

without notice application. I finally consider whether I should make the orders sought.

Background

The Proceedings

8. The trial of the Wife's application for financial relief took place between 29 November and 5 December 2016. By a judgment dated 15 December 2016, the Court granted the wife financial relief against the Husband in the sum of £453,576,152. On 20 December 2016 the Court gave two further judgments in consequence of which two Liechtenstein entities managed by Counselor entities – Qubo 1 and Qubo 2 – were joined as Fourth and Fifth Respondents to these proceedings. The Court also made a freezing order against the Respondents, including the Husband and the Fifth Respondent.
9. The following matters arising from the substantive order dated 20 December 2016 are pertinent:
 - a. The Husband had submitted to the jurisdiction of the English Court;
 - b. The Husband and three companies found to be his nominees (Cotor, Qubo 1 and Qubo 2) were ordered to pay the Wife the sum of £350 million and to transfer certain property (including a valuable collection of artwork) to her;
 - c. Cotor was found to be the Husband's nominee, such that assets held in its name in fact belonged to the Husband;
 - d. Certain transactions were set aside as they were found to have been made for the purpose of putting assets beyond the reach of creditors. Of relevance to this application, any purported transfer of monies and investments held in Cotor's portfolio at UBS Switzerland AG and/or UBS AG (that is, the Monetary Assets) to Qubo 1 and/or Qubo 2 was set aside pursuant to s.423 IA 1986, with an order that Qubo 1 and Qubo 2 pay cash and securities up to the amount of £350 million to the Wife;
 - e. The Wife's claims were not to stand dismissed until full compliance with the award with the consequence that the proceedings remain afoot. The Wife was also given express permission to bring any other applications for enforcement under s. 37 MCA 1973 and/or s. 423 IA 1986.
10. Since December 2016 the Wife has been pursuing enforcement remedies against the Husband in a variety of jurisdictions but, given the content of previous judgments by this court, the Husband has done all that he can to frustrate enforcement of the substantive order.

The Husband's Assets

11. The substantial wealth of the Husband was derived from the sale of his interest in ZAO Northgas in November 2012 for US\$1.375 billion. The proceeds of sale appear to have been paid into Cotor's UBS bank account, from where a significant part was disbursed on the Husband's instructions to acquire a variety of assets.
12. Three principal classes of assets are known to exist. These are:
 - a. A superyacht known as the M/Y Luna which was acquired from a Mr Roman Abramovich in February 2014 for 260 million euros (with substantial costs being

incurred on refits) ["the Vessel"];

b. A portfolio of artwork acquired by Cotor from Sotheby's which was valued in January 2016 at US\$145.2 million ["the Artwork"];

c. The remainder of the cash and securities, apparently in the sum of around US\$650 million, which were – prior to the events I subsequently describe – held by Cotor at UBS (the Monetary Assets).

The Vessel and the Artwork

13. This application was made on the basis that the Husband had previously taken steps to put the Vessel and the Artwork beyond the reach of the Wife.

14. As to the Vessel, in outline:

a. The Husband contracted to purchase the Vessel in his own name in February 2014. He assigned his interest in the Vessel to an Isle of Man company called Tiffany Limited ["Tiffany"];

b. After the marriage ended in 2014, the Vessel was – as found by Haddon-Cave J in April 2018 – to be the subject of a "*dummy sale... to Avenger*", a Panamanian company, using funds derived from the Husband's own bank account. The transfer of monies to Avenger and the payment of those monies to Tiffany was a deliberate mechanism by which the Husband tried falsely to pretend that the Vessel was owned by a Panamanian company rather than a company incorporated in the Isle of Man where enforcement was possible (see the judgment of Haddon-Cave J in December 2016);

c. In March 2015 the Husband purported to assign his shares in Avenger to a Bermudan law discretionary trust. This transfer was subsequently set aside by Haddon Cave J under s. 423 of the IA 1986;

d. The trial before Haddon-Cave J proceeded on the basis that Avenger owned the Vessel. However, on the second day of the trial – 30 November 2016 - the Vessel was secretly transferred by Avenger via another Panamanian entity known as Stern Management Corporation to Qubo 2 (a Liechtenstein Anstalt of which WalPart is the sole director). The Vessel was also re-registered from the Cayman Islands to the Marshall Islands. Haddon-Cave J described this series of transactions as a "*rapid series of further surreptitious steps to attempt to place his yacht further beyond the reach of enforcement*";

e. The Husband's lawyer and 'man of business', Mr Kerman of Kerman & Co, was cross-examined on 16 December 2016 pursuant to a witness summons. This process revealed that two Liechtenstein Anstalts, Qubo 1 and Qubo 2, had recently been established and had taken ownership of (at least) the Artwork. Haddon-Cave J joined Qubo 1 and Qubo 2 to the English proceedings and concluded that they were no more than the Husband's ciphers and alter egos. He made Qubo 1 and Qubo 2 jointly and severally liable for the sum of £350 million and granted freezing orders against them. On 28 December 2016 the Liechtenstein Court granted payment orders against Qubo 1 and Qubo 2 (thereby effectively enforcing the English order) as well as making its own freezing orders. Both English and Liechtenstein orders were served on Qubo 1 and Qubo 2 on 29 December 2016. However, at this time, the Wife did not know that the

Vessel had been transferred to Qubo 2;

f. On 8 March 2017 – apparently in response to the English and Liechtenstein orders made against Qubo 1 and Qubo 2 – Qubo 2 transferred the Vessel to Straight, another Liechtenstein Anstalt of which Counselor is the sole director. In 2018 Haddon-Cave J concluded that the transfer was in breach of both the English and Liechtenstein freezing orders. I note that this is disputed by Counselor since a criminal complaint has been made in Liechtenstein against the wife's Liechtenstein lawyer, Mr Arnold, for providing a declaration in proceedings in the Marshall Islands in which he stated that the transfers were in breach of the freezing orders. In any event, as Ms Dilnot submitted, the Wife does not need to rely on Haddon-Cave J's finding. On any view, the transfer was undertaken by Qubo 2 at a time when it knew that it was subject to an English judgment as well as a Liechtenstein payment order which it could only satisfy using the value of the Vessel. The transfer was undoubtedly intended to prevent enforcement of the English and Liechtenstein orders against the Vessel as has subsequently been admitted by one of Counselor's directors, Dr Schurti;

g. The Wife eventually discovered that the Vessel had been transferred as a result of information which she obtained from the registry in the Marshall Islands. She thus sought commensurate relief against Straight. Haddon-Cave J concluded that the transfer of the Vessel to Straight was "*part of H's continuing campaign to defeat W by concealing his assets in a web of offshore companies*". He granted a further order on 21 March 2018, pursuant to which he (a) pierced Straight's corporate veil, (b) declared Straight to be the Husband's alter ego, (c) ordered that the Vessel be transferred to the Wife, and (d) granted an order requiring Straight to pay the judgment debt up to the current value of the Vessel to the Wife. I record that, in contempt of court, the Husband and Straight have failed to transfer the Vessel to the Wife and have paid no monetary equivalent to her. In fact, the Husband and his associates appear to be doing all they can to prevent the enforcement of the English court's orders including challenging all attempts to restrain the Vessel in Dubai and opposing the enforcement proceedings in the Marshall Islands;

h. The Vessel is presently in Dubai. On 26 March 2019 I made an order requiring Straight, amongst other things, to take certain steps intended to ensure that the Vessel could not be moved from Dubai and to file an affidavit verifying that those steps had been taken. To date, Straight has failed to comply with my order and it would appear that the positive steps required by my order have not been taken. Accordingly, the Wife applied on 21 May 2019 for declarations that Straight and Counselor are in contempt and for orders of committal against the individual directors of Counselor. This application is listed to be heard on 25 October 2019.

15. As to the Artwork, again in outline:

a. The Artwork was acquired by auction and through private sales at Sotheby's by Cotor. I note that Cotor was found by Haddon-Cave J to be the Husband's nominee. By early 2015 the Artwork had been moved from London and New York to Switzerland;

b. In mid-November 2016 the Husband caused the Artwork to be transferred into Qubo 1's ownership and physically moved to the Stabiq Treasure House in Liechtenstein. The director of Qubo 1 is WalPart (an affiliate of Counselor). Mr Kerman gave evidence under cross-examination on 16 December 2016 that Walch & Schurti drew up the