Neutral Citation Number: [2016] EWHC 126 (QB)

Case No: IHQ/15/0701

IN THE HIGH COURT OF JUSTICE
QUEEN'S BENCH DIVISION

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 28/01/2016

Before :

MR JUSTICE GARNHAM

Between :

The Lord Chancellor	**Applicant**
- and -	
John Blavo	**Respondent**
and	
MSP Capital	**Third Party**

Rachel Sleeman (instructed by **Michelmores LLP**) for the **Applicant**
Olivier Kalfon (instructed by **Radcliffes Le Brasseur**) for the **Respondent**
Siward Atkins (instructed by **Taylor Vinters**) for the **Third Party**

Hearing dates: 14th – 15th December 2015

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

.....

MR JUSTICE GARNHAM

Mr Justice Garnham:

1. On Thursday 26 November 2015 Nicola Davis J made a without notice freezing order against John Blavo, the Second Defendant in these proceedings, on the application of the Lord Chancellor. On 3 December 2015 Coulson J. continued the injunction "*as a short term holding operation until there can be an effective inter-party hearing*". That inter partes hearing was listed before me on 14 December 2015.

2. On 15 December 2015 at the conclusion of the hearing, I continued the injunction, on amended terms, until the handing down of this judgment.

The Facts

3. Pursuant to paragraph 7(1) of Schedule 4 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, the property, rights, powers, duties and liabilities of the Legal Services Commission were transferred to the Lord Chancellor. By section 2(2)(c) of that Act, the Lord Chancellor (the Applicant in these proceedings) established the Legal Aid Agency ("LAA") to provide, or facilitate the provision of, legal aid services. In effect, the LAA administers the legal aid scheme on behalf of the Lord Chancellor. Solicitors provide legal aid services to members of the public under contracts between the Lord Chancellor and their firm.

4. Mr John Blavo, the respondent to this application, is a solicitor and was formerly the managing director of Blavo & Co. Solicitors Ltd, a company authorised and regulated by the Solicitors Regulation Authority. Blavo & Co. Solicitors Ltd. are the First Defendants in these proceedings but are not Respondents to the application for an injunction because, on 30 November 2015, they were compulsorily wound up. The claim against the First Defendants cannot be proceeded with except with the leave of the Court.

5. The case as advanced by the Applicant is, broadly speaking, as follows. Between 15 October 2010 and 14 November 2010 a firm of solicitors known as "Blavo & Co." entered into what is called a "Standard Civil Contract 2010" with the Lord Chancellor. They were appointed to provide work in the mental health category of law. In November 2011, after the formation of the First Defendant, the Lord Chancellor and the First Defendant agreed in writing that the 2010 Civil Contract would be novated from Blavo & Co. to the First Defendant. The 2010 Standard Civil Contract was subsequently replaced by the "2014 Standard Civil Contract", which came into effect on 1 August 2014.

6. By letter dated 10 August 2015 the Lord Chancellor notified the First and Second Defendants that the LAA had decided to open an official investigation in relation to the 2014 Civil Contract. The letter indicated that the grounds for the investigation were that the LAA had made inquires with Her Majesty's Courts and Tribunals Services ("HMCTS") as to which individuals the First Defendant had represented at the Mental Health (First Tier) Tribunal. Those inquiries had indicated that there was a very substantial deficiency between the claims which the First Defendant had reported and those recorded on HMCTS records.

7. Having received such notice the First Defendant was obliged to cooperate with the Applicant and provide copies of records requested by the Applicant. The Applicant

requested the First Defendant to provide 23,173 files, listed in Annex A of the letter by 17 August 2015. The LAA indicated that the timetable for compliance was open to negotiation but that the LAA would require a minimum of 1000 files a week to be presented for review.

8. On 17 September 2015 the First Defendant provided files on just four clients.

9. By letter dated 30 September 2015 the Applicant terminated the 2014 Civil Contract and all other contracts the First Defendant had with the Applicant from 1 October. Following that termination the Applicant assessed the claims on the remaining mental health files at nil. In consequence of that assessment, the sum of £22,371,521.38 became payable by the First Defendant to the Applicant pursuant to the 2014 Civil Contract. That is the sum the Applicant claims from the First Defendant in these proceedings.

10. On 12 March 2013 the Second Defendant had signed a Deed of Guarantee and Indemnity by which he agreed unconditionally and irrevocably to guarantee that the First Defendant would perform its obligations under the Contract and to indemnify the Applicant in respect of losses suffered as a result of the First Defendant failure to comply with its contractual obligations. Similar undertakings were made in a subsequent Deed of Guarantee and Indemnity signed by the Second Defendant on 20 June 2014. The Applicant claims that in breach of those Deeds the Second Defendant has failed to pay to the Applicant the sum of £22,731,521.38. That sum represents the payments made by the Applicant to the First Defendant in respect of the claims identified in Annex A of the 10 August 2015 letter, to which, the Applicant alleges, the First Defendant was not entitled.

11. On 14 October 2015 agents for the Solicitors Regulation Authority attended each of the offices of the First Defendant and took possession of all the company's records and files.

12. According to the First Defendant, it was, at the time, "*highly leveraged as a result of its swift expansion*". It appears that the Second Defendant had a number of loans from Allied Irish Bank and others, the proceeds of which had financed the First Defendant's expansion. The Second Defendant says that after the allegations regarding the Company appeared in the press a number of its creditors began calling in debts, as well as guarantees he had given.

13. As noted above, the First Defendant went into compulsory liquidation on 30 November 2015.

14. It is against that background that the Applicant sought and obtained an interim freezing order and now seeks to continue that order.

The Requirements for the Making of a Freezing Order

15. There is nothing between the parties as to the proper approach to an application for a freezing order.

16. In Thane Investments Ltd v Tomlinson [2003] EWCA Civ 1272, Peter Gibson LJ (with whom Sir Anthony Evans agreed) described the requirements for the making of a freezing order in the following terms in paragraphs [20] and [21] of his judgment:

> *"The court, however, has repeatedly stressed that a cautious approach is appropriate before what has been called one of the court's nuclear weapons (see Bank Mellat v Nikpour [1985] FSR 85 at page 92 per Donaldson J) is deployed, particularly if an order is sought and obtained without notice to the person made subject to the order.*
>
> *It is clear on the authorities that what the court must be satisfied about before making such an order is that the applicant for the order has a good, arguable case, that there is a real risk that judgment would go unsatisfied by reason of the disposal by the defendant of his assets, unless he is retrained by the court from disposing of them, and that it would be just and convenient in all the circumstances to grant the freezing order. It is important that there should be solid evidence adduced to the court of the likelihood of dissipation."*

17. It follows from that that it is necessary for me in considering this application to apply a three stage test. First, does the Applicant have a good arguable case? Second, is there a real risk the judgment would go unsatisfied because of the disposal by the Respondent of his assets unless he is restrained from disposing of them? And third, would it be just and convenient in all the circumstances to grant the freezing order?

18. The Respondent disputes liability, but has not yet filed his Defence. However, he concedes that for present purposes there is a good arguable case against him in the terms set out in the Particulars of Claim. It is important to note, however, that the Particulars of Claim allege a simple breach of contract, and it is in respect of that allegation that the Respondent accepts there is a good arguable case.

19. I will address the question of whether it would be just and convenient to grant the order at the end of this judgment, but the critical issue in the present case is whether the Applicant has shown that there is a real risk that the Respondent will dissipate his assets unless restrained from doing so.

20. The proper approach to that question was considered by Flaux J in Congentra AG v Sixteen Thirteen Marine SA [2008] EWHC 1615 (Comm) paragraph 49 in the following terms:

> *"The relevant legal principle in determining whether for the purposes of granting or maintaining a freezing order a claimant has shown a sufficient 'risk of dissipation' is that the claimant will satisfy that burden if it can show that:*
>
> *(i) there is a real risk that a judgment or award will go unsatisfied, in the sense of a real risk that, unless restrained by injunction, the defendant will dissipate or dispose of his assets other than in the ordinary course of business: The*

> *Niedersachsen [1983] 2 Lloyd's Rep 600 per Mustill J as interpreted by Christopher Clarke J in TTMI v ASM Shipping [2006] 1 Lloyd's Rep 401 at 406 (paragraphs 24-27) or*
>
> *(ii) that unless the defendant is restrained by injunction, assets are likely to be dealt with in such a way as to make enforcement of any award or judgment more difficult, unless those dealings can be justified for normal and proper business purposes: Stronghold Insurance v Overseas Union [1996] LRLR 13 at 18-19 per Potter J and Motorola Credit Corporation v Ezan (no 2) [2004] 1 WLR 113 at 153 (paragraphs 142-146) where the Court of Appeal was applying the same principle in the context of disclosure of assets by the defendant."*

Discussion

Dishonesty in the Making of the Claims to the LAA

21. The Applicant's case as to the grounds on which it can be said that the Respondent is likely to dissipate his assets has varied somewhat over the course of these proceedings, and I will return below to consider the strength of the submissions now advanced. But one feature has been consistent. Although the underlying claim is advanced as a breach of contract, the Applicant has always asserted that the circumstances in which the breach occurred are strongly suggestive of dishonesty on the part of both Defendants.

22. In that regard, I was taken by Ms Rachel Sleeman, who represents the Lord Chancellor, to the judgment of Patten J (as he then was) in Jarvis Field Press Ltd v Chelton [2003] EWHC 2674 (Ch). At paragraph 10 he said:

> *"10. The relevance of that passage, of course, is to the submission made by Mr Lord, on behalf of the claimants on this application, that I should infer from the apparent dishonesty of Mrs Chelton, together with the recent change of circumstances, a real likelihood and risk of dissipation. I have no difficulty in accepting the general principle, emphasised by Peter Gibson LJ, that a mere unfocused finding of dishonesty is not, in itself, sufficient to ground an application for a freezing order. It is necessary to have regard to the particular respondents to the application and to ask oneself whether, in the light of the dishonest conduct which is asserted against them, there is a real risk of dissipation. As Peter Gibson LJ made clear in the passage I have already quoted, the court has to scrutinise with care whether what is alleged to have been dishonesty justifies the inference. That is not, therefore, a judgment to the effect that a finding of dishonesty (or, in this case, an allegation of dishonesty) is insufficient to found the necessary inference. It is merely a welcome reminder that in order to draw that inference it is necessary to have regard to the particular allegations of dishonesty and to consider them with some care."*

23. In his first affidavit Mr Mark Stewart, an investigator in the LAA Counter Fraud team, explained how the Applicant's contract management team conducted an audit of the First Defendant's files. He explained that "*as the files contained little or no information to support the work that has been claimed for, 49 files were passed to the LAA's Counter Fraud team on 6 July 2015 for further analysis*". The LAA Counter Fraud team made inquiries with HMCTS and also with the NHS in order to verify the information on these files. Mr Stewart's sets out the results of those inquiries:

> "*19. In respect of 42 of these 49 files HMCTS have confirmed that they have no record of there having been tribunal proceedings either in respect of the individual client or on the date when the file indicates...*
>
> *21. Following this, the LAA made inquiries of the NHS on a selection of files among the 42 that had no tribunal hearing and the NHS confirmed that they have no records relating to 16 of the clients...*
>
> *23. After completing this analysis the Applicant undertook a further comparison of all mental health tribunal claims against the HMCTS system. As a result of this analysis, it was found that the Company had submitted a total of 24,658 claims for attendance at tribunals of which 1485 (6%) tribunals were recorded by HMCTS as having taken place...*
>
> *26. After visiting the Company's Head Office and requesting documentation from the Company and the Respondent, the LAA team used an electronic sampling tool to randomly select 144 cases for further investigation, across the last three complete financial years. Only 3% could be evidenced from HMCTS records. Since then, I have contacted the individual NHS Trusts detailed in these records, to ensure that the HMCTS records reflect the correct position... This shows that out of the 101 Trusts who have responded, there are only two cases where the Trusts can say that the client was in hospital at the time the Company submitted its claims for work to the LAA. In one case, a patient did exist who was attended on by a representative of the Company, but this consultation took six months after the claim for the work was submitted to the LAA.*
>
> *27. In relation of the other 98 cases, the Trusts had no record of the client being a patient. One Trust has said that, in fact, at the relevant time it had no Mental Health facilities. In another case, my investigations confirmed that the Mental Health facility had closed in 2008 and had burnt down in 2010, so was not operational at the time the tribunal allegedly took place...*
>
> 29. *In addition to the initial 42 false claims identified, the LAA is satisfied that the above further 98 claims on the legal aid scheme...for controlled legal representation are false and so fraudulent*".

24. These were not unfocused allegations of dishonesty; they went to the heart of the claim being advanced by the Claimant. And they are relevant, in my judgment, to the risk of dissipation. If there were evidence that a firm of solicitors, and its managing director, had been dishonest in making claims for payment from the LAA on this scale, it would be a short step to a finding that there is a risk they would dissipate their assets to avoid the consequences of a judgment against them.

25. The Respondent makes three substantive responses to these allegations. First, he points to the four cases in respect of which files had been found and submitted to the Applicant. In those cases, the Applicant accepted that there had been work done on the files and the nil assessments were rescinded. Mr Kalfon, who represented the Respondent before me, argues that if, in the four cases where files were produced, it was apparent that work had been done and that the nil assessments could not stand, it would not be safe for the Court to conclude the same might not be true in all other cases.

26. I accept that the result of the investigation of those four cases establishes that the Court cannot accept uncritically the Applicant's case as advanced in Mr Stewart's affidavits; I do not accept that those four cases means I can have no regard to the Applicant's evidence on the topic, nor that I should not look to see if there is an explanation for the apparent failure to provide the files in the other claims.

27. Second, Mr Kalfon argues that the explanation for the discrepancy between the number of claims made and the number of references to the First Defendant (and its predecessors) in the records of HMCTS may lie in the fact that the First Defendant expanded, in large part, by merging with, or taking over, other firms who had initially had had conduct of the cases before the Tribunal. The difficulty with that argument is that, with one exception, there is no evidence before the Court as to the identity of these other firms, or the nature of their involvement in the casework. The exception was a firm called "Agape Solicitors", but even here the evidence of the work it is suggested that the First Defendant conducted through them is thin in the extreme. Again, if there was merit in this point, one might have expected, by way of response to the LAA's allegations, that detailed evidence as to which of the 23,000 files related to work done by other firms would have been produced by the Respondent. None has been.

28. Third, Mr Kalfon refers to the Respondent's evidence as to the extreme difficulty he has had providing the required files to the Applicant. He points out that the Applicant required the provision of 23,000 files according to a strict timetable and that the Applicant was not willing to receive files as and when they could be recovered from storage.

29. Ms Sleeman disputes the alleged difficulty with recovering files from storage. She points to the second affidavit of Mr Stewart where he explains how he interviewed the First Defendant's administrative staff on 10 August 2015. He was told that although files were stored off site they could usually be retrieved within two to seven days of making a request. It is to be noted that files were first sought from the Applicant on 10 August 2015 and by the time when the SRA intervened on 14 October 2015 only four such files had been disclosed. As noted above, the LAA had indicated that the timetable for compliance was open to negotiation although a minimum of 1000 files a week were to be presented for review.

30. In my judgment, it is surprising in the extreme that a firm of solicitors the size of the First Defendant could not provide the files in respect of which they had submitted claims for payment as requested by the Claimant. The Respondent has not adduced any evidence to contest what Mr Stewart says he was told by the First Defendant's administrative staff in August 2015 and in those circumstances I accept that evidence. In any event, what the staff said, namely that files could be produced quickly and efficiently, is what one might expect of a competent firm doing work paid for from the public purse.

31. Furthermore, it is, in my judgment, extraordinary that the First Defendant could not recover a far greater number of files than in fact they did, if such files existed. I appreciate that the firm submitted 976 files on 18 August 2015, but none of these were files requested by the LAA to be provided on 10 August 2015. If the account of the administrative staff was not correct, and storage difficulties were an obstacle of real substance to disclosing files precisely in the order the Applicant required, one might have expected the firm to move heaven and earth to obtain and disclose a very substantial proportion of the files requested by the time the SRA intervened. After all, on their case, had they been able to do so they would be able readily to demonstrate that what they had submitted to the LAA was a true bill and the LAA's concerns were entirely misplaced.

32. It is impossible, in my judgment, to divorce the conduct of the First Defendant from that of the Respondent in this regard. The Respondent was the managing director of the First Defendant Company. He was closely involved with the work to which this action relates; as Mr Stewart's first affidavit makes clear, he attended the weekly meetings of the firm's mental health teams and was aware of the weekly mental health diary meetings. He was closely and immediately involved in the response to the LAA's demands. In those circumstances, the failure of the firm to make available files to support the bulk of the claims reflects on the Respondent as it does on the firm.

33. The matters referred to in the preceding paragraph also serve to implicate the Respondent in the apparent dishonesty; I have heard nothing which might enable me to conclude that there was dishonesty on the part of the firm but not on the part of the Respondent.

34. In my judgment, in those circumstances, the Applicant has shown that there are real grounds for suspecting dishonesty on the part of the Respondent. Fraud is not pleaded by the Lord Chancellor, but if I find, as I do, that there is a good arguable case, on the evidence, of dishonesty on the part of the Respondent, then, in my judgment, I am entitled to take that into account in determining whether there is a risk of his dissipating his assets to defeat the claim.

Extravagant Lifestyle

35. Ms Sleeman also refers to evidence of what she describes as the Respondent's extravagant lifestyle in support of her contention that there is a risk of dissipation of assets. She refers in particular to his purchase of expensive properties, motor cars and watches. Mr Kalfon replies that the Respondent was the managing director of a substantial enterprise and is entitled to spend his money as he chooses.

36. I accept the latter part of Mr Kalfon's submission; the Respondent is indeed entitled to spend his money how he chooses and I do not see how past purchases of expensive items can go to the risk of future dissipation. The nature and extent of the Respondent's spending may prove relevant to the argument that he was guilty of a fraud on the LAA, but I am not in a position to reach a concluded view on that on the evidence currently available.

The Affidavit of Assets and Dissipation of Assets

37. In addition to the dishonesty allegedly underlying the claims made by the First Defendant, Ms Sleeman points to what she says was dishonesty in the Respondent's response to the application for the freezing order and to features of his handling of his assets which she says is suggestive of attempts to move them out of the reach of his creditors.

38. Ms Sleeman alleges that the Respondent failed to disclose, in his affidavit of assets, his ownership of 21 Regent Terrace, Gateshead, that he wrongly asserted that he was no longer in debt to Allied Irish Bank and that he failed to disclose his income from buy-to-let properties. She says he disposed of a property known as 19 John Street and moved property of his own into the name of his wife in an attempt to avoid his obligations to the LAA.

39. Mr Kalfon says that, at the time of drafting his affidavit the Respondent believed 21 Regent Terrace had been sold. He says the failure to refer to the AIB mortgage was an honest mistake and that there was no obligation to refer to income in the affidavit of assets. He says that the sale of 19 John Street was an attempt to liquidate assets to meet undisputed demands from other creditors and that the transfer of property to his wife was a genuine "equalisation process", designed better to reflect the interests of his wife and himself in the property concerned.

40. I accept Mr Kalfon's arguments in respect of the buy-to-let properties and 19 John Street. The Order of Nicola Davies J required the Respondent to inform the Applicant's solicitors "*of all his assets in England and Wales exceeding £1000 in value*". I agree with Mr Kalfon that that order does not encompass income and that a failure to mention buy-to-let property therefore did not put the Respondent in breach.

41. I reject Ms Sleeman's argument that the circumstances of the sale of 19 John Street in themselves suggest there was a risk that, unless restrained, the Respondent would seek to dissipate his assets with the intention or effect of defeating the LAA's claim. The Respondent explains his thinking in paragraph 51 and following of his statement:

> "*51. As noted above, after the allegations against the Company appeared in the press, creditors called in loans to the Company. They also made demands under personal guarantees. As a result I was forced to take steps to liquidate assets to meet those demands. I received numerous letters of demand at my home address.*
>
> *52. AIB appointed LPA receivers and was unwilling to give me any time to sell the properties myself to meet the debts due. I sought bridging finance in order to refinance and took a loan*

> *from MSP Capital. That loan was for a term of 12 months and the purpose of it was to allow me time to sell properties and meet the demands made of me.*
>
> *53. 19 John Street was offered for sale at £4 million... The agents were Messrs Banbury Ball. We received offers well below the asking price, largely due to the press reports about the Company's problems. We initially agreed to sell at £3.4 million to a cash purchaser. The offer was then increased to £3.475 million and contracts were exchanged at that price on 19 November 2015. Completion was scheduled for 24 November however, a bankruptcy search was undertaken in the interim and it was discovered that a petition had been issued against me in the St Albans County Court.*
>
> *54. My solicitors entered into negotiations with Occasio Legal on behalf of the petitioning creditors. After lengthy negotiations and the support of MSP, an agreement was reached whereby Occasio would consent to an application for a validation order and withdraw the petition on receipt of £400,000 from the proceeds of sale... They would accept that sum in full and final settlement of claims against me under personal guarantees in the sum of £895,621. MSP were prepared to agree this in the overall interests of my creditors since it represented a sensible commercial deal. We then received notice of the freezing injunction.*"

42. MSP wrote in support of the plan:

> "*We confirm that MSP is prepared to accept £2,970,000 from the proceeds of sale of 19 John Street (should it proceed) in partial reduction of its financing. It is doing so to remove some £900,000 of petitioning and supporting creditors of Mr Blavo. This is to the direct benefit of all of Mr Blavo's creditors. It will also allow the sale of 19 John Street to complete with a reduction in MSP's financing. MSP will then rely on its other security for the balance of the lending.*"

43. Choosing to pay debtors whose claims the Respondent does not dispute, or taking sensible steps to avoid bankruptcy, is not the sort of activity that a freezing undertaking is intended to prohibit.

44. I take a very much less sanguine view of the other dealings to which Ms Sleeman referred.

45. I am entirely unconvinced by the explanation of honest mistake in the way the Respondent dealt with his indebtedness to Allied Irish Bank. In Paragraph 38 of his first witness statement opposing the continuation of the order he said, in unequivocal terms, "*I no longer have debts owed [to AIB]*". When attempting to persuade the Court to increase the monthly sum allowed for expenses, however, his counsel referred to an outstanding mortgage to AIB in respect of a property at 91 Chiltern

Court. Correspondence thereafter confirmed that his witness statement was wrong in this regard. In paragraph 2 of his second witness statement the Respondent seeks to explain the mistake by saying that the mortgage of 91 Chiltern Court was "*entirely separate from the refinancing*" which he had been referring to earlier in his first statement. Given the circumstances of this case, the nature of the allegations being made against Mr Blavo and the need for complete honesty and candour with the Court this sort of error is regrettable in the extreme.

46. In his affidavit of assets, the Respondent indicated that he had an interest in 11 properties. That list did not include 21 Regent Terrace, Gateshead which Land Registry records indicate was jointly owned by him and his wife. The Respondent's answer is that he believed a transfer of that property to his wife had already been completed by the time the affidavit was sworn. That seems to me a thoroughly unconvincing explanation and I reject it. The Respondent is a solicitor and can be expected to be scrupulous in ascertaining the true position when completing an affidavit of this sort. If there were doubt about the position with regard to 21 Regent Terrace, the affidavit could have explained the position fully.

Transfer of Ownership

47. Finally, Ms Sleeman refers to transfers of ownership between the Respondent and his wife, particularly in respect of 21 Regent Terrace, Gateshead, which she suggests were carried out, not in the course of ordinary business, but as a means of the Respondent avoiding his liabilities.

48. Mr Kalfon disputes this and assets that this transfer of the Respondent's interest in the property to his wife was part of an "equalisation process". He refers to the witness statements of the Respondent and Mrs Blavo in which it is asserted that this equalisation process "*took place over a period of about three months from August 2015 to November 2015*". The Respondent says that during this period his wife "*transferred funds on my behalf and offered up her share in 19 St John Street and other properties for the benefit of my secured creditor*". Mrs Blavo says in her statement that she "*paid £10,000 to Blavo and Co on my husband's behalf on 17 September and a further £100,000 on 24 September*".

49. The difficulty with that explanation, as Ms Sleeman points out, is that the land registry form (the TR1) relating to the transfer of ownership of 21 Regent Terrace between the Respondent and his wife, which is dated 9 November 2015, describes this, at paragraph 8, as being a transfer "*not for money or anything that has a monetary value*". That, it seems to me, is entirely inconsistent with the Respondent's explanation and is indeed suggestive of an attempt to put property beyond the reach of the Applicant.

Conclusions

50. There is in my judgment a strongly arguable case that the Respondent was party to an arrangement whereby false claims were submitted to the LAA in many thousands of cases. There is, furthermore, evidence of a less than scrupulous approach by the Respondent to his duty of disclosure to the Court in response to this claim for injunctive relief and some evidence of a recent attempt improperly to put property beyond the reach of the applicant.

51. Taking these matters together there seems to me to be a real risk that any judgment would go unsatisfied because of the disposal by the Respondent of his assets unless he is restrained from disposing of them. Given the sums of money involved and the admitted financial difficulties the Respondent has experienced it is, in my judgment, just and convenient in all the circumstances to continue the freezing order.

52. In the light of written submissions from counsel following the hearing, it is perhaps worth emphasising what I trust is apparent from a fair reading of this judgment as a whole. I am here deciding the three questions set out at paragraph 17 above. I am doing no more than that. It is not necessary, and it would not be appropriate, for me to reach any concluded judgment on the merits of the underlying dispute in this case or on any of the issues discussed above. In particular, I am making no definitive findings of fraud, dishonesty or deliberate impropriety against the Respondent (or indeed against the First Defendant, Blavo & Co Solicitors Ltd) in relation to any of the matters considered above. My observations on these issues go to the questions whether there is an arguable case and whether there is a risk of dissipation. It will be for the Court hearing the claim itself, when the case is properly pleaded and after the evidence is tested in cross-examination, to decide the facts.

53. I will hear counsel on the terms of the order which is now necessary but my provisional view is that a continuation of the interim order I made at the conclusion of the hearing is probably appropriate.