit. It retains a discretion not to enforce the undertaking if it considers that the conduct of the defendant in relation to the obtaining or continuing of the injunction or the enforcement of the undertaking makes it inequitable to do so, but if the undertaking is enforced the measure of the damages payable under it is not discretionary. It is assessed on an inquiry into

damages at which principles to be applied are fixed and clear. The assessment is made on the same basis as that on which damages for breach of contract would be assessed if the undertaking had been a contract between the plaintiff and the defendant that the plaintiff would not prevent the defendant from doing that which he was restrained from doing by the terms of the injunction: see *Smith v Day* (1882) 21Ch D 421, per Brett LJ, at p 427.” 19. This was qualified by McCombe LJ in *Abbey Forwarding Ltd v Hone* (No. 3) [2015] Ch 309 (at para 63): “In the result, therefore, and perhaps not surprisingly, I reach the conclusion that the law as to the recoverability of loss suffered by reason of a cross-undertaking is as stated by Lord Diplock in his dictum in the *Hoffmann-La Roche* case, but with this caveat. Logical and sensible adjustments may well be MR JUSTICE GRIFFITHS Approved Judgment *Mex Group Worldwide Ltd v Ford and Others* required, simply because the court is not awarding damages for breach of contract. It is compensating for loss for which the defendant “should be compensated” (to apply the words of the undertaking). Labels such as “common law damages” and “equitable compensation” are not, to my mind, useful. The court is compensating for loss caused by the injunction which was wrongly granted. It will usually do so applying the useful rules as to remoteness derived from the law of contract, but because there is in truth no contract there has to be room for exceptions.” 20. 21. 22. 23. 24.

Facts

All the defendants, including the Applicants, were subjected to a worldwide freezing order obtained by the Respondent in these proceedings in support of proceedings initiated in Scotland. The order was made by Lavender J without notice on 20 October 2023. The Second Defendant (“Mr Cormack”) and the Seventh Defendant (“Regal”), who are two of the three Applicants, were based in Edinburgh and the Scottish proceedings began with orders on 18 October 2023 for what Lord Sandison described as “dawn raids” at addresses which included Mr Cormack’s residence and Regal’s offices. The Scottish proceedings were subsequently abandoned (on 7 March 2025) in circumstances set out by Lord Sandison in an opinion reported at *Mex Group Worldwide Ltd v Ford and others* [2025] CSOH 39 (the “Sandison Judgment”). The abandonment of the Scottish proceedings meant that the worldwide freezing order in these proceedings, which was made in support of those proceedings, would fall away, and it was set aside in respect of the Applicants and others by order of Stacey J on 18 September 2025. However, the worldwide freezing order in these proceedings had already been discharged as against the Fourth, Ninth and Tenth Defendants on the basis that there had been a failure to make full and frank disclosure and on a jurisdiction point. That discharge was upheld by the Court of Appeal on 8 August 2024: *Mex Group Worldwide Ltd v Ford and others* [2024] EWCA Civ 959 (“the Court of Appeal Judgment”). The Court of Appeal found that the failure to make full and frank disclosure included “deliberate omission” (para 140). The strong criticism of the Respondent in the Court of Appeal Judgment upholding the discharge of the worldwide freezing order related to points which were not particular to the Fourth, Ninth and Tenth Defendants who had made the application for discharge (against themselves only) at that stage. They went to the heart of the Respondent’s

application as a whole and thereby undermined the basis for the relief it had obtained against all the defendants, including the Applicants. The day before the Court of Appeal handed down the approved judgment on 8 August 2024 which discharged the worldwide freezing order against the Fourth, Ninth and Tenth Defendants (who will have known that the injunction was about to be discharged because of the circulation of the judgment in draft for suggested corrections in advance of its handing down) by its solicitors for the first time gave notice of the worldwide freezing order against the Applicants (which had been in MR JUSTICE GRIFFITHS Approved Judgment Mex Group Worldwide Ltd v Ford and Others place since the previous October without such notification) to the Frankfurt Stock Exchange, the Vienna Stock Exchange, custodians of CSM's bonds (European Depositary Bank SA and Kaiser Partner Private Bank) and the listing agents for CSM (Steubing AG and ICF Bank AG). They had not taken this step in the 9 months since originally obtaining the worldwide freezing injunction. The Applicants argue that the timing suggests that it was taken at this point, just before publication of the Court of Appeal judgment, "to cause maximum damage to CSM, Regal and Mr Ford at a time when it must have known the weapon of the [worldwide freezing order] would soon no longer be available to it" (Applicants' skeleton argument para 50). This appears to me to be a reasonable and compelling inference to draw from the facts, not least because no other explanation appears in the evidence or arguments advanced by the Respondent. I asked the Respondent's leading Counsel if there was anything he could say in that respect, or any other evidence he could point to, and there was not. Following the notification, the Frankfurt Stock Exchange delisted the bonds, the Vienna Stock Exchange refused to list bonds, no new bond issuances were available for CSM, and the listing agents resigned from their functions for CSM. The evidence is that investors require bonds to be listed and bond promoters require the bonds to be listed with agreed stock exchanges. Thus, the notifications prevented CSM generating income from issuing bonds. The effect of this on the Applicants forms a large part of their evidence of loss. The Sandison Judgment found that the Respondent abandoned the Scottish proceedings for "no demonstrably satisfactory reason" (Sandison Judgment para 78). Lord Sandison granted in favour of the Applicants (and other defendants) an order for the equivalent of full indemnity costs. In the course of his judgment, having gone through the evidence and the submissions of all the parties, he said (at para 63): 25. 26. 27. "...it is not difficult to see why the defenders (...) might well subjectively have regarded the litigations as a device to influence the progress of the ongoing BVI action and as advancing claims which it was never intended to make good, particularly having regard to the timing of the institution of the Scottish proceedings, the lack of any allegation of the supposed conspiracy in any of the previous litigations, and the eventual failure (in unexplained circumstances) on the part of Mex to produce any witness statements." 28. The Sandison Judgment also said (at paras 76-77): "(...) the adverse effect of the action's very existence on the businesses of the defenders (and, in the case of those against whom the dawn raids were mounted, their personal lives and privacy) was very considerable, as each submitted. The action was used as a basis for the dawn raids, for the diligence on the dependence which this court granted, and for the worldwide freezing order granted (though eventually discharged) in England. I also see no reason to doubt the defenders' claims that, to some extent at least, Mex weaponised the existence of MR JUSTICE GRIFFITHS Approved Judgment Mex Group Worldwide

Ltd v Ford and Others the action by reporting its existence to the markets in which they were active, with a view to discouraging those who might otherwise have dealt with them from doing so. All of these features of the litigation, considered in the round, far remove it from the general run of commercial cases where a dispute arising in the ordinary course of trade is ventilated and determined in a fittingly moderate and restrained manner.” 29. 30. Insofar as the reasoning and conclusions of the Sandison Judgment are relevant to the impact of the worldwide freezing order granted in this court, and to its impact on the Applicants, I agree with them. Further background is provided by the Freedman Judgment and the Court of Appeal Judgment. It is not necessary for me to say more in that respect. There have also been proceedings and judgments in the courts of the British Virgin Islands and, on appeal, to the Eastern Caribbean Court of Appeal. The Respondent’s arguments 31. The Respondent advances, in summary, the following arguments. i) ii) iii) The Applicants have not discharged the burden of demonstrating that they have suffered loss. Their evidence is no more than uncorroborated assertion, and their losses are speculative and implausible. Some of the heads of loss claimed are irrecoverable even if established as matters of fact. The Applicants should be denied an inquiry because of their conduct, in any event. Evidence of loss and damage 32. 33. 34. 35. The Freedman Judgment found that it was arguable that the worldwide freezing order caused the de-listing of bonds issued by CSM and that it was arguable that CSM had thereby suffered loss. I agree. The evidence of Mr Cormack is that Regal introduces financial products to professional investors outside the UK. Regal was “Master (or Lead) Introducer” of bonds issued and listed by CSM. Its role is to market, promote and sell bonds issued by CSM. The Applicants have filed evidence to show that Regal and the First Defendant (“Mr Ford”) had contractual arrangements with CSM by which they would receive fees or payments relating to de-listed bonds issued by CSM. Just as CSM suffered losses relating to those bonds, Mr Ford and Regal argue that they also suffered loss relating to those bonds. Regal’s income is said to depend on marketing bonds issued by CSM, and Mr Ford is said to have lost income derived from the residual surplus left over from bonds issued by CSM, to which he was contractually entitled. It is in this way that it is argued that MR JUSTICE GRIFFITHS Approved Judgment Mex Group Worldwide Ltd v Ford and Others the delisting, which was caused by the notification, has caused Regal and Mr Ford loss.

36. Mr Cormack exhibits examples of the Lead Introducer Agreements between Regal and CSM. The terms are broadly similar. The scope of Regal’s services as Lead Introducer is set out at clause 3.2. Regal’s fee is set out at Schedule 3, as being “10% of the gross proceeds of the Issue, to be taken from such proceeds at closing.” In practice, I am told, 10% was paid on each trade, in various currencies. Thus, Regal’s income is said to have been dependent on the proceeds of CSM’s bond issuances.
37. Mr Cormack has summarised (in a spreadsheet) the actual investments made into CSM Bonds for which Regal was the Lead Introducer. For example, the Applicants’ evidence is that in 2020 there was a total of US\$4.7m invested across two fiduciary estates; in 2023 a total of US\$7.3m was invested across three fiduciary estates; in 2024 the total investment had fallen to US\$3.9m across four fiduciary estates and by 2025 the total investment had fallen to US\$1.1m across three fiduciary estates. This is put forward as evidence in support of losses

sustained as a result of the worldwide freezing order and, in particular, losses claimed as a result of the publicization of that order by the Respondent which the Applicants say had a direct effect on this business. Mr Cormack describes the development of the business between 2020-2023 as reflecting “a pattern of steady and sustainable growth.” Mr Cormack has exhibited evidence of invoices Regal issued to CSM (in support of the case that it earned fees from this business) (pp 774 to 848 of BRC3).

38. Mr Ford’s evidence is that he acted to originate bonds that CSM would issue. In that role he would act to introduce the financial products that would be the subject of the bonds. In particular, he introduced opportunities to acquire charged-off US consumer debt (i.e. debt that had been written off by the initial creditor). His evidence is that there was no shortage of such debt available for acquisition and packaging into bonds. Mr Ford had a contractual entitlement to any residual surplus left over from the proceeds of the bonds. This would be the surplus left over after: (i) the expenses of debt collection; (ii) the expenses of the bond structure; (iii) repayment of investor capital; and (iv) payment of interest to investors. Mr Ford has exhibited a contract in relation to one of the bond issuances, “Fiduciary Estate 4”. Mr Ford’s evidence is that, in respect of the bond issuance under Fiduciary Estate 4, a surplus of about US\$ 4 million is likely to be distributed to him (para 15 of his second affidavit). He explains the assumptions on which his figures are based. However, he accepts that expert evidence will be required to test them in due course, if an inquiry as to damages is ordered. 39. I am satisfied from the Applicants’ evidence that they have a more than sufficient case to justify an order for an inquiry as to damages. I see no reason to reject the evidence out of hand. It is specific, and exhibits some documentation in support. The Applicants’ arguments are also plausible in themselves. On the facts that I have outlined, losses were to be expected, particularly from the disruption in bond listing and trading, and I think there is good reason to accept, at least at this stage, that the Applicants suffered losses of the sort they allege, through the mechanisms they have explained in their evidence. 40. The Respondent accuses the Applicants of exaggeration and dishonesty but the evidence is in my judgment good enough to be taken at face value at this stage. The MR JUSTICE GRIFFITHS Approved Judgment *Mex Group Worldwide Ltd v Ford and Others* Respondent’s skeleton argument began by describing the first of the Applicants (the First Defendant Mr Ford) as “a person of some notoriety”, pointing to findings against him by the Financial Conduct Authority which resulted in a large fine and a ban on conducting regulated activity. So far as credibility is concerned, a point of this sort does not in itself neutralise specific evidence of fact given to me under oath in affidavit evidence. I asked the Respondent’s leading Counsel whether he was saying the evidence was untrue and he said he did not know and lacked the material to say whether it was or not. The Respondent says there are inconsistencies in the asset disclosure provided by the Applicants in the course of the proceedings (which did not refer to the future expectations now claimed as losses) and the current claims for loss. However, future profits would not necessarily be disclosed in current asset disclosure. To the extent that the argument is that the claims lack credibility, that is a matter for the inquiry as to damages to resolve. The Respondent’s arguments are not

so compelling that an inquiry can or should be dispensed with. The Respondent says that the Applicants should have obtained the discharge of the worldwide freezing order sooner and that the holding position adopted (in contrast to the immediate and ultimately successful attack upheld in due course by the Court of Appeal on the application of other defendants) was “a total capitulation on the part of the Applicants” (Respondent’s skeleton argument). A holding position is not a capitulation. The proof of the pudding is in the eating and, in this case, it is the Respondent which has failed to maintain the worldwide freezing order at the end of the day or to establish the cause of action which was said, when it was originally obtained, to justify it. The Respondent says that negotiations on the terms of discharge (which were finally agreed) went more slowly than necessary and that the Applicants are therefore to blame for their own losses, if any, caused in the meantime. That is not a persuasive or attractive argument. It was open to the Respondent to discharge the injunctions at any time. The Respondent obtained them, and the Respondent is responsible for the consequences of maintaining them. The Respondent says the Applicants’ evidence is sparse, self serving and speculative. However, in my judgment, it is sufficient. Brevity is not a fault, even in a commercial case. The evidence does put forward a claim that substantial losses have been suffered as a result, specifically, of the worldwide freezing order, and that is a claim which is sufficiently made out on the evidence to go forward for testing at an inquiry. The Respondent has not achieved the difficult task of showing it should be disregarded by way of a knock out initial blow by which even an inquiry is dispensed with. So far as quantum is concerned, any future loss is to some extent speculative, but I am persuaded that there is a good arguable case that substantial loss has been suffered and that is sufficient for an inquiry to be appropriate. I do not need at this stage to estimate the amount. Causation and recoverability of the losses claimed 41. 42. 43. 44. 45. 46. The Respondent questions whether the losses claimed are credibly attributed to the worldwide freezing order. The Respondent also challenges the recoverability of some MR JUSTICE GRIFFITHS Approved Judgment Mex Group Worldwide Ltd v Ford and Others of the loss claimed as a matter of principle. 47. 48. There may be a question as to whether the damage has been sustained as a result of the worldwide freezing order, as opposed to the underlying proceedings, but the timing of the stock exchange notifications suggests that it has. Indeed, that seems to have been the purpose of the notifications, as I have already found; they have the appearance of an act of spite committed just at the point that the Respondent realised, as a result of the Court of Appeal judgment, that the worldwide freezing orders could not be sustained for much longer. The impact of a freezing order is greater than the impact of merely being sued. It does affect market perception, according to the evidence. Moreover, the evidence is that this impact was felt even before the notifications to stock exchanges just before publication of the Court of Appeal Judgment. The third witness statement of Mr Cormack (the Second Defendant, who is one of the Applicants) says at paras 20.2 to 20.4: “20.2. To elaborate, the initial decline in Regal’s turnover immediately following imposition of the WFO [worldwide freezing order] arose from several practical and commercial effects which occurred irrespective of whether the WFO had yet been circulated to exchanges. 20.2.1. The existence of the WFO would be a matter which would come up when

counterparties to the Respondents conduct routine due diligence and onboarding checks. 20.2.2. The existence of a WFO is different to merely being subject to other court proceedings. In my experience in financial services, once a freezing order is known to counterparties, it affects credit perception, counterparty risk assessment, and compliance approval. In practice, distributors, brokers, and institutional investors commonly suspend activity with an entity subject to such an order until it is discharged. 20.2.3. That would obviously have a severe impact on the ability of Respondents to conduct their business, particularly when dealing with financial products. 20.2.4. In those circumstances it was necessary (and responsible) to suspend Regal's active marketing of products, while this legal uncertainty persisted (this included the removal of marketing materials from Regal's website). 20.3. These immediate market reactions caused a material slowdown in new investment activity. The later dissemination of the WFO to stock exchanges in August 2024 then caused a further (and even more severe) decline because it directly prevented bond listings. MR JUSTICE GRIFFITHS Approved Judgment Mex Group Worldwide Ltd v Ford and Others 20.4. As to paragraph 33.2 of Wright 5, Regal's investment volume will be corroborated (by documents such as placement records, investor subscription confirmations, transaction summaries, commission schedules, and correspondence with placement agents) in due course." 49. 50. If loss has been caused to the Applicants by the worldwide freezing order, I am not attracted by an argument, on the facts of this case, that only damage attributable to the restraining effects of the orders, as opposed to all the effects of the order, including the effect of what has fairly been described in the Sandison Judgment as its weaponisation, should be recovered. In principle, and as a matter of equity and justice, I think that it should all be recoverable in this case, if proved as a matter of fact on the evidence in due course. The loss alleged is not irrecoverable reflective loss. It is loss to the Applicants themselves as a result of revenues they say they would otherwise have earned, not within CSM, but from CSM. This is apparent from paragraph 74 of Mr Cormack's second witness statement, paragraph 20 of Mr Ford's second witness statement and paragraph 15 of Mr Cormack's third witness statement.

51. Mr Cormack was a director of, and the ultimate beneficial owner of, Regal. He does not claim loss in that capacity. Rather, Mr Cormack argues that his reputation suffered as a result of the WFO. He says this has damaged his professional relationships. More specifically he says he has lost the ability to obtain non-executive directorships. Mr Cormack has previously served as a non-executive director of both Heart of Midlothian PLC (the Scottish Premier League Club) and the foundation that is now the majority shareholder in Hearts. The Respondent challenges the recoverability of loss of this nature.
52. Whilst there have been varying approaches to whether compensation should be ordered in particular cases where loss is linked to loss of reputation, they are fact-specific. These cases have been summarised by Calver J in *PJSC National Bank Trust v Mints* [2021] EWHC 1089 (Comm) at para 27. I also bear in mind *Abbey Forwarding v Hone* (No 3) [2015] Ch 309 where McCombe LJ (at para 131) agreed with Vos LJ who said (at para 150): "In my judgment, general damages can in an appropriate case be awarded on a cross-undertaking in respect of

an inappropriately obtained freezing order for any or all of these elements: upset, stress, loss of reputation, general loss of business opportunities, and general business and other disruption including adverse effects of the inappropriate policing of the injunction on the injunctees. Whilst I agree with the judge that damages for upset, stress and loss of reputation are generally modest in this and other fields, I concur with McCombe LJ in thinking that realistic compensation should otherwise be awarded for what has occurred that was in breach of the notional contract I have described.” 53. The inquiry as to damages will ascertain, first, what if any loss of this nature has been established, and will be in the best position, then, to determine whether compensation MR JUSTICE GRIFFITHS Approved Judgment Mex Group Worldwide Ltd v Ford and Others for it should be awarded. My judgment at this stage is that, if it is established, it should in principle be recoverable. 54. 55. 56. 57. 58. 59. Discretion There is, finally, an appeal by the Respondent to the exercise of my general discretion not to order an inquiry as to damages. The law I have cited shows that I do have a discretion, and the basis upon which it might be exercised. Three points are made by the Respondent. First, the Respondent points to the fine and ban imposed on Mr Ford by the Financial Conduct Authority and says that this shows he does not deserve an inquiry as to damages. The Respondent also implies that the other Applicants are tarred with the same brush, suggesting that Mr Cormack is “a proxy for Mr Ford” and that the Applicants’ relationships between themselves and with other Defendants are not what they claim to be. Second, the Applicants’ affidavits of assets, which were required as part of the worldwide freezing order process, are said to have been discredited by their current claims of profitable enterprises and contracts in the context of the application for an inquiry as to damages. The affidavits of assets did not make those claims, or disclose them. Third, the Applicants’ quantification of damage is said to be extravagant and exaggerated. These points do not, in my judgment, justify withholding from the Applicants an inquiry as to damages suffered as a result of the now-discharged order pursuant to the cross undertakings which were given by the Respondent. General attacks on character do not seem to me to be relevant to the exercise of the discretion. Everyone is entitled to the benefit of the law and the protection of the courts; they are not only available to those of good character. Only inequitable conduct in the context of the litigation should be taken into account when the discretion is exercised. The affidavits of assets are not necessarily inconsistent with the evidence now filed in support of an inquiry as to damages. The value of assets can be looked at as a snapshot in a moment of time, and the affidavits of assets presented the Applicants’ financial position as a snapshot of their asset position at the time they were sworn. They did not focus on future prospects. Nor did they attempt a current valuation of those prospects. What is now relied upon is the loss of profits which had not crystallized when the affidavits were sworn. I am not in a position to decide that the Applicants’ claims are exaggerated to the point where they should be denied recovery of any loss at all. The quantum of loss is a matter which will be fully investigated and determined at the next stage. On the present evidence, I am satisfied that the Applicants deserve and are entitled to an inquiry as to damages, and I decline to exercise my general discretion against it taking place.

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