Neutral Citation Number: [2025] EWHC 445 (Comm)

IN THE HIGH COURT OF JUSTICE **Case No: LM-2022-000257**

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

KING'S BENCH DIVISION

LONDON CIRCUIT COMMERCIAL COURT

Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL

3rd March 2025

Before :

David Elvin KC (sitting as a Deputy High Court Judge)

- -

Between :

(1) THE FAMILY (HOLDINGS) LIMITED
(2) THE FAMILY (FELLOWSHIP) LLP
(3) THE FAMILY (CONSIGLIERE) LIMITED
(4) THE FAMILY (SPV-III) LLP
(5) THE FAMILY (SPV-III BIS) LLP
(6) THE FAMILY (SPV-III TER) LLP
(7) THE FAMILY (GLOBAL GODFATHERS) SPC
(a segregated portfolio company incorporated under the laws of the Cayman Islands)
(8) THE FAMILY (SPV-I) LLP
(9) THE FAMILY (SPV-I BIS) LLP
(10) THE FAMILY (ATLAS) (a French société civile)
(11) THE FAMILY (AURA) (a French société civile)

Claimants

-and-

(1) OUSSAMA AMMAR
(2) FABULEO LIMITED
(a company incorporated under the laws of the Hong Kong S.A.R.)
(3) ALETHEIS, THE FIRST LIMITED
(a company incorporated under the laws of the Hong Kong S.A.R.)

Defendants

- -
- -

Jessica Brooke (instructed by **Withers LLP**) for the **Claimants**
The Defendants did not appear and were not represented

Hearing dates: 21 October 2024

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Approved Judgment

This judgment was handed down remotely at 10:00 am on 3rd March 2025 by circulation to the parties or their representatives by e-mail and by release to the National Archives.

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DAVID ELVIN KC:

Introduction

1. This claim concerns a substantial fraud together with related breaches of fiduciary duty and associated wrongdoing perpetrated against the Claimants by the Defendants. D2 ("Fabuleo") and D3 ("Aletheis") are Hong Kong incorporated companies legally and beneficially owned by Mr Ammar, D1.

2. The Claimants form part of the Family group of companies ("The Family"), an organisation comprising entities in a number of different jurisdictions which was established in 2013 in Paris by Mr Ammar and his co-founders, Ms Alice Zagury and Mr Nicolas Colin, all of whom are French citizens.

    i) C1 ("TFH") is a company incorporated on 23 December 2014 in England and Wales and is the holding company for all companies operating within The Family. Mr Ammar was a director of TFH between 26 December 2014 and 26 November 2021, and he holds a total of 470,822 shares in TFH out of a total 4,193,737 shares via his corporate vehicles Fabuleo and Aletheis (which includes unpaid shares).

    ii) C2 ("TFF") is an English LLP incorporated on 28 March 2018 and The Family's primary investment vehicle. Mr Ammar was a Founder, Original Strategic Partner and one of the two Members of the Management Committee of TFF from its inception to his resignation on 26 November 2021, and he had primary responsibility for the management of TFF during this time.

    iii) C3 ("Consigliere") is a wholly owned subsidiary of TFH, incorporated on 20 March 2019 in England and Wales.

iv) C4, C5 and C6 ("SPV-III", "SPV-III bis" and "SPV-III ter") are English LLPs incorporated on 24 October 2019, 18 November 2019, 21 February 2020 respectively for the purpose of investing in Algolia Inc, a software company incorporated in San Francisco (together, "the Algolia SPVs").

v) C7 ("TFGG") is a segregated portfolio company incorporated under the laws of the Cayman Islands on 20 March 2019. TFH holds the single management share of TFGG.

vi) C8 ("SPV-I") and C9 ("SPV-I bis") are English LLPs. C10 ("Atlas") and C11 ("Aura") are French société civiles. C8-C11 were incorporated for the purpose of investing in PayFit, a French entity which provides payroll and human resources services (together, "the PayFit SPVs").

3. With regard to the Defendants:

i) Mr Ammar, a co-founder of The Family, worked with the founders joining The Family programme. He was instrumental in raising investor funds, and liaising with corporate lawyers regarding the structuring of the business. He also handled The Family's limited monies, separate from investor funds. Mr Ammar appointed The Family's first and second chief finance officers who reported directly to him up until around March 2020. He ultimately controlled The Family's finances. Mr Ammar also appointed and worked closely with Ms Lea Evrard, a lawyer, who provided services to The Family and for a period acted as its General Counsel. She assisted Mr Ammar in carrying out the frauds.

ii) Fabuleo is a company incorporated under the laws of Hong Kong under company registration number 1753588. As far as the Claimants are aware

Fabuleo is wholly owned legally and/or beneficially by Mr Ammar, and he is its sole director. Fabuleo is a current LLP member of TFF and is the registered holder of 450,822 shares in TFH, of which 51,000 are partly paid A Ordinary shares of £0.001.

iii) Aletheis is a company incorporated under the laws of Hong Kong and is wholly owned legally and beneficially by Mr Ammar, and he is its sole director. Aletheis is the registered holder of 20,000 fully paid shares of £0.001 in TFH.

4. The main objectives of The Family are to identify and invest in promising start-up businesses in the European technology sector, and provide mentoring services to the founders of such start-ups in return for an equity stake in the business. It also offers opportunities for a small circle of investors to invest in start-ups through the creation of special purpose vehicles ("SPVs"). The Family's investment model incorporates SPVs to aggregate investor funds from multiple syndicated investors to invest in a start-up. With rare exceptions, The Family did not charge the SPVs fees, and in the vast majority of cases 100% of the investor capital contributed was deployed in the target investments. One benefit of the SPV model is that The Family retains the carried interest i.e. a fraction of the capital gain, and it therefore holds assets, but limited cash.

5. Mr Nicolas Colin explains the origins and structure of The Family in his fourth witness statement dated 27 September 2024, which was filed following the entering of judgment for the Claimants on 12 July 2024 ("Colin WS4"):

> "3.1 … In 2006, I started working as an inspecteur des finances at the Inspection Générale des Finances (translated as the General Inspectorate of Finance), where I conducted research and investigations on behalf of the Minister of Finance in relation to complex policy matters related to the French Treasury. I worked there until March 2010.
>
> 3.2 I had a brief experience between 2010 and 2012 as the Chief Executive Officer ('CEO') of a start-up called 1x1connect SAS and I

returned to my role of inspecteur des finances in or around May 2012 where I stayed 15 additional months until I left to join The Family.

3.3 I met Mr Oussama Ammar in 2010. He was the founder of a start-up called Hypios SAS ('Hypios') at the time. Over the course of two years, Mr Ammar and I met from time to time in Paris for lunch and exchanged news and impressions on the start-up scenes in France. In 2012, when I returned to my role at IGF, Mr Ammar had left Hypios and joined a US company called Be Sport as CEO, which he then left after only five or six months. He subsequently relocated to Paris and eventually began working on founding The Family.

3.4 In or around April-May 2012, Mr Ammar told me that he had met Ms Alice Zagury, as part of his mentoring of start-up founders in Paris. Ms Zagury had built a start- up accelerator called Le Camping, where she engaged mentors such as Mr Ammar. Not long after that, Mr Ammar told me that he and Ms Zagury had decided to build a business together. I was introduced to Ms Zagury by Mr Ammar at the end of 2012 or early 2013. I visited Le Camping and was impressed with what Ms Zagury had built. She was creative and had a lot of experience in this area. Likewise, Mr Ammar seemed intelligent and knowledgeable in the start-up space. In particular, he appeared to know a thing or two about Silicon Valley, having spent some time there as the CEO of Be Sport. I joined them full-time as a co-founder in or around September or October 2013. There was no contractual agreement at the time, but from that point onward we always introduced ourselves as the three co- founders of The Family, in this order: Ms Zagury, Mr Ammar, and myself.

3.5 Ms Zagury and Mr Ammar had created The Family as a brand. 'The Family' is not a company but is rather an umbrella brand for the universe of companies, training programmes, events and spaces we would be creating. Therefore, most of the company names in this universe start with 'The Family' and are followed by specific and different names for each company, usually describing its purpose. Ms Zagury first created the company TheFamily – all in one word – SAS in January 2013, which was incorporated in France, with Mr Ammar and myself then joining as shareholders shortly thereafter. Later, in 2014 when we needed to establish a parent company in London, we called it 'The Family (Holdings) Limited' (i.e. TFH). We then established 'The Family (Fellowship) LLP' (the Second Claimant, (‘TFF’), which was to hold the shares in our portfolio companies. We also established local companies The Family (Berlin) GmbH and The Family (London) Ltd, and TheFamily SAS changed its name to The Family (Paris) SAS ('TFP'). These local companies were wholly owned subsidiaries of TFH and were designed to meet the local costs, sign employment contracts under local laws, pay local taxes, etc in the relevant jurisdiction.

3.6 Our business plan was for The Family to subscribe to initial shares at nominal value in start-ups who agreed to work with us. We would in return create value for these start-ups by assisting with raising funds from investors, offering training, networking opportunities, introductions, and so on. As a result, we did not invest much cash into

> our portfolio start-up companies, and any available funds were allocated to operational expenses.
>
> 3.7 We all had our lanes of work. I took charge of the institutional side of The Family, which involved building relationships with government, think tanks, big corporations, academia and media. I was looking for ways of working with these institutional players through providing them consultancy services or organising events together with them or for them about start-ups. For example, I would build connections with MPs, organise workshops, dinners, launch a consultancy targeted at large corporations, and so on. I was building bridges between the 'old world', as we would call it, and the 'new world' of start-ups and technology. I was focussed on making sure that members of the 'old world' understood our work and would be prepared to work with us or help us when needed.
>
> **A. Key individuals**
>
> 3.8 Ms Zagury was executive chairwoman (présidente) of TheFamily SAS and both Mr Ammar and I were directors general (directeurs généraux).
>
> 3.9 Ms Zagury was managing the small team based in the office in Paris. She also focused on communication, building the brand and ensuring everything ran smoothly, and she pitched to the network she had built during her time as head of Le Camping. As the guardian of the brand and culture, as well as the operational showrunner, she took on a significant amount of work.
>
> 3.10 Mr Ammar was working with the founders who had joined our programme. He was going on stage to host conferences on various topics related to building a company. His natural audience was founders or aspiring founders. He was also instrumental in raising funds for the company, attracting new shareholders who would contribute capital to growing our business. Mr Ammar was further responsible for handling the company's meagre finances, making most decisions in this area sometimes in consultation with Ms Zagury. He was deciding payment priorities and executing those decisions. He also liaised with our corporate lawyers, initially in Paris and subsequently in London, concerning the optimal structuring of our business in the context of perpetual expansion.
>
> 3.11 As previously stated, my role was primarily focused on cultivating relationships with institutions and established entities. I spent a substantial portion of my working hours outside the office, traversing Paris, attending various events, speaking on stage for corporate audiences, teaching at various universities, and meeting individuals in high places to foster connections on behalf of The Family. …"

6. At paras. 3.12 to 3.19 Mr Colin then describes seven additional key individuals involved at various stages in the period of time relevant to the claim.

7. Mr Colin's witness statement refers to the pagination of an annexed bundle of paginated exhibits "NC7" (see Colin WS4 para. 1.4) although I have been provided with a separately paginated bundle ("HB") for the purposes of the quantum hearing.

8. Mr Colin has been largely responsible for providing the evidence in these proceedings and also gave oral evidence in Court. The facts set out in this judgment are derived from his evidence, the documents in the bundle and the cross-referenced chronology.

9. On 12 July 2024 the Defendants' defence was struck out by Mr Paul Mitchell KC (sitting as a Deputy Judge in the High Court), following numerous breaches of Court Orders including breach of an unless order made by HHJ Pelling KC (sitting as a Judge of the High Court) on 6 June 2024. The Court ordered that there be judgment for the Claimants in an amount to be determined by the Court, which is the matter which has come before me.

10. Mr Ammar is resident out of the jurisdiction and he neither attended the hearing nor applied to attend remotely and neither he nor the other Defendants were represented at the hearing. I note that other than on 12 July 2024, when there was no attendance by the Defendants, the Defendants were represented either professionally or by D1 in person including on 8 December 2023, 15 April, 6 June (when the unless order was made) and 27 June 2024. I have no reason to believe that the Defendants were unaware of the consequences of non-compliance with the unless order (at which hearing they attended), or of the subsequent hearings, and it appears likely that the failure to attend Court on 12 July and at this hearing was intentional.

Summary of the claim

11. The claim seeks relief based on the following causes of action against Mr Ammar:

    i) Deceit.

ii) Unlawful means conspiracy. See ***Iranian Offshore Engineering & Construction Co v Dean Investment Holdings SA*** [2019] EWHC 472 (Comm) at [171].

iii) Breach of trust, fiduciary duty and breach of directors' duties. See ***FHR European Ventures LLP v Cedar Capital Partners LLC*** [2015] AC 250 at [5].

iv) Dishonest assistance. See ***Group Seven Ltd v Nasir*** [2020] Ch 129 at [110].

v) Knowing receipt. See ***Byers v Saudi National Bank*** [2022]4 WLR 22 [14]-[23].

vi) Breach of contract.

12. Against Fabuleo and Aletheis the following causes of action are pleaded:

i) As against Fabuleo -

a) Deceit.

b) Unlawful means conspiracy.

c) Knowing receipt.

d) Dishonest assistance in breach of trust and breach of fiduciary duty.

e) Breach of contract.

ii) As against Aletheis -

a) Knowing Receipt.

b) Dishonest assistance in breach of trust and breach of fiduciary duty.

13. The particulars of the allegations are set out in the Re-Amended Particulars of Claim ("RAPOC") at paras. 47-86A and submissions of law with regard to the causes of action in the Claimants' Skeleton Argument at paras. 49-71 (and the authorities cited). I do

not repeat them here since I accept the basis on which they have been advanced, and in the light of the judgment entered against the Defendants.

14. It is the Claimants' case that Mr Ammar misappropriated significant sums of money from The Family. The detailed calculation of losses claimed were updated at the hearing and in writing on 24 October 2024. Some of the losses are detailed in the various Schedules which have been provided by the Claimants and also updated at the hearing and in writing afterwards. Those amendments supersede the calculations set out by Mr Colin's in WS4.

15. The Claimants' case is that the misappropriations were effected by the following means:

i) Stealing and/or misappropriating investor funds provided to the Algolia SPVs for the investment in Algolia.

ii) Misappropriations paid to himself or Fabuleo or to pay Mr Ammar's credit card bills, payments which are recorded in Schedule A.

iii) Misappropriations to friends, relatives, people connected to Mr Ammar or to pay his debts, which are recorded in Schedule B.

16. Mr Colin described the losses claimed at Colin WS4 para. 2.1:

> "2.1 … The Claims relate to the misappropriation of very large amounts of funds from the Claimants by Mr Ammar, Mr Ammar selling shares Fabuleo owned to the Claimants at vastly inflated prices, and Mr Ammar secretly buying shares in target companies in breach of duty. A summary of the loss and damage sought by the Claimants is as follows:
>
> (a) $1,906,972.20, being the sum which the Fourth Claimant, The Family (SPV- III) LLP ('SPV-III'), would have received upon the sale of shares in a third- party company, Algolia Inc ('Algolia') had Mr Ammar not misappropriated funds held by SPV-III for the purposes of

investing in Algolia shares and denied SPV-III the opportunity to purchase such shares.

(b) $2,791,341, being the sum the Fifth Claimant, The Family (SPV-III bis) LLP ('SPV-III bis'), would have received upon the sale of Algolia shares had Mr Ammar not misappropriated funds held by SPV-III bis for the purposes of investing in Algolia shares and denied SPV-III bis the opportunity to purchase such shares.

(c) €150,000 misappropriated from the Sixth Claimant, The Family (SPV-III ter) LLP ('SPV-III ter'), by Mr Ammar (together SPV-III, SPV-III bis and SPV-III ter are referred to as the 'Algolia SPVs').

(d) Funds misappropriated by Mr Ammar Fabuleo (Mr Ammar's service company) totalling €1,945,513.98 and £210,048.58 from the First Claimant ('TFH'), the Third Claimant ('TFC') and SPV-III and SPV-III bis, which are set out in Schedules A and B annexed to the Claimants' Re-Amended Particulars of Claim ('RAPOC'):

(i) Schedule A transfers totalling €1,534,427.10 and £137,374.80

(ii) Schedule B transfers totalling £72,673.78 and €411,086.88.

(e) €1,813,994.19, being the value of shares in a third party company, PayFit ('PayFit'), which would have been purchased by various of the Claimants, namely the Eight Claimant, The Family (SPV-I) LLP ('SPV-I'), the Ninth Claimant, The Family (SPV-I bis) LLP ('SPV-I bis'), the Tenth Claimant, The Family (Atlas) société civile ('Atlas'), and the Eleventh Claimant, The Family (Aura) société civile ('Aura') (together the 'PayFit SPVs'), had Mr Ammar not wrongfully misappropriated funds invested for the purpose of buying PayFit shares.

(f) €51,093.70 misappropriated from SPV-III bis by Mr Ammar and Fabuleo.

(g) £76,014.62 and €25,000, being the remuneration paid to Mr Oussama Ammar which the Claimants ask be returned due to his breaches of duty.

(h) Delivery up of the common stock of Unison Inc ('Unison') shares held by Fabuleo, alternatively damages for the value of the Unison stock in the sum of $1,000,040.

2.2 In total £148,688.40 and €4,162001.07 and $5,698,353.20 is claimed."

17. It appears that the Defendants' fraud took place over many years, and went undiscovered for some time due to Mr Ammar's senior position in The Family, with responsibility for raising investor funds, deploying those funds, and in managing The

Family's finances. His management and control of those finances and their associated accounts appears to have enabled him to escape detection for a number of years. The Claimants seek delivery up of the shares referred to in iii) and damages (updated from Colin WS4) totalling US$3,884,924.19, €4,061,595.13 and £286,063.20. Alternatively, the Claimants seek damages equivalent to their value, US$882,280. A figure in pounds sterling was provided at the hearing which took into account exchange rates as at that date.

18. The Amended Defence denies liability but makes no specific submissions as to loss and damage other than to refer to the denials of liability and to deny loss: see paras. 54 and 55. Given that judgment has been entered for the Claimants, the principal task for the court is to consider the quantum of damages claimed in respect of the various grounds pleaded and which judgment has been entered. The evidence produced by the Claimants amply supports the claims for relief arising from the unlawful actions of the Defendants.

19. It therefore does not appear to me that the basis of liability, on which judgment has been given, makes any significant difference to the determination of the relief claimed which, with one exception in the case of the Unison shares, is in the form of monetary relief.

Mr Ammar's service agreements

20. See Re-Amended Particulars of Claim at paras. 9-18. Mr Ammar was retained and remunerated by The Family from 2015 through a series of three agreements, each of which superseded its predecessor:

    i) An "IP Assignment and Licence Agreement" dated 5 January 2015 entered into between Fabuleo and TFH [Colin WS4 para. 3.23]. Under its terms, Fabuleo agreed to licence various intellectual property relating to The Family including 'The Family' trademarks and domain names £170,000pa.

ii) This was superseded by a Service Agreement dated 1 May 2016 between TFH and Mr Ammar ("the Service Agreement"). Under the terms of the Service Agreement -

a) TFH employed Mr Ammar and Mr Ammar agreed to carry out the duties of a Director and Partner and such other duties as may be required by the Board of TFH from time to time (clauses 2.1, 4.1).

b) Mr Ammar was entitled to a salary of £91,000 (clause 5.1). This was paid via the PAYE system.

c) Mr Ammar was to well and faithfully serve TFH and any relevant Group Companies (defined to include TFH's subsidiaries) to the best of his ability and carry out his duties in a proper and efficient manner and use his best endeavours to promote and maintain their interests and reputation (clause 4.1(b)).

d) Mr Ammar was to devote a reasonable amount of his working time, skill, ability and attention to the business of TFH, in order to further its best interests (clause 4.1(f)).

e) Mr Ammar was to report any wrongdoing on his part to the board of TFH immediately upon becoming aware of it (clause 4.1(j)).

iii) This was superseded by the third, a Strategic Services Agreement ("the SSA") dated 22 May 2019 between TFH and Fabuleo [Colin WS4 paras. 5.12-5.13]. Under the terms of the SSA -

a) Fabuleo agreed to make Mr Ammar available to TFH to perform Strategic Services (defined in the SSA) to such Group Company (defined in the SSA) as TFH might from time to time require (clause 3.1).

b) Fabuleo warranted that Mr Ammar was experienced, qualified and trained to render the Strategic Services and agreed to procure that Mr Ammar provide the Strategic Services with all due care, skill and ability and to use its reasonable endeavours to promote the interests of the relevant Group Company to which those services were provided (clause 3.3).

c) Fabuleo agreed to provide the Strategic Services with all due care, skill and ability and use its reasonable endeavours to promote the interests of the relevant Group Company to which the Strategic Services were provided (clause 3.4).

d) Fabuleo agreed "without limitation and at all times during the period of" the SSA to do the following (amongst other things) -

    i) Report promptly to the Board of TFH in connection with the affairs of the relevant Group Company to which the Strategic Services are provided on such matters and at such times as are reasonably required (clause 3.5.2).

    ii) Report any wrongdoing by Mr Ammar immediately upon becoming aware of it (clause 3.5.3).

    iii) Procure that Mr Ammar faithfully and diligently exercise such powers and perform such duties as may from time to time be

assigned to him by Fabuleo in connection with the provision of the Strategic Services (clause 3.5.5).

iv) Procure that Mr Ammar use his best endeavours to promote, protect, develop and extend the business of the relevant Group Company to which the Strategic Services are provided (clause 3.5.6).

v) Keep the Board of TFH promptly and fully informed (in writing if so requested) of Mr Ammar's conduct of the business or affairs of the relevant Group Company to which the Strategic Services are provided, and provide such explanations as the Board may require (clause 3.5.7).

vi) TFH would pay to Fabuleo a sum not exceeding £210,000pa (clause 4.1, Schedule 2).

21. Service agreements were also entered into with Mr Colin and other senior executives.

22. Throughout the period during which Mr Ammar provided services to The Family, a strict expenses system existed whereby a claim for reimbursement was required to be submitted for payment along with proof of payment.

Discovery of wrongdoing

23. In June 2020 Mr Colin discovered that Mr Ammar had dissipated €3,100,000 in return in investor monies from a The Family entity called TheFamily for Momentum Machine SAS. Mr Colin had been alerted to certain issues by the new CFO Ms Sayag in December 2019:

> "6.14 iBanFirst's banking system provides a transaction history to those individuals who are registered users of the iBanFirst platform for the relevant entity. Except for Mr Ammar, no senior executive in The

Family was a registered user for all entities for all times, and sometimes the only registered user was Mr Ammar; for example, I became a user for SPV-III's account and SPV-III bis' account only in 2022, and I only had access to TFGG's account from 15 January 2020 (when Ms. Sayag granted me access) until 2 March 2020 (when Mr. Ammar revoked it without my knowledge), providing access for only a 6-week period.

…

6.26 Ms Sayag took over as CFO in September 2019. She was based in Paris and I spent most of my time in London or overseas, so I did not have the chance to catch up with her in person until November or December 2019. Around that time, I recall a meeting with her where she told me that there was little to no money, so it was difficult for her as a CFO to deal with budgetary planning. Ms Sayag also mentioned that Mr Ammar kept on going behind her back to pay whomever he wanted to pay, arbitrarily picking and choosing which supplier should be paid first, therefore she wasn't able to do her job and plan ahead. I told Ms Sayag that I could help her if she wanted to confront Mr Ammar about this, especially if she didn't feel strong enough since she was new, and Mr Ammar was her boss and her direct report.

6.27 In order to do this, I told her that I would need to understand a bit more about how the money flowed, and from which account. I suggested that she invite me to be a user of some of the bank accounts so I could see more of the transactions. My plan wasn't to analyse these in depth, as I had my own job to do on many other fronts, but I knew that I would get an idea of what was going on if I saw the notifications in my mailbox. Essentially, I wanted to understand the volumes at stake, the frequency of the cash coming in and going out and have the information available to me in case Ms Sayag needed me to confront Mr Ammar.

6.28 By January 2020, Ms Sayag invited me as a user to the iBanFirst accounts for TFP, TFF, TFGG, SPV-I, TFH, and the now-dissolved The Family (London) Ltd … I believe I only acted on some of these invitations, notably TFGG, for which I received the first notification on 15 January 2020 (NC7/885-889). I continued receiving notifications until 2 March 2020, when my access was revoked by Mr Ammar…

6.29 I did not necessarily pay close attention to every single notification once I was granted access, nor did I use my access to some of the iBanFirst accounts to attempt to investigate potential misappropriations and fraud. Whilst I may, in theory, have had the possibility to check each of the notifications received during this brief period and raise subsequent questions, I was occupied with other responsibilities, and I did not consider it to be my duty to monitor the bank accounts on a daily basis.

6.30 Apart from Ms Sayag's concerns over the lack of cash for day to day operations, there was no reason for me to suspect misappropriations on Mr Ammar's part or to examine the iBanFirst notifications from that perspective. Furthermore, as far as I was concerned, we were employing a competent CFO in the person of Ms Sayag, and were remunerating her €20,000 per month precisely to manage this line of work. My intention at the time was only to utilise the iBanFirst information in my mailbox

> should Ms Sayag require my assistance in dealing with Mr Ammar about which supplier should be paid first.
>
> 6.31 By February 2020, Ms Batista was leaving The Family and mentioned to me that many TFMM shareholders were inquiring about their returns. She told me that Mr Ammar kept them uninformed, later using the pandemic as a pretext for further delays."

24. Mr Colin explained (paras. 6.36-6.43) that by September 2020 it was clear that the monies were gone, "and Mr Ammar had been less than forthcoming with any information". The Family was required to inform shareholders and seek settlement for delayed payment and "[w]e reprimanded Mr Ammar and voiced our concerns about his continued involvement with bank accounts and SPV leadership.' Mr Ammar was then prohibited by The Family from ordering or making payments from any of The Family's bank accounts. The dissipations included payments of €600,000 and £50,000 to TFGG, which Mr Ammar then misappropriated for his and Fabuleo's benefit (albeit this was not discovered until later).

25. In September 2021, The Family was contacted by a member of SPV-III bis complaining about the lack of documentation demonstrating SPV III bis' investment in Algolia, which led to further investigations uncovering mass misappropriations by Mr Ammar. Mr Ammar's resignation was demanded, and Mr Ammar resigned on 26 November 2021.

26. Mr Ammar had previously been convicted of fraud and though I asked Mr Colin in Court why The Family had not taken that as a warning that they ought to be careful in their future dealings with Mr Ammar he seemed to be concerned that, despite the unpleasant surprise, The Family should not take precipitate action at the time. This is consistent with his witness statement:

> "5.2 In or around April 2014, Ms Zagury and I became aware of a police investigation into potential misappropriations by Mr Ammar during his brief tenure as CEO of Be Sport, a US company, in 2011. At that time,

Mr Ammar dismissed the allegations as entirely baseless, attributing them to a disgruntled former business partner. However, whilst we believed the issue had been resolved, in or around July 2017, all those working at The Family were greatly surprised to discover that Mr Ammar faced the imminent possibility of standing trial before a criminal court.

5.3 This revelation was shocking given the trust vested in Mr Ammar by all his colleagues, including me, and posed a reputational threat to The Family, given the potential indictment of a senior figure in criminal proceedings. Moreover, it occurred amidst fruitful negotiations with LGT CP, a reputed institutional investor, which were disrupted from February 2018 as the Be Sport vs Mr Ammar affair had become the central topic of discussion. It is challenging to recall precisely what I knew about this litigation at the time, as I acquired significantly more information about the case and its ramifications much later.

5.4 In early 2018, it was confirmed that Mr Ammar was to be tried later that year. As mentioned above, the negotiations with LGT CP were protracted as they had to expand the scope of their due diligence. We were all awaiting Mr Ammar's trial, hoping for a declaration of innocence, in the first semester of 2018. This delay was putting the company under financial pressure as we were accumulating debts to our suppliers.

5.5 I have recently checked my archived text messages and found that I met Mr Philippe Robert, the chairman and majority shareholder of Be Sport, in March 2018 with the aim of finding a way for The Family not to be harmed by the publicity surrounding the whole affair, which was my sole concern at the time. However, Mr Robert was forcefully angry and explained to me that he had fiduciary duties towards Be Sport to recover the allegedly misappropriated funds in order to close the accounts that had been negatively impacted by Mr Ammar's actions.

5.6 Following this exchange, I requested that Mr Ammar consider finding a solution to the matter. I subsequently facilitated Mr Ammar and Be Sport entering into direct negotiations for a settlement through their respective legal teams. This role proved instrumental towards agreeing on a settlement.

…

5.15 In June 2018, that is, less than two months after LGT CP's investment, the judgement in Mr Amar's Be Sport case was handed down, resulting in Mr Ammar being sentenced to 4-months' imprisonment, suspended. This outcome came as a significant surprise to all those working at The Family, as Mr Ammar had repeatedly assured us that the settlement agreed with Be Sport would preclude a conviction and that the trial, which I did not attend out of discretion towards Mr Ammar, had proceeded favourably. The verdict represented a major setback, damaging both The Family's reputation and Mr Ammar's personal standing. Although we did not fully appreciate it at the time, being intensely focused on growing our team and business following the LGT CP investment, this development had a substantial impact on our

> operations. It created distance with numerous stakeholders who, upon learning that one of our principals had been convicted of fraud, albeit with a suspended sentence, decided to cease working with us. From our internal perspective, however, the business appeared to be thriving and was on the right track.
>
> 5.16 Indeed, as mentioned above, LGT CP had commissioned PwC to conduct due diligence. At the time, we were aware that The Family had been managed in a somewhat hectic manner for years due to limited resources, constant experimentation with new initiatives, and high employee turnover. However, most parties aware of the negotiations, including myself, viewed the LGT CP investment as an inflexion point, believing that their due diligence process would ensure that everything had been thoroughly vetted and put in order, and that LGT CP's investment would trigger a significant upgrade in terms of The Family's structure and management going forward."

27. Mr Colin then explains the result of further issues which were investigated and which led to Mr Ammar's resignation which was given formally by letter dated 26 November 2021 and accepted in the Bord Minutes of FHL of the same date:

> "6.46 It was only in September 2021 that Genventures SA ('Genventures'), a Member of SPV-III bis (in addition to being investor in the Delaware Project sent a formal letter expressing concerns about the lack of documentation of SPV-III bis' planned investment in the company Algolia (NC7/908-915).
>
> 6.47 This triggered the following sequence of events: Ms Zagury and I confronted Mr Ammar with the Genventures letter and informed him that after the TFMM Incident, he could not use another free pass and had to tender his resignation, to which he agreed. Then, as part of negotiations in the context of Mr Ammar's imminent departure, Mr Rharbaoui and I conducted a full accounting exercise across all bank accounts to determine the current balance between the various The Family entities and Mr Ammar and Fabuleo - an exercise which Mr Ammar met with indifference and contempt, effectively refusing to participate in it. This exercise led us to uncovering Mr Ammar's misappropriations from the SVB UK Accounts.
>
> 6.48 Finally, Mr Rharbaoui and I also investigated the situation of the Algolia SPVs, including SPV-III bis, but it took us several months (precisely, until later in 2022), to realise that our investigations had been relying on false information conveyed by Mr Ammar regarding the status of the three Algolia SPVs (SPV-III, SPV-III bis, and SPV-III ter). Meanwhile, Mr Ammar's resignation, circulated on 21 October 2021 (NC7/952-953), became effective on 26 November 2021 (NC7/954).
>
> 6.49 TFH's board of directors, then including Ms Zagury, Mr Rharbaoui, Mr Jean-Jacques Augier (a shrewd and seasoned business executive who had recently joined as non-executive director after I had approached him

> in May 2021), and myself, had grown impatient with Mr Ammar's lack of candour and his constant obfuscation about the Delaware Project and other matters, and had decided that his resignation should be made official."

Quantification of losses

28. As I have mentioned, in respect of the losses claimed:

    i) the evidence has been updated in submissions at the hearing and by revised schedules sent to me following the hearing; and

    ii) the conversion rates from euros and US dollars to sterling are as at the date of the hearing.

(1) Claims relating to Algolia shares

29. Mr Colin explained the background to issues concerning the Algolia shares:

> "6.62 The Algolia SPVs are part of an ambitious investment project in the successful U.S. company Algolia, which has been in The Family's portfolio since 2013. I will refer to the whole project as the 'Algolia Project'.
>
> 6.63 In the summer of 2019, Mr Ammar's focus shifted to purchasing shares from Algolia employees after their Series-C round completion. From July to October 2019, Mr Ammar and Ms Evrard were laying the groundwork for the Algolia Project and negotiated share purchases from numerous Algolia employees. I was not aware of these negotiations about share purchases and other arrangements with the Algolia SPVs or Algolia employees at the time they occurred.
>
> 6.64 A summary of Mr Ammar's misappropriations from the Algolia SPVs is set out at paragraphs [6.66-6.75] below.
>
> 6.65 SPV-III was incorporated in October 2019 for the purpose of LGT CP's investment in the Algolia Project. Between 5 November 2019 and 31 August 2020, a total of €386,798 (equivalent to US$443,115.79) was misappropriated by Mr Ammar and Ms Evrard by way of transfers executed in breach of SPV-III's LLP Agreement (NC7/1171-1181).
>
> 6.66 SPV-III bis was incorporated on in November 2019 as The Family (SPV-I bis) LLP, however it was renamed as SPV-III bis in February 2020 and repurposed for eight investors' investment in Algolia shares. Between 24 February 2020 and 23 November 2020, a total of €579,300 (equivalent to US$663,646.08) was misappropriated by Mr Ammar and Ms Evrard by way of transfers executed in breach of SPV-III bis' LLP Agreement (NC7/1182).

> 6.67 SPV-III ter was incorporated in February 2020 for the purpose of a Mr Barthélémy de Beaupuy's investment in Algolia shares. On 19 March 2020, a total of €150,000 was misappropriated by Mr Ammar and Ms Evrard by way of transfers executed in breach of SPV-III ter's LLP Agreement.
>
> 6.68 From February to July 2020, as funds were received from investors, Mr Ammar and Ms Evrard engaged in unauthorised 'cash pooling' involving SPV-III, SPV-III bis, SPV-III ter, and TFGG. This resulted in significant misuse of funds, including transfers to TFH and TFGG (which were then misappropriated by Mr Ammar) that were not related to purchasing Algolia shares (NC7/1182). As regards funds which were transferred from the Algolia SPVs to another entity forming part of The Family, The Family has not been in a position to repay the funds because of Mr Ammar's further misappropriations from those entities.
>
> 6.69 Had these misappropriations not occurred, SPV-III and SPV-III bis would have utilised this capital (less an additional arrangement fee of €13,130 for SPV-III bis) to acquire additional Algolia shares in or around March 2020 at US$8.7833 per share. By my calculations, this would have resulted in SPV-III and SPV-III bis holding an additional 50,449 and 73,845 shares, respectively."

30. Ms Lea Evrard joined The Family in 2017 and was a lawyer registered with the Paris Bar, eventually becoming General Counsel. Mr Ammar recruited Ms Evrard and primarily worked with her on matters relating to organising the portfolio of companies, preparing and reviewing documentation for The Family's shareholdings, and establishing and funding SPVs. Mr Colin states that she assisted Mr Ammar in misappropriating funds from The Family.

31. It was not disputed by Mr Ammar that:

i) He helped secure capital contributions from investors into the Algolia SPVs (the Claimants' case is that he was instrumental in doing so) (see Amended Defence, para. 18).

ii) At least c 50% of the capital invested in the Algolia SPVs was under-deployed (the Claimants' case is that it was greater than this) (Amended Defence, para. 21).

iii) He made misrepresentations to the management of the Algolia SPVs that "everything was in order" with the investment in Algolia shares, despite the substantial under-deployment of funds (Amended Defence, para. 20).

iv) He had access to the bank accounts of the Algolia SPVs (this aspect of Para. 59 is not denied by para. 27 of the Amended Defence).

v) He transferred a substantial part of the capital raised to himself, or to Fabuleo, or to third parties for his benefit (the Defendants are taken to have admitted the allegation in para. 52 of the Re-Amended Particulars of Claim. See Amended Defence, para. 21).

32. In total, the following amounts were raised in respect of Algolia:

i) In November 2019 Mr Ammar raised €3,000,000 from LGT Capital Partners ("LGT CP") to invest in Algolia, and incorporated SPV-III for this purpose. However, only €2,598,781.57 was actually invested in Algolia shares by Mr Ammar, and €356,208.43 (US$389,342.938) was misappropriated by him [Colin WS4 paras. 6.76(a), (c) and (i)).

ii) Between October 2019 and March 2020 Mr Ammar raised €924,000 from 8 investors for investment in Algolia via SPV-III bis. Once an arrangement fee had been deducted, €896,550 remained available for investment, but only €426,872 was used to purchase Algolia shares, with €469,678.05 (US$513,367.502) misappropriated [Colin WS4 paras. 6.77(i)-(j)].

iii) The sum of €150,000 was raised from a single investor, Mr de Beaupuy, for SPV-III ter. The Claimants understand that a separate SPV was incorporated for Mr de Beaupuy's benefit as he wanted to obtain preferred shares in Algolia, as

opposed to the common shares typically held by employees [Colin WS4 para. 6.78(a)].

33. The transfer of funds is described at Colin WS4 paras. 6.76-6.85 (Section B2). In summary, the misappropriations included:

i) Direct payments to Fabuleo [Colin WS4 para. 6.67(h)].

ii) Transfers between the Algolia SPVs [Colin WS4 paras. 6.68, 6.78].

iii) Transfers to other entities forming part of The Family, which were then transferred on to Fabuleo. Significant funds were paid to TFGG and then misappropriated, including by way of direct payments to Fabuleo [Colin WS4 paras. 6.76(d), 6.77(d)].

iv) Transfers to other entities forming part of The Family, which those entities are unable to pay as a result of Mr Ammar's misappropriations [Colin WS4 paras. 6.67(d), (e), 6.77(d)].

v) Mr de Beaupuy's investment, intended to be paid to SPV-III ter for the acquisition of preference shares in Algolia, was paid to SPV-III bis instead, and Mr Ammar did not cause this sum to be transferred to SPV-III ter. Instead, it was used by SPV-III bis, which now has no funds to pay the sum owing to SPV-III ter. SPV-III ter did not purchase any Algolia shares [Colin WS4 para. 6.78].

34. Mr Ammar and Ms Evrard tried to conceal these misappropriations over 2020-21 by a pattern of misleading communications with potential Algolia share vendors, often citing false reasons for not purchasing shares when, in reality, the SPVs lacked funds due to misappropriations [Colin WS4 paras. 6.79, 6.77(f), (h)]. When investors made inquiries

regarding their Algolia shares they were reassured with vague or misleading responses from Mr Ammar [Colin WS4 paras. 6.77(k)-(m)].

35. Mr Ammar's intention was to manipulate the situation to create the appearance that the Algolia SPVs were fully deployed, when in reality, he was wrongfully utilising the assets of The Family entity (and wholly owned subsidiary of TFF) called The Family Loves A ("TFLA") in breach of his fiduciary duty to TFF (as a Member of the Management Committee) to conceal significant shortfalls of his and Ms Evrard's own making. He devised a strategy to transfer shares in TFLA, which held 48,000 Algolia shares, from TFF to SPV-III and SPV-III bis. He planned for TFF to transfer shares in TFLA equivalent to 5,660 Algolia shares to SPV-III bis and 8,500 shares to SPV-III ter, and to further cover his wrongful acts by backdating the share transfers to give the impression that funds were invested not long after they were received. However, this plan would still not have reflected the number of shares which SPV-III bis and SPV-III ter could have purchased had their funds not been misappropriated [Colin WS4 paras. 6.80(a)-(d)].

36. Further, the transfer of TFF's interest in TFLA would have constituted a breach of agreement with TFF LLP, as such transfer required the consent of The Family's main investor, LGT CP, and SPV-III bis and SPV-III ter did not have the funds to pay TFF in any event [Colin WS4 paras. 6.81(c), (e)]. The share transfer agreement was terminated and the share transfers cancelled following Mr Ammar's resignation [Colin WS4 para. 6.81(e)].

37. The consequences on the Family of Mr Ammar's misappropriations of investor funds were considerable. LGT CP threatened to bring legal action against The Family on the basis that it had been defrauded. The investors in SPV-III bis in fact issued proceedings in the Paris Commercial Court against various corporate entities of The Family, and

also Mr Colin, Ms Zagury and Mr Ammar. These proceedings are continuing and TFF has incurred €15,654 in legal costs to date, which it claims from the Defendants [Colin WS4 paras. 6.81(c)-(d)].

38. The Claimants contend that had Mr Ammar not misappropriated funds from SPV-III and SPV-III bis they could have purchased additional Algolia shares at the price of US$8.7833 prevailing in 2019/20, and would hold an additional 44,529 and 54,257 shares respectively. In the case of SPV-III ter €150,000 was paid by Mr de Beaupuy to purchase preference shares in Algolia and not common stock. SPV-III ter was created rather than using SPV-III bis [Colin WS4 para. 6.78]. No such stock was purchased.

SPV-III

39. The Claimants further contend that the SPV-III's loss and damage may be quantified by having regard to sales which took place in May 2022 between SPV-III and an investment firm and private equity firm which offered to buy Algolia shares from Algolia shareholders. The price offered, and accepted by SPV-III, was US$37.80 per share (160,522 shares sold for US$6,067,731.60). Not all the shares were sold then due to claims brought against The Family. This nonetheless provided a good opportunity for the Algolia SPVs to realise their investments at a price many times greater than the price paid for the shares, and had the Algolia SPVs purchased additional Algolia shares.

40. I am satisfied that it is probable that they would have sold the shares at the time and absent the claims against The Family which resulted from Mr Ammar's dealings. This appears to me to be a reasonable assumption to make given what actually occurred.

41. Mr Ammar acted as agent for the Algolia SPVs and breached his position of trust and acted in breach of the fiduciary duties he owed to them. Fabuleo dishonestly assisted Mr Ammar (which also may amount to an unlawful means conspiracy between them)

and, in respect of the funds directly received by Fabuleo, it is liable in knowing receipt of the benefits of the breach of duties.

42. The bank records for SPV-III show as described by Colin WS4 paras. 6-75-6.76 that as a result of the wrongdoing, Mr Ammar appropriated €386,798 which amounts to €341,406.00 net (discounting fees for purchase) which, at the euro to US dollar exchange rate of $1.1456 as at March 2020 amount to US$391,114.71 which would have enabled the purchase of 44,529 Algolia shares (rounded down) at that time and at their 2019/20 share price of US$8.7833.

43. Had those shares then been sold in May 2022, they would have realised US$1,683.209.75 (at the Algolia share price of US$37.80). This converts as at the date of the hearing (US$ to £ rate of $0.7667) to £1,290,516.91.

SPV-III bis

44. In the case of SPV-III bis, the sequence of events is set out in Colin WS4 at para. 6.77 and is more complex since, unlike SPV-III, there were multiple investors in SPV-III bis. Mr Colin states at para. 6.77(i):

> "In sum, SPV-III bis acquired 59,019 Algolia common shares from five vendors, for a total consideration of $522,894.64, or €481,771.95 effectively remitted. With €924,000 contributed by SPV-III bis' investors and a €27,450.00 arrangement fee owed to TFC had the SPV been deployed in full (1.25% of Genventures' €500,000 and 5% of the remainder), this left precisely €469,678.05 which were not allocated in accordance with the LLP Agreement"

45. Paragraph 6.77(i) included a calculation error which was corrected by the revised calculations submitted by the Claimants, and, taking account of the revisions, the figure nets to €415,900 deducting arrangement fees which would have been payable had all the invested capital been deployed as intended. As at March 2020, this was equivalent to US$476,558,15 (at the euro to dollar rate referred to above of US$1.1456). This

would have enabled the purchase of 54,257 Algolia shares (rounded down) at a price of US$8.7833 as at 2019/2020.

46. Adopting the basis I have accepted above, and assuming the opportunity to sell would have been taken when the Algolia shares were actually sold in May 2022 for US$37.80 per share, this would have realised US$2,050,925.94. As at the date of the hearing this would convert to £1,572,444.92 (at a US$ to £ rate of $0.7667).

47. Deducting the €45,392.00 received from SPV-III on 31 March 2023 this converts to £37,743.45 as at the date of hearing (at a € to £ rate of £0.8315), leaving £1,534,701.47 claimed.

SPV-III ter

48. With regard to SPV-III ter, the €150,000 paid but not used to purchase preference shares amounts to £124,725 at the conversion rate to sterling applicable.

(2) Schedules A and B losses

49. The losses detailed in these schedules are:

i) Schedule A - transfers which comprise unauthorised transfers to Fabuleo without corresponding invoices or Mr Ammar's personal credit card or bank account.

ii) Schedule B - transfers which comprise 55 unauthorised transfers to third parties including Mr Ammar's fiancée Ms Ionita, various relatives, friends and associates, service providers, and investment targets. Mr Colin comments with justification that these show "a brazen disregard for corporate boundaries and financial propriety, with Mr Ammar treating any accessible corporate account as a personal resource, regardless of the entity's purpose or the impact on its financial health."

50. Mr Colin explains:

> "6.50 Schedule A and B payments add up to more than 100 unauthorised payments made between July 2015 and November 2020, primarily from TFH'S SVB UK Accounts (totalling €1,903,089.98 and £210,048.58 (NC7/163-176]) but also from TFC's iBanFirst account (totalling €24,926.002[1]), SPV-III's iBanFirst Euro account (totalling €11,298.00), and SPV-III bis' iBanFirst Euro account (totalling €6,200.00). After having gone through the authentication notifications and Slack conversations, I could see that the majority of these were executed either by Mr Ammar himself or instructed through financial controllers such as Ms Cluzel and later Mr Taleb- Dumortier.
>
> 6.51 The total value of Schedule A, and B transfers as at the date of my witness statement is €1,945,513.98 and £210,048.58. I note that this value is different to the one in the RAPOC, which was €2,121,913.18 and £72,673.78. The difference is due to currency exchange between GBP and EUR, as well as corrections made below in paragraph 6.56. The current number of €1,945,513.98 and £210,048.58 reflects the claims more accurately due to the use of original currency for each payment.
>
> 6.52 The first red flag for these financial improprieties came after an audit of the TFH's 2018 accounts, conducted in late 2020 (NC7/957-980). However, this audit, performed by the respected firm BDO, working with our then CFO Mr Rharbaoui, did not uncover the full extent of the issue. The audit simply reversed some records and recommended adjustments which resulted in Fabuleo being in fact a debtor, not a creditor, of TFH as of 31 December 2018 (NC7/977). Mr Ammar and Fabuleo had continued to receive substantial payments from TFH until at least the end of 2019.
>
> 6.53 The reason why Mr Ammar was able to draw large amounts from the SVB UK Accounts for such a prolonged period, even with other senior executives such as Mr Taleb-Dumortier involved, is that Mr Ammar was constantly nurturing the idea that he was a creditor to TFH, having allegedly lent it substantial sums to fund operations when the company was in dire financial circumstances—which was often. This was, in retrospect, rather ostentatious. For instance, when he would overhear a complaint by an employee being unable to pay a provider because the company's bank account was empty, he would hand over his Amex card along with the PIN, and say 'Here, take my card, I'll pay for this, and bring me the receipt for my expense claims.' In other circumstances, he would insist in private conversations that the company was alive only thanks to the generosity manifested through Fabuleo's shareholder loan account (NC7/981-982).

[1] 2 This sum comprises two transactions: a direct payment of €9,926.00 to Mr Ammar on 10 February 2020, which depleted TFC's account balance (line 76 of Schedule B), and a payment of €15,000.00 on 23 January 2020 to SAS Aubert Experience for a deposit on a luxury chalet in Megève for Mr Ammar's personal use. (line 44 of Schedule B)

> 6.54 I now know that this was all a masquerade, for the following reasons:
>
> (a) Bank statements reveal large sums of money going to Mr Ammar, Fabuleo, or third parties on their behalf, with almost no cash flows in the opposite direction. However, Mr Ammar, like other employees, consistently submitted expense claims which were promptly reimbursed. No unpaid claims have been found in the company records.
>
> (b) When asked to provide clear statements of amounts owed to him or Fabuleo, particularly from February 2021 up to his resignation, Mr Ammar failed to provide any evidence of outstanding out-of-pocket expenses. To date, Mr Ammar continues to claim in court and media that 'The Family' owes him substantial sums, yet, almost three years after his resignation, he has never substantiated these claims with any evidence. In fact, in his own resignation letter, dated 26 November 2021, Mr Ammar explicitly waived any claims against TFH, its officers or employees regarding his directorship termination or otherwise, irrevocably releasing them from all related liability (NC7/954).
>
> (c) Certain payments made in Mr Ammar's or Fabuleo's personal benefit were falsely labelled as payments for other Strategic Partner Companies which did not relate to Mr Ammar or Fabuleo. An example, which is not subject to claims in these proceedings, but which clearly shows Mr Ammar's mindset, is a €5,000 payment on 24 September 2018 from TFH to Mr Harry Ratkovic (NC7/984), a longstanding acquaintance of Mr Ammar's and employee of TFP who was frequently rendering personal services to Mr Ammar. The payment was bizarrely labelled as being made on behalf of my own Strategic Partner Company Dagmar First Ltd, which did not owe any sum to Mr Ratkovic and had absolutely no business compensating him with TFH funds. As investigated earlier this month, Mr Ammar wrote to Mr Ratkovic in a one- to-one conversation via, Slack [translated from French]: 'I sent you €5,000, set aside 2k for me' (NC7/986-987), implying that €2,000 out of the €5,000 paid to Mr Ratkovic with the false label were in fact for Mr Ammar's personal benefit.
>
> 6.55 Withers helped me prepare a table which references evidence of each bank transfer for Schedule A and Schedule B payments ..."

Schedule A

51. At paras. 6.56-6.57 Mr Colin corrected the Schedule A sums and the total sum claimed is reduced to €1,534,427.10 from which is deducted €11,298.00 paid by SPV-III to Fabuleo which is included in the Algolia claim (above) giving, respectively, for transfers made in euros and sterling, €1,523,129,10 and £137,374.80.

52. Applying the conversion rate from euros to sterling as at the hearing the transfers amount to £1,266.481.85 plus £137,374.80, totalling £1,403,856.65.

Schedule B

53. At Colin WS4 paras. 6.59-6.61 these transfers are said to total £72,673.78 and €411,086.88, respectively. The euro claim has been reduced in the latest version of Schedule B to reflect a payment of €6,200.00 included in the Algolia claim in respect of SPV-III bis which then leaves €404,886.88.

54. At the conversion rate as at the hearing already noted, the total claim under Schedule B amounts to £72,673.78 plus £336,663.44, totalling £409,337.22.

(3) Losses in respect of the PayFit SPVs

55. The PayFit group of SPVs comprised SPV-I, Atlas, Aura, and SPV-I bis. In 2019/2020 Mr Ammar wrongly applied investor funds to purchase Fabuleo's shares in Héméra, a vehicle established by The Family to hold PayFit shares, at inflated prices. Héméra holds 268,268 PayFit shares and, prior to Mr Ammar's wrongdoing, Fabuleo held 10,000 Héméra shares: see the diagrammatic representation of the shareholdings at HB p. 1734.

56. In June/July 2019 PayFit began its Series C fundraising round, and issued shares at €6.84 per share. Mr Ammar should have used the entirety of the investor's funds to purchase PayFit shares directly from PayFit during this fundraising round. However, not only did Mr Ammar cause the PayFit SPVs to purchase Héméra shares from Fabuleo at an overvalue compared to the PayFit Series C value, but the PayFit shares held indirectly, via an SPV, are less valuable than shares held in PayFit directly, and a discount is usually applied.

57. Further, investors were deliberately wrongly informed that they had purchased shares directly in PayFit, and were not told that they had in fact purchased shares from, in effect, Mr Ammar. The circumstances therefore demonstrate:

i) deliberately deceitful conduct by Mr Ammar in those dealings with investors; and

ii) an obvious and serious conflict of interest.

58. PayFit last priced its shares in December 2021, when PayFit underwent its Series E fundraising round issuing shares at a premium of €29.97: see the PayFit Minutes of the resolutions of the EGM of 17 December 2021

59. The evidence for this group of losses is set out at Colin WS4 paras. 6.86-6.88:

> "6.86 I recall that Mr Ammar, starting in May 2019, ostensibly began seeking substantial cash reserves, coinciding with his acquisition of land to construct a luxury hotel, le Petit Manoir, in Normandy, France. To generate funds quickly, Mr Ammar started divesting his stakes in valuable companies within The Family's portfolio. I have since discovered that he initially sold interests in different SPVs to acquaintances, generating about €150,000 by July 2019. Mr Ammar then focused on selling his share in The Family Héméra ('Héméra'), a French société civile which was an SPV set up for the purposes of holding shares in PayFit, a French company providing payroll and human resources services in Europe. I believe that Mr Ammar noticed significant interest in PayFit among investors in June and July 2019, as the company was raising its Series C funding. Mr Ammar again enlisted the help of General Counsel Ms Evrard to divest his stake in Héméra.
>
> 6.87 All in all, Mr Ammar sold his entire stake in Héméra to the four PayFit SPVs financed by investors from The Family's informal deal club between August 2019 and July 2020 (NC7/1718). These transactions were problematic for several reasons: Mr Ammar didn't disclose to investors that they were buying shares in an SPV rather than directly in PayFit; he didn't reveal that his personal holding company Fabuleo was the seller; he failed to disclose that the underlying PayFit shares were Seed shares rather than Preferred Series-C shares; and he consistently sold at prices higher than PayFit's recent Series C round and other comparable sales.
>
> 6.88 I was entirely unaware of these developments at the time, as the SPVs were the exclusive domain of Mr Ammar and Ms Evrard. I only

> became aware of the situation during the TFMM Incident in September-October 2020 (as explained above), when Mr Grégory Pascal, a shareholder of TFMM, informed me that he had been shocked to discover that certain PayFit SPVs, including one in which he is a shareholder (specifically, Atlas), had acquired assets from Fabuleo. To Mr Pascal, this clearly placed Mr Ammar in a conflict of interest, which had not been disclosed. At the time, I sought clarification from Mr Ammar, who angrily insisted that the transaction had been conducted at arm's length and that Fabuleo had received the same price as would have been paid to an unrelated third party. I did not verify this information at the time, as we were all occupied with the TFMM Incident, and I assumed good faith on Mr Ammar's part."

SPVI

60. At Colin WS4 paras. 6.89–6.93 the losses claimed in respect of SPVI are explained and quantified at £235,394.84 and are explained as follows:

> "6.89 SPV-I is an English LLP established in 2019 to invest in PayFit in its Series C fundraising. Mr Ammar and Ms Evrard were the only individuals with access to SPV-I's bank account at the time.
>
> 6.90 I believe SPV-I was initially intended to be funded solely by LGT CP, but additional investors ultimately had to be brought in. The total deployed sum ultimately reached €5,293,332[2], with €3,013,332 from funds managed by LGT CP and €2,280,000 from 24 other investors (NC7/1719).
>
> 6.91 SPV-I acquired PayFit shares through various different means. It acquired:
>
> (a) 584,795 Preferred C Shares directly from PayFit at €6.84 per share (NC7/1720-1725) on 12 June 2019[3];
>
> (b) 19,355 Seed 2 Shares indirectly through Héméra from Fabuleo at €10.18 per share (NC7/1726-1727). This price was significantly higher than other PayFit shares bought by SPV-I. On 7 August 2019 Mr Ammar, acting on behalf of SPV-I, instructed SPV-I's bank to transfer €197,000 to Fabuleo for the purchase. The share transfer took effect on 16 October 2019[4].
>
> (c) On 16 January 2020, a combination of A and B Preferred Shares from Notus Technologies at €5.47 per share (NC7/1728-1738)[5], first sold to SPV-III, and later transferred to SPV-I.
>
> (d) There are obvious concerns about the pricing of Fabuleo's shares, which were sold at a significantly higher price (€10.18 per share) than both newly issued Series C shares and shares from Notus

[2] Hearing Bundle p. 1735
[3] Hearing Bundle pp. 1736-1741
[4] Hearing Bundle pp. 1742-1743
[5] Hearing Bundle pp. 1744-1754

> Technologies, despite Fabuleo's Seed shares held through Héméra being of lower seniority. Additionally, Mr Ammar did not disclose the conflict of interest or the fact that these shares were acquired through Héméra, an SPV, not from PayFit directly, and a discount is usually applied to the value of shares in a target company held through an SPV. When learning (from me) in 2022 that SPV-I had purchased assets from Fabuleo, Mr Kristensen of LGT CP told Mr Rharbaoui and me that LGT CP hadn't been aware and wouldn't have proceeded with the transaction had it known.
>
> 6.92 Had Mr Ammar not caused SPV-I to purchase Héméra shares at an inflated price from his own company Fabuleo, SPV-I would have purchased additional Series C preferred PayFit shares at a price of €6.84 and would hold an additional 9,446 PayFit shares. PayFit shares were last priced by the company at €29.97 per share in December 2021[6] (NC7/2029-2034). Therefore, SPV-I has suffered loss and damage estimated in the sum of €283,096.62 as a result.
>
> 6.93 Had Fabuleo sold the same number of PayFit shares (albeit indirectly, via Héméra) at the market price at the time—€6.84 per share, as set by PayFit's Series C—it would have only received €132,388.20. Since it was paid €197,000, it made an unwarranted profit of €64,611.80."

61. On the basis that €197,000 was paid by SPV-I to Fabuleo for 2,535 shares held indirectly by Hemera which were equivalent to 19,355 in PayFit shares. The price paid per share was effectively €10.18 which was clearly well in excess of the price of shares bought directly from PayFit.

62. Had Mr Ammar used the funds to purchase PayFit shares directly instead of through the indirect purchase via Fabuleo and Hemera for €197,000, that sum would have purchased 28,801 shares (rounded down) at a price of €6.84 per share. This is 9,446 additional shares to those actually purchased at the higher price (i.e. 28,801-19,355 shares).

63. The current value of PayFit shares at December 2021, which is when the shares were last priced during it Series E fundraising round, was at a premium of €29.97 per share.

[6] Hearing Bundle pp. 2045-2047 at 2045.

This gives rise to a loss of €283,096.62 in respect of the 9,446 shares which should have been purchased directly.

64. At the exchange rate applicable at the date of hearing (€ to £ rate of £0.8315), the loss amounts to £235,394.84.

Atlas

65. In this instance, Mr Ammar organised raising €373,000 from investors to invest in PayFit in October 2019. Mr Ammar's wrongdoing had similar features as his dealing with SPV-I. Although Mr Ammar represented to investors that shares would be purchased from PayFit directly, as with SPV-I investors, in September 2019 Mr Ammar instead transferred €273,000 to Fabuleo for 3,515 Héméra shares, equivalent to 26,822 PayFit shares at a price of €10.18 per share.

66. This is explained by Colin WS4 paras. 6.94 to 6.101 and the losses claimed are quantified at £326,203.52:

> "6.94 Mr Ammar replicated his 'PayFit Héméra strategy' in another context in September and October 2019.
>
> 6.95 Mr Ammar had created the Family Moros ('Moros') in 2015 with the purpose of acquiring shares in PayFit. In 2019, Mr Emmanuel Bourmalo, a former PayFit employee, invested in Moros for this purpose.
>
> 6.96 Furthermore, in October 2019, Mr Ammar incorporated Atlas, with Ms Evrard's help to acquire PayFit shares from multiple sources. Atlas raised €373,000 from shareholders to purchase PayFit shares.
>
> 6.97 Mr Ammar then caused Atlas to buy PayFit shares through:
>
> (a) Moros in October 2019 acquiring 20,000 Seed 2 Shares indirectly held by former PayFit employee Mr Bourmalo through Moros at €5.00 per underlying PayFit share; (NC7/1739 and NC7/1740-1743)
>
> (b) Héméra (shares held by Fabuleo), in September 2019, acquiring 26,822 Seed 2 Shares indirectly at €10.18 per underlying PayFit share. (NC7/1744- 1748).
>
> 6.98 These transactions were in breach of Mr Ammar's duties. Mr Ammar failed to disclose that Atlas was buying assets from Fabuleo, creating a conflict of interest. Promotional materials published by Mr Ammar on the platform Zenvest, which was used to address investors,

> implied alignment with PayFit's Series C pricing, misleading interested investors (NC7/1749-1750). The description of buying from 'early employees' was wrong, as all the PayFit shares transferred to Atlas were in fact held indirectly through two SPVs: Moros, with Mr Bourmalo being the seller at €5.00 per underlying PayFit share, and Héméra, with Fabuleo being the seller at €10.18 per underlying PayFit share. Whilst it was true that Mr Bourmalo was an early employee of PayFit, the presentation that Atlas would be buying actual PayFit shares directly from early employees was not the case.
>
> 6.99 Most importantly, the price disparity between PayFit shares acquired from Mr Bourmalo (€5.00 per share) and Fabuleo (€10.18 per share) is problematic, given that both represented indirect stakes in PayFit Seed 2 Shares. Thus, this case further exemplifies Mr Ammar's pattern of non-disclosure and potential price manipulation in transactions involving The Family's investment vehicles.
>
> 6.100 Had Mr Ammar not caused Atlas to purchase Héméra shares at an inflated price it would have purchased Series C preferred PayFit shares at a price of €6.84 and would hold an additional 13,090 PayFit shares, and Atlas has suffered loss and damage estimated in the sum of €392,307.30, based upon a valuation of €29.97 per share.
>
> 6.101 Had Fabuleo sold the same number of PayFit shares (albeit indirectly, via Héméra) at the market price at the time—€6.84 per share, as set by PayFit's Series C—it would have only received €183,462.48. Since the agreed price was €273,000, it made an unwarranted profit of €89,537.52."

67. Approaching the application of investors' money to purchase shares from Fabuleo similar to the case of SPV-I, Atlas paid €273,000 to Fabuleo for PayFit shares in return for 26,822 shares. However, at the PayFit share price of €6.84 in 2019 (see above) the sum of €273,000 should have enabled Mr Ammar to purchase 39,912 shares (rounded down) i.e. 13,090 additional PayFit shares (39,912-26,822)

68. Applying the share value of €29.97 which was the premium payable in December 2021 (see above), had those additional shares been purchased directly, they would now be worth €392,307.30 and this represents the loss suffered. At the exchange rate at the hearing (above), this loss equates to £326,203.52.

Aura

69. Here, Mr Ammar followed a similar course of using investors' money to purchase shares indirectly through Fabuleo at an inflated cost though on this occasion, in

November 2019, Mr Ammar raised €200,001 on behalf of Aura to invest in PayFit shares, and negotiated a deal with a former PayFit investor at a sum of €6.84 per share, the same as the Series C fundraising price. Almost immediately he paid the entire sum raised to Fabuleo for his personal use, with Aura receiving no consideration. In mid-2020, Ms Evrard pointed out the lack of shares held by Aura and, in an attempt to rectify his misappropriations, Fabuleo transferred its remaining Héméra shares, totalling 1,355, equivalent to 10,346 shares in PayFit. The share transfer form stated the price to be €201,000, equivalent to €19.43 per share. Colin WS4 paras. 6.102-6.109 explains the losses which are quantified at £474,452.93:

> "6.102 Mr Ammar and Fabuleo were involved in another complex transaction with Aura, a French société civile, which was incorporated to acquire PayFit shares.
>
> 6.103 On 7 November 2019 Mr Ammar instructed Ms Evrard to contact potential investors offering the chance to purchase Series C preferred PayFit shares as part of an 'additional allocation of EUR 200,000', and Ms Evrard sent the initial email to investors (NC7/1751).
>
> 6.104 Mr Ammar negotiated on behalf of Aura to purchase shares from Mr Amaury Sépulchre, an early financial backer of PayFit, at €6.84 per share, aligned with PayFit's Series C round pricing.
>
> 6.105 However, Mr Ammar almost immediately diverted most of the funds raised, (which amounted to €201,000 in total), to Fabuleo for personal use, without Aura receiving anything in return. This remained unresolved until June-July 2020 when Ms Evrard raised the issue with Mr Ammar.
>
> 6.106 To rectify the situation, Fabuleo transferred its remaining PayFit shares held in Héméra to Aura at an inflated price of €19.43 per underlying PayFit share (totalling €201,000, the amount of the capital misappropriated), significantly higher than the original €6.84 per share promised to investors.
>
> 6.107 When confronted in 2021, Mr Ammar acknowledged the problem and agreed to procure additional PayFit shares for Aura to bring the per-share price down to €8.73 (NC7/1752-1761) but failed to fulfil this promise despite a formal notice sent in January 2022 (NC7/1762-1765).
>
> 6.108 Had Mr Ammar not caused Aura to purchase Héméra shares at an inflated price it would have purchased additional PayFit shares at a price of €6.84 and would hold an additional 19,039 PayFit shares, and Aura has suffered loss and damage estimated in the sum of €570,598.83.

> 6.109 Had Fabuleo sold the same number of PayFit shares (albeit indirectly, via Héméra) at the market price at the time - €6.84 per share, as set by PayFit's Series C - it would have only received €70,773.48. Since the agreed price was €201,000, it made an unwarranted profit of €130,226.52."

70. I adopt a similar approach to the calculation of loss as in respect of the other PayFit share transactions above, by reference to the number of shares which should have been purchased in 2019 for the sum of €201,000 raised from investors.

71. Instead of the 10,346 PayFit shares received from Fabuleo, 29,385 shares should have been purchased at €6.84 per share (see above) which would have amounted to 19,039 additional shares (29,385-10,346). At the December 2021 premium of €29.97 payable per PayFit share referred to earlier, the value of the additional shares which ought to have been purchased which was lost as a result of Mr Ammar's unlawful dealings was £474,452.93, the equivalent to €570,598.83 at the exchange rate referred to earlier.

SPV-I bis

72. In February 2020 Mr Ammar raised €750,000 on behalf of SPV-I bis to invest in PayFit but proceeded within a month to misappropriate sums, eventually totalling €294,686, by causing SPV-I bis to transfer funds to Fabuleo for no consideration.

73. As with the other PayFit SPVs, SPV-I bis could have purchased direct PayFit shares at €6,84 per share, and it did in fact purchase 59,270 direct PayFit shares at this price from former PayFit employees for the total sum of €405,406.60.

74. Mr Ammar arranged for Fabuleo to transfer 2,597 Héméra shares to SPV-I bis at a price of €243,593, equivalent to 19,828 PayFit shares at a price of €12.29 per share.

75. At Colin WS4 paras. 6.111-6.119 the losses claimed are quantified at £579,490.96 and are explained as follows:

> "6.111 The final transaction involving Fabuleo was with SPV-I bis in March 2020, which was incorporated to acquire PayFit shares on behalf

of a French company Soeximex SAS ('Soeximex'). Mr Ammar and Ms Evrard were the only parties with access to SPV-I bis' bank account.

6.112 In February 2020, SPV-I bis raised €750,000 from Soeximex for the purpose of acquiring PayFit shares.

6.113 Mr Ammar first misappropriated part of the capital raised. On 9 March 2020, Mr Ammar instructed Ms Evrard to send €45,000 to Fabuleo (NC7/1766-1772) and the funds were sent on 13 March 2020 (NC7/1773-1775). Mr Ammar suggested that he needed the money urgently to pay for care for his ailing niece in Lebanon (NC7/1769). On 24 March 2020, Fabuleo received a further €249,686.70 (NC7/1776-1778). In total, Fabuleo received €294,686 from SPV-I bis.

6.114 I now know, from a review of Slack communication, that the second payment Fabuleo received on 24 March 2020 was explicitly needed for building the Petit Manoir in Ablon, Normandy (as revealed by the mentions of Mr Christophe Delaune, the person in charge of building the Manoir in the Slack conversation which appears at NC7/1779-1780).

6.115 SPV-I bis acquired PayFit shares from various sources at different prices:

(a) 29,240 shares for €6.84 per share from Mr Sépulchre, in total €200,001.60 (NC7/1783-1791), and 30,030 shares from Mr Bourmalo in total €205,405 (NC7/1792-1795),

(b) 11,452 shares for €8.73 per share from Polygoexp, Mr de Lavergne's Strategic Partner Company, in the form of Héméra shares, in total €100,000 (NC7/1796-1799), and

(c) 19,828 shares for €12.29 per share from Fabuleo, also in the form of Héméra shares, in total €243,593 (NC7/1800-1803).

6.116 The amount which had previously been paid to Fabuleo, €294,686, was €51,093.70 in excess of what it was due per the share transfer documentation (NC7/1800-1803). In addition, €40,000 was incorrectly paid by Ms Evrard to TFH instead of Polygoexp (NC7/1781-1782), as directed by Mr Ammar (NC7/1766- 1772) with Polygoexp effectively never receiving any payment for the for the Héméra shares it had sold to SPV-I bis (NC7/1796-1799). TFH is unable to repay the €40,000, and SPV-I bis is also yet to pay the €100,000 owed to Polygoexp which remains a liability of SPV-I bis to this day, and SPV-I has no funds to pay this amount.

6.117 Several issues arose from this transaction: the unexplained price discrepancies, potential non-disclosure of conflicts of interest by both Fabuleo and Polygoexp (as both Mr Ammar and Mr de Lavergne were involved on both sides of the transaction), lack of transparency about acquiring shares from an SPV rather than directly from PayFit, and inconsistent pricing between Polygoexp and Fabuleo for the same assets.

6.118 Had Mr Ammar not caused SPV-I bis to purchase Héméra shares at an inflated price it would have purchased additional PayFit shares at a price of €6.84 and would hold an additional 18,952 PayFit shares, and

> SPV-I bis has suffered loss and damage estimated in the sum of €567,991.44.
>
> 6.119 Had Fabuleo sold the same number of PayFit shares (albeit indirectly, via Héméra) at the market price at the time—€6.84 per share, as set by PayFit's Series C—it would have only received €135,623.52. Since the agreed price was €243,593.00, it made an unwarranted profit of €107,969.48."

76. Adopting a similar approach to the calculation of loss as in respect of the other PayFit share transactions above, namely by reference to the number of shares which should have been purchased for the sum of €294,686.70 paid by SPV-I to Fabuleo.

77. Instead of the 19,828 PayFit shares received from Fabuleo, 43,082 shares (rounded down) should have been purchased at €6.84 per share (see above) which would have amounted to 23,254 additional shares (43,082-19,828). At the December 2021 premium of €29.97 payable per PayFit share referred to earlier, the value of the additional shares which ought to have been purchased and which was lost as a result of Mr Ammar's unlawful dealings was £579,490.96, the equivalent to €696,922.38 at the exchange rate referred to earlier.

(4) Legal fees in French proceedings

78. The French proceedings, as referred to earlier, resulted from the misappropriation of funds and were brought by investors in SPV-III bis. The costs incurred by the Claimants to date amount to €15,654 which, applying the same conversion rate as to other sums in euros, above, amounts to £13,016.30. I am satisfied that they are a direct consequence of the unlawful conduct of the Defendants.

(5) Repayment of remuneration paid to Mr Ammar

79. In respect of this head of claim, Colin WS4 states at paras. 6.131-6.136:

> "6.131 Between 2015 and early 2020, Mr Ammar entered first into the Service Agreement, which provided for Mr Ammar to be compensated for his services. The SSA was then set up between Fabuleo and TFH.

6.132 Mr Ammar and Fabuleo received payments under the Service Agreement and the SSA before Mr Ammar resigned from The Family, in addition to the amounts which Mr Ammar misappropriated. The payments which can be legitimately categorised as remuneration are listed in Schedule C to the RAPOC and are limited to two distinct categories:

(a) Salary payments by TFH to Mr Ammar under the Service Agreement. I have identified 15 such monthly salary payments (lines 3 to 17 of Schedule C), most of them supported by properly issued payslips and subject to PAYE contributions paid to HMRC in accordance with English labour law. The December 2016 salary (GBP 5,020.94) has been paid twice (lines 10 and 11 of Schedule C). It should be noted that these payments resulted in a higher cost for TFH than the net amount deposited into Mr Ammar's personal bank account. The total net sum paid to Mr between 31 May 2016 and 3 July 2017 amounts to £76,014.62 (Schedule C lines 3 to 17).

(b) The second category comprises payments made against properly issued invoices under the SSA. These payments are distinguished by bank statement labels that specifically reference certain invoices, with amounts corresponding to either the full invoiced price or an explicitly stated portion thereof. Notably, only two such payments made from TFH's bank accounts have been identified:

(i) A payment of €20,000 was made on 19 November 2019 from the SVB UK Euro Account (line 1 Schedule C), which appears to correspond to a properly recorded Fabuleo invoice, number 1057, dated 1 November 2019. This amount aligns with the implied monthly cash fee of €20,000 as stipulated in the SSA. The item description in the invoice vaguely alludes to said SSA, albeit using the imprecise term 'Service & IP Agreement of 22 May 2018' (NC7/2025). It is worth noting that this transaction occurred during Ms Sayag's tenure as CFO.

(ii) A subsequent payment of €5,000 was made on 3 June 2020 from iBanFirst (line 2 Schedule C), labelled 'THE FAMILY HOLDINGS - INVOICE 1066 (ACOMPTE)'. This entry clearly references a properly recorded invoice (NC7/2026) and explicitly indicates that it represents only a first instalment, employing the French term 'a compte'. This transaction took place shortly after Mr Rharbaoui had assumed the role of CFO.

6.133 Given that Mr Ammar was in breach of his duties to TFH, all of the Schedule C payments, the total sum being €25,000 and £76,014.62 should be reimbursed.

6.134 Even with such reimbursement, Mr Ammar will have been overpaid by The Family entities. In or around July 2020, The Family started an initiative, fuelled by the Covid pandemic, to transition to a fully remote and online operational model. In order to facilitate this shift,

> Mr Rharbaoui initiated a legal restructuring whereby the remuneration of The Family executives under their respective SSAs would be channelled through a newly incorporated, wholly owned subsidiary of TFH, The Family (Ops) Ltd ('TFO'), an English company (subsequently dissolved on 15 August 2023). This arrangement was later transferred to a US company, The Family (Global Operations), Inc. ('TFGO'), established in December 2020 and dissolved in April 2022. Consequently, from July 2020 onwards, Mr Ammar was not remunerated by any of the Claimants in these proceedings.
>
> 6.135 Between 9 July 2020 and 4 February 2021, TFO paid a total of €95,000 to Fabuleo, whereas TFGO paid a total of €100,000 to Fabuleo between 9 March and 31 August 2021. In addition, Fabuleo was paid €87,000 by entities classified as Group Companies under the SSA (NC7/240 – Article 4.3). Consequently, any amounts invoiced to these entities by Fabuleo as a Strategic Partner Company count towards the Group Cash Fee, which is capped at €210,000 per annum under the terms of the SSA (NC7/240 – Article 4.2). I mention these payments as they illustrate that Mr Ammar continued to receive compensation potentially in excess of his contractual entitlement in 2020-2021. However, this total sum of €282,000 (€195,000 + €87,000) paid during this period is not subject to reclamation in the present case.
>
> 6.136 In summary, the total amount claimed under the Schedule C payments is €25,000 and £76,014.62.

80. It is submitted that Mr Ammar's breaches of fiduciary duty were sufficiently serious to warrant the repayment of remuneration paid to him during the period in which he provided services to The Family and these have been set out in Schedule C annexed to RAPOC. I accept that the breaches were so serious as to justify repayment of the remuneration paid and bear in mind that the sums that Mr Ammar misapplied, misappropriated and obtained in breach of duties which he owed to the Family far exceeded the remuneration to which he was lawfully entitled.

81. Those sums in Schedule C are £76,014.62 and £20,787.50 (converted from €25,000 at the exchange rate referred to earlier), which total £96,802.12.

(6) UNISON shares

82. UNISON, Inc, formerly Unai and Chaosix, Inc ("Unison"), is an "Investee Company" under the terms of the LLPA in which TFF holds shares both directly and via a Cayman

Islands segregated portfolio known as The Family (Vidhar) SP ("Vidhar"). Unison is a tech start- up of which the Founder and CEO is Maxim Perumal. TFF was an early shareholder in Unison, and, at a later point in time, from around 10 September 2020 Mr Ammar managed the fundraising from third party investors for Vidhar to invest in Unison.

83. Under cl. 8.3 of the Limited Liability Partnership Agreement relating to TFF, which was formed by that agreement, between The Family and a number of parties, including Fabuleo and Mr Ammar, provided (see cl. 8.3.2 in particular):

> "8.3 Each Original Strategic Partner each hereby undertakes to the Investor that:
>
> 8.3.1 upon identifying an investment that is suitable to become an Investee Company in accordance with the purpose of the LLP as set out in clause 2.1 and has been approved by the Management Committee, each shall use their best endeavours to procure that such investment becomes an Investee Company;
>
> 8.3.2 except where permitted under the terms of this Agreement, none of them shall make any investments into an Investee Company (or into any other company, partnership or venture) except (i) through the LLP or (ii) at nominal value only where such investment is to be transferred to the LLP…"

84. Cl. 1.1 defined "the LLP" as:

> "… the partnership formed by this Agreement, being The Family (Fellowship) LLP …"

85. Colin WS4 explains the circumstances at paras. 6.120-6.130:

> "6.120 The events surrounding Unison (initially Chaosix, Inc., then Unai, Inc.) unfolded from 10-11 September 2020, when Mr Ammar offered an investment opportunity in Unison to investors, including me, via Zenvest (NC7/224). Unison was not yet incorporated at that time.
>
> 6.121 On 17 September 2020, Mr Ammar sought to urgently incorporate Magic Glory Ltd ('Magic Glory'), a company in the British Virgin Islands which was to be included as a founding shareholder in Unison's foundational documents. At Mr Ammar's request, Ms Evrard completed Magic Glory's questionnaire between 23-29 September, describing it as investing in US startups with Fabuleo funds (NC7/1805-1807). Mr

Ammar stated to Fabuleo's accountant Palazzari & Turries, which was in charge of setting up Magic Glory, that this entity was to pool investment in Unison (NC7/1808). Magic Glory's shareholders were Mr Ammar's former girlfriend and close confidant Ms Sandrine Lacout (34%), Mr Ammar's girlfriend Ms Sara Benamara (33%), and Fabuleo (33%) (NC7/1805-1807).

6.122 Unison's incorporation was completed on 29 September 2020 (NC7/1809-1812) and Mr Ammar became Unison's chairman, also overseeing legal work. The next day, Mr Ammar instructed Ms Bellout to incorporate what would become The Family (Vidhar) SP ('Vidhar'), a segregated portfolio of TFGG dedicated to investing in Unison. A resolution to set up Vidhar was enacted immediately thereafter.

6.123 By 7 October, the initial capitalisation of Unison was set: Mr Maxim Perumal, the CEO held 60%, his co-founder Mr Gabriel Combe, held 25%, TFF held 10%, and Magic Glory held 5%, with Mr Ammar signing for TFF and Ms Lacout for Magic Glory (NC7/2019-2023). The respected London-based venture capital firm Stride agreed to invest by 20 October, leading to Mr Ammar's resigning as Chairman of Unison on 27 October at their request.

6.124 Vidhar deployed US$250,000 in Unai on 5 November (NC7/1852), an order placed by Mr Rharbaoui as by this date Mr Ammar was barred from operating any bank account following the TFMM incident. By 30 November, Mr Perumal shared signed SAFEs, including two US$500k SAFEs to be subscribed by Vidhar (NC7/1853- 1866).

6.125 The events of January 2021 warrant particular attention due to their significance. On 25 January 2021, Mr Ammar orchestrated a wire transfer of €61,619 from Vidhar to the Third Defendant, Aletheis, The First Limited ('Aletheis'), one of his personal holding companies and the Third Defendant in these proceedings, ostensibly for the benefit of Magic Glory (NC7/1867-1868). This action occurred during a period when Mr Ammar had been explicitly instructed not to make any further money transfers, making this transaction a direct contravention of established protocols.

6.126 When questioned about this transfer by Mr Rharbaoui and myself, separately, Mr Ammar provided an explanation that now know to be false. He claimed that the transaction was for an SPV of Mr Perumal's relatives (including his mother) who were selling shares in a secondary transaction because they needed funds urgently for personal reasons, and that Aletheis was used as an intermediary because Magic Glory, an entity Mr Rharbaoui and I had never heard about before, lacked a bank account (NC7/1869-1877). However, as I explained above, Magic Glory's incorporation documents (NC7/1805-1807) reveal that Magic Glory was, in fact, a vehicle in which Mr Ammar himself held a stake along with his thengirlfriend, Ms Benamara, and his former girlfriend, Ms Lacout, none of whom are relatives of Mr Perumal. This crucial detail was not disclosed at the time of the transfer or during the subsequent explanation and had Vidhar known that Magic Glory was Mr Ammar’s vehicle it would not have purchased the shares. Another

similar payment in the sum of €49,975 was made with Vidhar funds to Aletheis for the benefit of Magic Glory in August 2021, this time with Mr Rharbaoui placing the order per instructions from Mr Ammar (NC7/1878-1879).

6.127 Documents from 11 September 2021 show Mr Ammar signing board documents with Mr Perumal (NC7/1880-1912), despite having resigned from the same board on 27 October 2020 (NC7/1913-1917), authorising new shares for Mr Perumal and Fabuleo. On 22 September 2021, Mr Perumal wrote to all Unison shareholders, including TFF and Vidhar, to report his co-founder Mr Combe's dismissal and equity redistribution (NC7/1918-1920). Importantly, Mr Perumal's message made it appear as though the only transfer was between Mr Combe and himself, omitting the share transfer between Mr Combe and Fabuleo. In other words, the share transfer to Fabuleo at a nominal price was not reported to the shareholders by Mr Perumal. It is highly probable that this information was known only to Mr Perumal, Mr Ammar, and Unison's legal team.

6.128 In October 2021, including during a meeting of TFH's board of directors held on 15 October 2021, we confronted Mr Ammar with the multiple anomalies and discrepancies in Vidhar's deployment of capital in Unison, including the two payments made to Aletheis ostensibly for the benefit of Magic Glory in 2021. He expressed his commitment to resolving Vidhar's situation and securing its shareholding in Unison, whilst reiterating that the payments for the benefit of Magic Glory had been made in the interests of Mr Perumal's relatives, in particular his mother who, per Mr Ammar's own words, 'had been going through a bad divorce'. This additional allegation was later denied by Mr Perumal himself. In a conversation with Ms Zagury and myself, he appeared quite surprised that his mother and her divorce had been mentioned by Mr Ammar in the context of wiring money to Magic Glory, which he confirmed had nothing to do with his mother.

6.129 Throughout this period, Mr Ammar worked with The Family, and Fabuleo was bound by the SSA (NC7/234-250) and TFF's LLP Agreement (NC7/1921-2018), both of which preclude Fabuleo or Mr Ammar from receiving shares in portfolio companies of The Family, of which Unison was one. Thus there has been two separate breaches of these agreements resulting to loss

(a) Fabuleo receiving shares indirectly through Magic Glory, in which Mr Ammar held an undisclosed stake, at Unison's foundation in October (NC7/2019- 2023), and

(b) Fabuleo receiving 400,000 shares in Unison at the price of US$0.0001 per share directly in September 2021 following the redistribution of the majority of Mr Combe's shares (NC7/1880-1912).

6.130 Unison entered into a Series A fundraising round in March 2022, and its post- money valuation (its market value immediately after the funding round) was US$50,000,000, equivalent to US$2.3027 per share

> (NC7/1813-1851). The value of Fabuleo's stake in Unison is, therefore, at least US$1,000,080, and Fabuleo has received a profit of at least US$1,000,040 on its unauthorised investment. The Claimants ask that the shares held by Fabuleo and Magic Glory be transferred to them, or that they be paid the profit made by Fabuleo."

86. Mr Ammar therefore accepted an appointment as a director of Unison, and dishonestly caused Fabuleo to purchase 400,000 Unison shares at US$0.0001 per share, representing 5% of its total equity. He did so whilst concealing his activities from The Family. This was done at a time when Mr Ammar acted as agent for TFF, and in so acting he abused his position of trust and acted in breach of fiduciary duties owed to TFF. Fabuleo dishonestly assisted Mr Ammar in undertaking these matters, and they also amounted to an unlawful means conspiracy between them to cause loss to TFF2. Fabuleo is also liable in knowing receipt since it appears that the company must have been aware that the assets it received are traceable to the breach of fiduciary duty. Fabuleo and Mr Ammar also acted in breach of the terms of the TFF LLPA (see above) since neither of exceptions (i) or (ii) in cl. 8.3.2 applied.

87. Further, since Mr Ammar breached his fiduciary duty in placing himself in a position of conflict and in profiting from his position, and consequently he is not entitled to retain the benefit resulting from those breaches i.e. the Unison shares, and he holds that benefit on trust for TFF. On these facts, and given the basis of liability, Fabuleo holds the Unison shares on trust for TFF. Since the property is trust property Fabuleo is liable to deliver it up as such to the beneficiaries: see Lewin on Trusts (20th ed.) para 45-032.

88. The Claimants therefore seek delivery up of the Unison shares wrongfully and secretly purchased by Fabuleo for a nominal fee, which are now worth c.US$1,000,080. The evidence of wrongdoing, and the value of Fabuleo's shareholding is straightforward:

i) Under the stock purchase agreement between Unison and Fabuleo for 400,000 shares at a nominal value of US$0.0001 per share (also annexed to the resolution of Unison's board of directors executed by Mr Ammar and Mr Perumal in September 2021);

ii) The value of Fabuleo's shares in Unison is evidenced by the stock purchase agreement executed by Unison and investors in its Series A fundraising round in May 2022. This stated the price of Series A-1 Preferred Stock at US$2.2057 per share. It is also demonstrated by Unison's capitalisation table (see clause 1.1.(b) of the agreement, which states its value at US$50,000,000 and a value per share of US$2,2057.

iii) The total value is US$882,280 as compared with the US$40 paid for the shares at nominal value. In sterling, at the exchange rate referred to earlier, the share value is £676,444.08.

89. I will order delivery up of the 400,000 Unison shares held by Fabuleo to TTF.

Conclusion

90. I accept the basis of calculation of loss and damage which has been set out comprehensively by the Claimants, supported by Colin WS4 and the bundle of documents provided for the purposes of the hearing.

91. Drawing together the various heads of loss referred to above, I award damages to the Claimants in the sum of £6,488.497.92 which represents the conversion to pounds sterling of claims elements of which are calculated variously in euros, US dollars and sterling as set out above and summarised in the following table:

Claim	**Sum awarded**
SPV-III	£1,290,516.91
SPV-III bis	£1,534,701.47
SPV-III ter	£124,725.00
Schedule A	£1,403,856.65
Schedule B	£409,337.22
SPV-I	£235,394.84
Atlas	£326,203.52
Aura	£474,452.93
SPV-I bis	£579,490.96
French legal fees	£13,016.30
Repayment of remuneration	£96,802.12
TOTAL	**£6,488,497.92**

92. I also order delivery up by Fabuleo to TTF of the 400,000 shares in Unison.

93. I hand down a draft form of order with this judgment, substantially in the form of the draft provided by the Claimants. Any submissions as to costs, the terms of order and any other consequential matters should be made to me in writing by 4 pm on 10 March 2025.