



Neutral Citation Number: [2024] EWHC 1030 (Comm)

Case No: CL-2022-000412

IN THE HIGH COURT OF JUSTICE
KING'S BENCH DIVISION
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMMERCIAL COURT

Royal Courts of Justice, Rolls Building
Fetter Lane, London, WC4A 1NL

Date: 8 May 2024

Before :

MR JUSTICE BRIGHT

Between :

Dr Morteza Rajabieslami

Claimant

- and -

(1) Mr Sam Tariverdi
(2) Melousa Inc
(3) Passa Navigation Inc

Defendants

Max Davidson (instructed by Stephenson Harwood Middle East LLP) for the Claimant
The Defendants were not represented

Hearing dates: 23, 24 April 2024

Approved Judgment

This judgment was handed down remotely at 10:00am on 08/05/24 by circulation to the parties' representatives by e-mail and by release to the National Archives.

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Mr Justice Bright:

I: Introduction

1. These proceedings concern the circumstances surrounding the sale of the oil tanker M/T “ARINA” with IMO number 9189952 (“the Vessel”, re-named “ARIANA” shortly before the sale). The claim is one for breach of trust and/or breach of contract, alternatively in unjust enrichment.
2. In summary, the Claimant, Dr Morteza Rajabieslami (“Dr Rajabieslami”) alleges that the Defendants, Mr Sam Tariverdi (“Mr Tariverdi”) and two companies owned or controlled by Mr Tariverdi, namely Melousa Inc and Passa Navigation Inc, acted in breach of trust by refusing to carry out his instructions and by selling the Vessel to a third party, Last Voyage DMCC on 9 March 2022.
3. Dr Rajabieslami seeks compensation for the value of the Vessel as at 9 March 2022, an account of profits from unauthorised use of the Vessel from 27 November 2021 to December 2021, and the profits which would have been earned from January 2021 to 9 March 2022.

II: Relevant Persons

4. Dr Rajabieslami is a businessman involved in the energy sector. He was originally from Iran but is now a national of St Kitts & Nevis and has been primarily resident in Qatar since 2017. He provided a witness statement and also attended court to give live evidence.
5. Dr Rajabieslami is a long-time associate of a Ms Mahdieh Sanchouli (“Ms Sanchouli”), who describes herself as an Iranian oil and gas trader and is resident in the UAE. Dr Rajabieslami’s case is that he was at all relevant times acting for and on behalf of Ms Sanchouli. That relationship is, however, largely irrelevant for present purposes except by way of background, because Dr Rajabieslami is bringing the claim against the Defendants in his own name. Nevertheless, Ms Sanchouli provided a witness statement and gave evidence remotely from Dubai.
6. Mr Tariverdi appears to be resident in the UK and Greece. He is described as having experience of managing ships, and he is the CEO of Saint James Shipping Ltd (“Saint James”), a Marshall Islands ship management company. He also owns and controls Melousa and Passa Navigation, two Liberian companies who are the Second and Third Defendants.
7. Mr Panagiotis Postantzis (“Mr Postantzis”) is the Managing Director of Saint James. The correspondence I have seen shows that he was actively involved in matters relating to the Vessel: he participated in discussions about the purchase of the Vessel, frequently sent emails on behalf of Saint James, and was in contact with Ms Sanchouli over Whatsapp.
8. Mr Arash Forouhar (“Mr Forouhar”) is an Iranian national who now works and lives in Greece. He served a witness statement in support of Dr Rajabieslami in these

proceedings and gave evidence via video link from Greece. He had longstanding personal relationships with Dr Rajabieslami and with Mr Tariverdi, though the latter relationship has since broken down.

9. Dr Rajabieslami was represented by Mr Max Davidson, instructed by Stephenson Harwood Middle East LLP.
10. The Defendants were previously represented by Waterson Hicks. As explained later in this judgment, the Defendants were debarred from defending the claim, because of their failure to comply with an unless order dated 6 October 2023. Their Defence, served by Waterson Hicks on 13 October 2022, was struck out. Waterson Hicks stopped acting on 16 October 2023.
11. The Defendants attended the hearing (remotely), in the person of Mr Tariverdi, but his involvement on their behalf was limited, in consequence of the order debarring them from defending.

III: Purchase of the Vessel

12. According to Dr Rajabieslami, towards the end of 2018, Ms Sanchouli was looking to purchase oil tankers to support her oil trading business, and she asked Dr Rajabieslami to look for a suitable ship to buy on her behalf. He approached several shipping brokers. In January 2019, he was introduced to Mr Tariverdi by Mr Forouhar, who thought that Dr Rajabieslami and Mr Tariverdi could do business together. Dr Rajabieslami and Mr Tariverdi had their first meeting in Athens at the Marriott Hotel on 3 February 2019. Mr Postantzis and Mr Forouhar also attended.
13. At the meeting Dr Rajabieslami and Mr Tariverdi discussed the practicalities of purchasing, managing and operating an oil tanker. They also discussed the possibility of mortgaging it, to obtain financing for purchases of more ships. Following this meeting, Mr Tariverdi became closely involved in the purchase of the Vessel. He was copied into emails relating to the purchase, and Dr Rajabieslami instructed a lawyer who was recommended by Mr Tariverdi, Mr John Hicks (“Mr Hicks”) of Waterson Hicks.
14. At some point, the subject Vessel emerged as a suitable possibility, at this point called the M/T “VERMILION ENERGY”. While discussions with the seller of the Vessel were ongoing, a Special Purpose Vehicle (“SPV”) called Desero Shipping Corporation (“Desero”) was incorporated in Liberia on 25 February 2019 via a Greek law firm, Sioufas. Dr Rajabieslami was at this point the sole shareholder and director of Desero. It was intended by all parties that the Vessel was to be owned by Desero. Desero was ultimately inserted into the purchase contract as the buyer of the Vessel, with Bawakher Al Duqm Co. (“Bawakher”), an Omani company owned and controlled by Dr Rajabieslami, as guarantor.
15. On 18 March 2019, Bawakher and Desero each concluded a Management Agreement with Saint James whereby Saint James was appointed the technical and commercial manager of the Vessel in exchange for a management fee of US\$ 8,000 per day.

16. The purchase of the Vessel was completed on 18 April 2019, allegedly with funds provided by Ms Sanchouli. The Vessel was delivered to Desero and renamed M/T “ARINA”.

IV: Meeting 18 April 2019

17. Dr Rajabieslami’s evidence was that he, Mr Tariverdi, Mr Postantzis, and Ms Victoria Anagnostou (“Ms Anagnostou”) met in person at Mr Forouhar’s office in Athens later on 18 April 2019. Ms Anagnostou was a Greek lawyer at AV Law Firm, based in Athens. Dr Rajabieslami was introduced to her by Mr Tariverdi.
18. At this meeting, Mr Tariverdi explained the structure of the arrangement going forward, and Ms Anagnostou explained the legal aspects of it. It appears that this meeting was conducted in English, this being the only language common to all the participants, although it was not the first language for any of them. Three sets of documents were allegedly signed: a Declaration of Trust, a Financial Advisory Agreement, and an Indemnity to the Nominee Shareholder. It seems that the documents were drafted by Ms Anagnostou.
19. The relevant parts of the Declaration of Trust are:

THIS DEED OF TRUST is made on the 18th April, 2019 BY AND BETWEEN Mr. SAM TAVIVERDI [sic] ... hereinafter called “the Trustee”) of the one part and Mr. MORTEZA RAJABIESLAMI ... (hereinafter called “the Beneficiary”) of the other part,

WHEREAS the Trustee will be acting as the Director and Shareholder of the Company or in such other role of equal status and of an executive nature as the Company as may be from time to time required and agreed...

WHEREAS the Trustee will be the holder of all issued share capital of One Hundred 100 shares numbered 1 to 100 (hereinafter called the “Shares”) in DESERO SHIPPING CORPORATION...

AND WHEREAS the Shares, held by the Trustee have in fact been paid by and belong to and are the sole property of the Beneficiary.

NOW THEREFORE THIS DEED WITNESSETH as follows:

1. The appointment of the Trustee in the position of the Director and Shareholder of the Company is made solely and exclusively for the purpose of enabling the Company to get financing sources through the Trustee, latter being already successfully involved and operating in the shipping industry and presently highly experienced in the operations and management of vessels, maintaining strong worldwide connections.
2. ...
3. The Trustee does hereby declare that he holds the Shares (as registered shareholder or otherwise) as well as all dividends and profits accrued or to be accrued and distributed in respect of the shares, in trust for and on behalf of the Beneficiary and the Beneficiary’s successors or assigns...

...

20. There were three signature lines at the end of the Declaration of Trust, the first marked for Mr Tariverdi, the second for Ms Anagnostou (as a witness) and the third for Dr Rajabieslami. The signed document produced and relied on by Dr Rajabieslami has only two signatures: Mr Tariverdi signed on the line designated for Ms Anagnostou, Ms Anagnostou did not sign, and Dr Rajabieslami signed on the correct line.
21. The structure according to the Declaration of Trust was simple. It stated that all the shares in Desero held by Dr Rajabieslami would be held by Mr Tariverdi, who would hold them on bare trust for Dr Rajabieslami. It also stated that Mr Tariverdi would act as director of Desero, and that his appointment as director and shareholder was solely and exclusively to enable Desero to get financing.
22. This arrangement would have reflected the understanding reached at the 3 February 2019 meeting. However, all parties agree that no trust was constituted on 18 April 2019. The shares in Desero were not transferred to Mr Tariverdi at this point, and he was yet not made a director of Desero.
23. Dr Rajabieslami's evidence was that only one original of the Declaration of Trust was signed at the meeting, and that neither he nor anyone else made or took away any copies. Instead, he left the signed original of each of the documents in Mr Forouhar's office, in a sealed A4 envelope marked "Documents for trust from Dr Rajabi".
24. Mr Forouhar was not present at the meeting as he was in Thailand at the time, but he had a video call with the participants after it concluded, while those who attended were still in his office. He was told that the meeting had gone well and documents had been signed.
25. When he returned to Athens, he found the sealed envelope in his office and placed it in his safe, without opening it.
26. In fact, other signed originals of the Declaration of Trust were also created, one of which was produced and relied on by Dr Rajabieslami. They were also dated 18 April 2019 and signed in the same way as the document that Dr Rajabieslami relied on – i.e. signed by Mr Tariverdi on the signature line intended for Ms Anagnostou, and signed by Dr Rajabieslami on the appropriate line (but not signed by Ms Anagnostou). Dr Rajabieslami said that these additional originals were signed at the meeting of 3 July 2019, which I come to next. I do not accept this. It seems to me much more likely that they were signed on the date expressly set out, i.e. 18 April 2019; and that at least one of these additional originals was, in fact, taken away by Dr Rajabieslami from the meeting – which is how he was later able to produce it.

V: Meeting 3 July 2019

27. On 3 July 2019, there was a further meeting at Mr Forouhar's office in Athens between Dr Rajabieslami, Mr Tariverdi, Mr Postantzis, and Ms Anagnostou. On this occasion, Mr Forouhar was also present in his office, while the meeting was going on. Several documents were apparently signed at this meeting. These included:

(1) Dr Rajabieslami's resignation notice from his positions at Desero;

- (2) Deed of Transfer of Shares of Desero by Dr Rajabieslami to Melousa, which stated that Dr Rajabieslami transferred the shares having received “good and valuable consideration” from Melousa;
 - (3) Minutes of a Special Meeting of the Shareholders of Desero appointing Passa Navigation as the Sole Director/President/Treasurer/Secretary of Desero;
 - (4) Desero Share Certificate certifying that Melousa is the owner of all Desero shares;
 - (5) Resolution of the Sole Director of Desero; and
 - (6) Amendment to the Declaration of Trust (“Amendment”) correcting the number of shares in Desero from 100 shares to 500 shares. This document appears to have been signed by Dr Rajabieslami, Mr Tariverdi, and Ms Anagnostou. Dr Rajabieslami says this was signed in conjunction with fresh copies of the documents signed at the meeting of 18 April 2019, most importantly the Declaration of Trust.
28. Dr Rajabieslami said that he did take copies of at least some of these documents from the meeting with him to Qatar, where he left them in the safe at his home.
29. Although Mr Forouhar was present in his office during the meeting, his evidence is that he was dealing with his own matters. He was able to say that the meeting happened and who attended, and that documents were being signed, but little more than that. He sat at his own desk and did not read the documents or participate in the meeting.
30. It was never disputed that Dr Rajabieslami’s 500 shares in Desero were transferred to Melousa, that Dr Rajabieslami resigned from Desero, and that Passa Navigation became the sole Director of Desero. Dr Rajabieslami’s case is that the shares in Desero shares were held on trust for him upon the transfer of shares to Melousa.
31. While Mr Tariverdi always accepted that the documents I have set out as (1) to (5) were signed on 3 July 2019, he disputed that the Amendment was signed. His case (before the Defence was struck out) had been that the Declaration of Trust and the Amendment were both forgeries.
32. Rather extraordinarily, given that she allegedly wholly financed the purchase of the Vessel, Ms Sanchouli was not informed about the outcome of either the 18 April 2019 or 3 July 2019 meetings, at any point up until proceedings were under way in England at the end of 2021. In particular, she was not told that a trust had been created and the shares in Desero had been transferred to Melousa/Mr Tariverdi.
33. Dr Rajabieslami’s evidence about this was extremely unsatisfactory. He said that he did not see the need to tell Ms Sanchouli, because the position reflected what had been agreed between him and Ms Sanchouli. However, neither his evidence nor hers suggested that what they had discussed and agreed ever encompassed the transfer to Mr Tariverdi (or to his companies) of legal ownership of the SPV that was the registered shipowner. It seems to me much more likely that he did not tell Ms Sanchouli because he knew that what he had done did not reflect his agreement with her.

VI: Drydock and the period to October 2021

34. Dr Rajabieslami then had only very limited involvement, until October 2021. Rather than communicating with him, Mr Tariverdi, Mr Postantzis and Saint James mostly communicated with Ms Sanchouli and with Emerald FZE (“Emerald”), a company said to be owned by her.
35. After completion of the purchase by Desero, the Vessel was put into drydock. All related costs were paid by Emerald/Ms Sanchouli, as well as other costs not covered by the Management Agreement, including spare parts, insurance, and management fees to Saint James.
36. The Vessel left drydock in November 2019, following which Emerald/Ms Sanchouli (not Dr Rajabieslami) gave instructions to Saint James in relation to the Vessel’s operation.
37. On 26 May 2020, according to an Amending and Restating Agreement signed by Mr Tariverdi on behalf of Desero and witnessed by Ms Anagnostou, the Vessel was mortgaged in favour of a company called Lucid Trustee Services Limited (“Lucid”) as security for Mr Tariverdi’s pre-existing loan of approximately US\$ 34 million. This was done without Dr Rajabieslami’s knowledge or consent; or, indeed that of Ms Sanchouli.
38. On or around 14 November 2020, the Vessel loaded a cargo of crude oil said to be owned by a Turkish company called Aspan, which is also apparently owned by Ms Sanchouli. This cargo could not be discharged at several intended destination ports for various reasons. The Vessel arrived near Turkey in June 2021 and remained there for some time.
39. On 24 February 2021, Dr Rajabieslami and Ms Sanchouli first learnt about the mortgage, independently of each other. They both said that they contacted Mr Tariverdi.
40. Dr Rajabieslami said that Mr Tariverdi told him that he took out the mortgage because he had been in a bad financial position, but would redeem it and return the Vessel. Dr Rajabieslami said that he spoke to Ms Sanchouli about this and she agreed not to make it an issue but to discharge the cargo and then replace Saint James as manager.
41. Ms Sanchouli’s evidence was somewhat different. She said that Mr Tariverdi told her that the mortgage was not on the Vessel and was guaranteed by the monthly management fees that she/Emerald was paying to Saint James. She did not say that Dr Rajabieslami told her what (on his evidence) he had been told by Mr Tariverdi, which was notably different. She said that Mr Tariverdi’s explanation to her did not seem right, but she did nothing further at the time.
42. On 23 September 2021, Mr Postantzis emailed Ms Sanchouli attaching a copy of an unsigned charterparty between Desero and Emerald dated 28 November 2019, and stated “Please revert with the two attached charter documents on behalf of Emerald as soon as possible as we need to present them without delay.” Ms Sanchouli said that this was the first time she had seen this document. She asked for an explanation over Whatsapp, but she says no further information was received and she did not sign it.

43. The last payment of management fees for the Vessel was made by Emerald to Saint James in 2021 – no later than 18 October 2021.

VII: October 2021 to July 2022

44. On 21 October 2021, Mr Postantzis wrote to Ms Sanchouli attaching copies of a letter and a seizure licence issued by the US Department of Justice alleging that the crude oil on the Vessel was of sanctioned (i.e., Iranian) origin. Saint James requested an explanation of whether the cargo was lawful. Correspondence followed, resulting in an email of 23 October 2021 from Saint James to Ms Sanchouli stating that “unless we receive an acceptable explanation ... that this is a lawful cargo which does not breach sanctions then we shall have to take all appropriate measures to ensure that Owners are not exposed to any further risk of steps being taken against them or the vessel as a result of your breaches of charterparty.”
45. On 25 October 2021, Bawakher wrote to Saint James asserting that neither it nor Desero had received any communication from the US authorities and that Saint James was obliged to obey orders to discharge the cargo at a Turkish port. The Vessel was at this point apparently sailing westwards, away from Turkey.
46. On 26 October 2021, Dr Rajabieslami met with Mr Tariverdi in London and Ms Sanchouli joined over the phone. Dr Rajabieslami said that Mr Tariverdi agreed to bring the Vessel back towards Turkey, but later changed his mind.
47. On 27 October 2021, Saint James asserted that the certificate of origin produced by Aspan/Emerald was falsified and it required an acceptable response, or else it would “take appropriate steps to protect the interests of Saint James and Desero.” It also sent an email to Aspan stating that Bawakher’s letter was “not understood” because Bawakher “has no interest in the vessel or its ownership.” There is some tension between Bawakher’s letter of 25 October 2021 and these emails from Saint James regarding Desero’s position, but this does not appear to have been appreciated or commented upon.
48. On 28 October 2021, Dr Rajabieslami sent several communications to Mr Tariverdi, Saint James, Ms Anagnostou, and the Master of the Vessel purportedly in his capacity as a shareholder or director of Desero (notwithstanding the transfer of all his shares in Desero and resignation as director on 3 July 2019) and as Manager of Bawakher.
49. This confusion over the status of Desero came to a head on 30 October 2021, when Stephenson Harwood, solicitors purporting to act on behalf of Desero and Bawakher but apparently receiving instructions from Ms Sanchouli, applied for and obtained a ‘without notice’ injunction against Saint James. In support of the application, Ms Sanchouli signed her First Witness Statement dated 30 October 2021 in which she said that Desero was the registered owner of the Vessel and that Desero’s sole director and shareholder was Dr Rajabieslami. The parties now agree that the latter assertion was incorrect. The reason that Ms Sanchouli gave this incorrect evidence was that she did not know about the change of ownership and directorship of Desero, nor did she know about the Declaration of Trust or the Amendment.
50. On 1 November 2021, Waterson Hicks came on the record, asserting that they had been instructed on behalf of Desero and Saint James. Upon being questioned by Stephenson

Harwood, Waterson Hicks responded saying that Desero was owned and controlled by Mr Tariverdi.

51. On 2 November 2021, Waterson Hicks served the First Witness Statement of Mr Tariverdi, which stated (among other things) that Mr Tariverdi was the sole director and shareholder of Desero, that he therefore owned the Vessel through Desero, that Dr Rajabieslami had resigned as director of Desero and ceased to have any role in the company, and noting that Ms Sanchouli had been found in contempt of court in an unrelated action in the High Court.
52. On 4 November 2021, Ms Sanchouli signed her Second Witness Statement, expressing surprise at Mr Tariverdi's assertion of ownership over the Vessel through Desero, stating that she did not know about the transfer of shares to Mr Tariverdi, and claiming that she was the ultimate beneficial owner of the Vessel because she had provided the funds for its purchase through Dr Rajabieslami.
53. On the same date, Dr Rajabieslami signed a letter stating that "I ... have absolutely no relation to [Emerald], [Aspan] and Mrs Mahdieh Sanchouli." This was exhibited to Mr Hick's (of Waterson Hicks) witness statement contradicting Ms Sanchouli's assertion that she knew Dr Rajabieslami and that she was the ultimate beneficial owner of the Vessel. Dr Rajabieslami's explanation to me for signing this letter was that Mr Tariverdi had called him and convinced him to distance himself from Ms Sanchouli in an attempt to avoid his being added on the US Specially Designated Nationals and Blocked Persons (SDN) List, which is a US sanctions regime imposing asset freezes and prohibiting dealings with listed persons. In the event, this attempt was unsuccessful: both Ms Sanchouli and Dr Rajabieslami are currently on the US SDN list.
54. On the very next day, Dr Rajabieslami signed a witness statement essentially recanting his letter of 4 November 2021. He explained that he had known and worked with Ms Sanchouli for some time and agreed with Ms Sanchouli's description of how the purchase and ownership of the Vessel was structured.
55. Critically, nobody made any mention of the Declaration of Trust or Amendment at this stage. In his Third Witness Statement in these proceedings, Dr Rajabieslami stated that he thought the ownership position was irrelevant as "the fight was over the cargo", and he did not appreciate the importance of the Declaration of Trust and did not think about it. This is a remarkable position to take given that Mr Tariverdi had by this point asserted his ownership of Desero and therefore the Vessel, a fact expressly acknowledged by Dr Rajabieslami in his witness statement.
56. Dr Rajabieslami also said that he had forgotten about the Declaration of Trust, not least because he did not have a copy of it, and was only reminded of it in June 2022, when Mr Forouhar told him that he had come across the A4 envelope in his safe (as I set out below). I do not regard this as credible.
57. Before me, Dr Rajabieslami appeared to take a different tack: he said that he did not want Ms Sanchouli to suspect that he had colluded with Mr Tariverdi to defraud her for his own financial benefit. This explanation makes no sense. In circumstances where Mr Tariverdi had produced what Dr Rajabieslami knew to be genuine documents signed at the 3 July 2019 meeting but omitted the Amendment, it must have been obvious to Dr Rajabieslami, even if he did not appreciate the precise effect of the Amendment, that

Mr Tariverdi had not given the complete picture to the court. If his goal was to avoid the appearance of being in cahoots with Mr Tariverdi, the only logical course of action was to produce the Amendment and accompanying Declaration of Trust promptly.

58. Waksman J discharged the injunction on 12 November 2021. He considered that the failure to disclose Ms Sanchouli's contempt was a material non-disclosure, that there was a strong case that the cargo was of Iranian origin and the certificate of origin was false, and the balance of convenience weighed heavily in favour of Saint James considering the risk of being added to the SDN List if it continued to comply with the injunction.
59. The Vessel then proceeded to The Bahamas and discharged the cargo on 23 December 2021. The cargo was sold by the US government, which, according to documents filed on behalf of the US government in US proceedings, then paid US\$ 5,091,723.35 to Desero and Saint James for freight and demurrage costs incurred in transporting the cargo to The Bahamas.
60. On 23 January 2022, Desero entered into a Memorandum of Agreement with Last Voyage to sell the Vessel for US\$ 8,498,888.40. The sale price was subsequently revised to US\$ 7,392,995.20 on account of delay and shortage of bunkers. The sale was completed on 9 March 2022. The proceeds of sale were mostly paid to Lucid to discharge some of Mr Tariverdi's indebtedness, which in turn released the Vessel as security, though US\$ 280,500 was paid to another company for an outstanding bunker invoice.
61. In early June 2022, Mr Forouhar came across the sealed A4 envelope from the 18 April 2019 meeting while searching for unrelated documents. He did not open the envelope. He contacted Dr Rajabieslami, who then collected the envelope in Greece and took it with him in Qatar. The Declaration of Trust (but not the Amendment, which on any view Dr Rajabieslami had in his possession all along) was sent to Stephenson Harwood on 8 June 2022.
62. The next day, Stephenson Harwood wrote to Mr Tariverdi enclosing a copy of the Declaration of Trust and requesting that all shares in Desero be returned to Dr Rajabieslami and the Vessel be placed back under his control. No substantive response was given.
63. On 26 July 2022, Mr Forouhar signed a letter confirming that Mr Tariverdi and Dr Rajabieslami had signed the Declaration of Trust, Indemnity to Directors and Nominee Shareholders and Financial Advisory Consultancy Agreement on 18 April 2019 at his office in Athens. Mr Tariverdi ceased communicating with him after that.

VIII: These proceedings

64. On 5 August 2022, Dr Rajabieslami applied for and obtained a Worldwide Freezing Order against the Defendants before Jacobs J *ex parte*. The return date was vacated by a consent order continuing the WFO.
65. Dr Rajabieslami served his Particulars of Claim in these proceedings on 15 September 2022. The Defendants served their Defence on 13 October 2022, asserting for the first time that the Vessel was transferred by Dr Rajabieslami "as the consideration for a

domestic transaction in Iran”. On 3 November 2022, Dr Rajabieslami served his Reply, disclosing the Amendment for the first time. He also made a Request for Further Information, requesting details of the domestic transaction in Iran.

66. Mr Tariverdi proved reluctant to provide the necessary disclosure. A series of applications by Dr Rajabieslami followed whereby Mr Tariverdi gave undertakings and disclosed some documents, and was ordered to provide further information. These applications resulted in the Defendants being ordered to pay Dr Rajabieslami’s costs.
67. On 16 February 2023, Mr Tariverdi provided his Response to Request for Further Information (“Response”) about the alleged “domestic transaction in Iran”. He claimed that he had sold Dr Rajabieslami a number of valuable Persian carpets between April 2016 and May 2019 for a total price of US\$ 9,811,800 (“the Rug Transactions”), and that Dr Rajabieslami settled that debt by transferring the Vessel, or more accurately the shares in Desero, to him. Mr Tariverdi’s evidence consisted primarily of eight invoices originally in Farsi, purportedly with Dr Rajabieslami and Mr Tariverdi’s signatures on each of them (“the Rug Transaction Documents”). Dr Rajabieslami says that they are forgeries.
68. On 20 February 2023, Dr Rajabieslami’s solicitors emailed Mr Tariverdi’s solicitors to request (i) where and how the originals of the Rug Transaction Documents were held, (ii) high resolution colour scans of the documents, and (iii) original PDFs of the documents. Mr Tariverdi has not, to date, provided the native original files. His explanation given on 8 March 2023 and repeated since was that he was having difficulty retrieving electronic documents from Iran. This is obviously unsatisfactory.
69. The detail of the other applications in these proceedings are unimportant, save that they resulted in costs orders against the Defendants which were not paid. On 1 September 2023, Dr Rajabieslami applied for an unless order requiring the Defendants to pay the costs orders and provide disclosure. An unless order was made by Cockerill J on 6 October 2023 requiring compliance by 27 October 2023, failing which the Defence and Response would be struck out and the Defendants be debarred from defending the claim.
70. On 16 October 2023, Waterson Hicks came off the record. The unless order was not complied with, resulting in the Defence and Response being struck out and the Defendants being debarred from defending this claim.
71. The trial hearing began on 23 April 2023 and concluded on the following day.

IX: Mr Tariverdi’s application to be heard

72. As I have said, Mr Tariverdi attended remotely. Before the trial commenced, Mr Davidson lodged written opening submissions on behalf of Dr Rajabieslami. The first day consisted of Mr Davidson’s oral opening, the day concluding with Mr Davidson telling me that he would call his witnesses on the following day. At 16:23 on 23 April 2024, Mr Tariverdi sent an email to my clerk asking to be permitted to question Dr Rajabieslami’s witnesses and/or to make a statement in his defence. I replied that he could apply to make a statement, but should first provide it in draft.

73. Mr Tariverdi did not provide his draft statement until 20:59 on 24 April 2024, by which time the trial had already concluded.
74. The principles applicable to an application to defend where a debaring order has been made were recently summarised in *Al Saud v Gibbs* [2024] EWHC 123 (Comm). Considering those principles, Cockerill J's order of 6 October 2023 made it clear that the Defendants were debarred from defending the claim. I nevertheless have a residual case management power to admit Mr Tariverdi's proposed statement, which I might in principle have exercised in his favour if this had been necessary for me to understand any relevant matters, or at least would have assisted me to do so. However, the court file still contains the Defendants' Defence, which (very sensibly) Mr Davidson had asked me to read before the trial commenced, notwithstanding that it had been struck out. I therefore am confident that I have a satisfactory understanding of the issues that arise in relation to the claim.
75. Furthermore, I have of course read Mr Tariverdi's proposed statement, in order to make doubly sure that its admission into the case is not necessary in order for me to have a proper understanding. Having read it, I can say that admitting it would make no difference. It is almost entirely irrelevant. In essence, it complained about Ms Sanchouli and Dr Rajabieslami's conduct generally, particularly the alleged difficulties Mr Tariverdi is facing in Iran as a result of Dr Rajabieslami's or Ms Sanchouli's actions. That is of no concern to these proceedings. There was almost no reliance on the Rug Transactions except for a cryptic assertion about "outstandings" of around US\$14 million. Mr Tariverdi complained in the proposed statement that there has been "no reference" to this, but insofar these "outstandings" arise from the Rug Transactions invoices, that complaint was wholly misplaced. Dr Rajabieslami's case before me paid very considerable attention to the invoices that Mr Tariverdi relied on in relation to the Rug Transactions, which were referred to extensively both in Dr Rajabieslami's factual and expert evidence, and in the submissions of Mr Davidson.
76. I therefore reject Mr Tariverdi's application.
77. Mr Postantzis also attended the trial remotely, and sent an email to the court stating that he was available to answer any questions I might have. I was grateful to him, but this was neither necessary nor appropriate.

X: Proceedings in other jurisdictions

78. These parties have also initiated proceedings against each other in other jurisdictions in respect of broadly the same events.
79. On 2 August 2023, Mr Tariverdi and Mr Postantzis initiated a criminal complaint against Dr Rajabieslami and Mr Forouhar in Greece, alleging that they had fabricated the Declaration of Trust and obtained the WFO improperly. Dr Rajabieslami and Mr Forouhar participated in these proceedings and submitted evidence in their defence. The complaint was dismissed by the Greek Public Prosecutor on 5 February 2024 on the basis that the allegations were "manifestly unfounded", and the time for appealing that decision has lapsed. In response to my query about whether this decision gave rise to an issue estoppel, Mr Davidson submitted that it did not and that I could view it as irrelevant opinion evidence, so I will say nothing further about it.

80. Dr Rajabieslami has also instigated criminal proceedings in Iran against Mr Tariverdi, his father, and his brother alleging breach of trust and forgery of the Rug Transaction Documents. The proceedings have been dismissed in relation to Mr Tariverdi's father and brother, but those against him remain live. One consequence of those proceedings is an investigation by the Iranian authorities into the Rug Transactions, which resulted in a letter to this court by an Iranian court. I am grateful to the court of Iran for this courtesy. I address the letter in Section XIV below.

XI: The factual witnesses

81. I did not find Dr Rajabieslami's evidence reliable. He has made statements in legal proceedings and immediately retracted them. He has changed his account during questioning in court. His explanations for failing to inform Ms Sanchouli of the outcome of the 18 April and 3 July meetings, for failing to raise the Declaration of Trust and Amendment at the earliest opportunity, and for failing to disclose the Amendment promptly, either were non-existent or did not stand up to the barest scrutiny. As such, I only rely on his evidence to the extent that it is supported by credible contemporaneous documentation.
82. Ms Sanchouli has had a committal order made against her for contempt of court in *Integral Petroleum SA v Petrogat FZE & Anor* [2020] EWHC 558 (Comm) by Foxton J, who did not accept some of Ms Sanchouli's evidence in those proceedings, for example at paragraphs 131 and 133 of his judgment. Furthermore, the manner in which she has participated in these proceedings is indicative of a lack of candour generally. For example, despite repeatedly asserting that she owns and controls Emerald, the documents I have are insufficient for me to make a finding to that effect. Upon being questioned at trial, she belatedly stated that she apparently controls Emerald through a series of single shareholders who have executed powers of attorney in her favour. If that is right, documentary proof of her control must exist, but she has chosen not to disclose it. I again only rely on her evidence only if it is corroborated by the documents.
83. Mr Forouhar's evidence was in a different category. Mr Forouhar was a relatively disinterested party in this case, his evidence as to the events which occurred was consistent, and he has been frank about the limits of his direct knowledge. In particular, he candidly said that he paid no particular attention to the documents being signed in his presence at the 3 July 2019 meeting in his office, and that he did not open the A4 envelope left in his office. I accordingly place considerable reliance on Mr Forouhar's evidence, albeit that its scope necessarily limited by his lack of direct involvement.
84. Subject to the evidence from Mr Forouhar, I have focused on the contemporaneous documents in establishing the facts. This is so even though the documentary record is opaque, fragmented, and at times contradictory.

XII: The key questions

85. Two questions are ultimately dispositive of this case:
- (1) Are the Declaration of Trust and Amendment genuine documents?
 - (2) Are the Rug Transaction Documents genuine documents?

86. The Claimant has adduced two expert reports from Ms Ellen Radley (“Ms Radley”) to address these questions. Ms Radley is the principal Forensic Document Examiner at The Radley Forensic Document Laboratory Limited. She has extensive experience in forensic document examination and has given expert evidence in several cases before the English courts. Both reports were clear and well-written with persuasive images supporting the analysis. I have no hesitation in accepting her evidence.

XIII: The Declaration of Trust and Amendment

87. The Declaration of Trust is a critical document. Dr Rajabieslami’s case relied on it heavily and it was for him to establish its authenticity (which Mr Tariverdi had denied in his Defence) and its effect.
88. Ms Radley subjected the Declaration of Trust to microscopic examination, from which she concluded that “all signatures on the Declaration of Trust have been appended in ballpoint pen inks”. She demonstrated common features of signatures made with a ballpoint pen by reference to Dr Rajabieslami’s signature. On the other hand, she concluded that the evidence was inconclusive as to whether Mr Tariverdi’s signature is authentic because he uses many styles of signatures and there are limited number of samples available, though her opinion was that the fluency with which his alleged signatures were written indicate that they are less likely to be forgeries. I accept the Claimant’s argument that this should not be taken to weigh strongly against the authenticity of the document given the Defendants’ failure to give disclosure, which may have assisted Ms Radley in coming to a firmer conclusion.
89. Furthermore, the fact that these signatures were made at the meeting on 18 April 2019, when both Dr Rajabieslami and Mr Tariverdi were present, is consistent with Mr Forouhar’s evidence that he had a videoconference conversation with them after the meeting (when they were still in his office), and that he later found a sealed A4 envelope marked “Documents for trust from Dr Rajabi”. Mr Forouhar said that this was the envelope that Dr Rajabieslami collected from his office in June 2022. While Mr Forouhar could not say what documents had been in the A4 envelope, it is safe to conclude (i) that they had been signed on 18 April 2019 and (ii) that they related to a trust relationship between Dr Rajabieslami and Mr Tariverdi. Without Mr Forouhar’s evidence, I might have been reluctant to accept Dr Rajabieslami’s evidence that the A4 envelope had contained the document that he relied on as the Declaration of Trust. In the event, however, that is my conclusion.
90. Some further corroboration comes from the Amendment. This appears to have been signed not only by Dr Rajabieslami and Mr Tariverdi, but also by Ms Anagnostou. Ms Radley once again concluded that the signatures had been applied with ballpoint pen inks. I accept the authenticity of this document.
91. The Declaration of Trust was worded in the expectation that the trust would be constituted on 18 April 2019, by the transfer of shares in Desero and the directorship to Mr Tariverdi. There was no transfer on 18 April 2019. Transfers did take place on 3 July 2019, but the shares were transferred to Melousa and the directorship was transferred to Passa Navigation.
92. Dr Rajabieslami’s evidence about these details was unclear. My impression was that this was because he does not have a good understanding either of the concept of a trust

or of the documents. As I have already noted, the discussions on 3 July 2019 were conducted in English. In other words, the concept of a trust under English law was explained by a Greek lawyer to an Iranian, in a language that was foreign to everyone concerned. Dr Rajabieslami said that he was not aware of the trust as a legal concept at the time, but he understood from Ms Anagnostou's explanation that "the whole transaction was based on mutual trust".

93. The drafting of the Declaration of Trust was not ideal, in particular in the context of the transfers actually effected on 3 July 2019. However, taking the circumstances as a whole, it seems clear that everyone involved intended that legal ownership in Desero should pass (not least so that Mr Tariverdi could explore the possibility of obtaining a mortgage on the Vessel, so as to finance the purchase of further ships), but that the beneficial interest would be retained. The fact that the shares and directorship were transferred to Mr Tariverdi's companies, rather than to Mr Tariverdi personally, is not something that anyone considered inconsistent with the Declaration of Trust.

XIV: The Rug Transaction Documents

94. If I am wrong that the Declaration of Trust and Amendment are genuine documents, then the Rug Transaction Documents take on a greater significance. It is worth bearing in mind that Mr Tariverdi did not disclose the Rug Transaction Documents at the earliest opportunity. One would ordinarily expect him to do so at the latest when relying in his Defence on a "domestic transaction in Iran" as consideration for the transfer of shares from Dr Rajabieslami to Melousa.
95. There are several problems with the authenticity of the Rug Transaction Documents. First, and most glaringly, every instance of what are alleged by Mr Tariverdi to be Dr Rajabieslami's electronic signatures on each of the invoices are exactly identical. This is obvious to a layman's eye and confirmed by the expert evidence of Ms Radley. Her report states that "no one signs in exactly the same way twice", so "these signatures are not the result of individual signing processes"; in other words, they are all electronic copies or transpositions of a prior signature, a so-called "master signature". By superimposing Dr Rajabieslami's signatures on the Rug Transaction Documents with his signature on the Declaration of Trust, Ms Radley concluded that the signatures were identical. She therefore inferred that the signature on the Declaration of Trust is the master signature, though she could not determine whether the signature was transposed from the physical document or an electronic scan of it. The one point of difference is that a part of the signature on the Rug Transaction Documents was truncated when compared with the master signature. On the Declaration of Trust, this stroke ended over the top of an underlying printed entry, which was the word "SIGNED". Ms Radley's opinion is that due to this overlapping on the Declaration of Trust, the stroke was deliberately cut off when the signature was transposed. I accept her evidence in its entirety and accordingly reject Mr Tariverdi's version of events.
96. Another irregularity, as Dr Rajabieslami points out, is that all of the invoices are expressed in US Dollars. That seems to me wholly unlikely, for a domestic transaction in Iran.
97. I have also seen a letter from the Tehran Public & Revolutionary Prosecution Office addressed to this court which seems to have resulted from the Iranian proceedings. This letter states that investigations in Iran by the relevant authorities have shown that the

alleged seller of the rugs, Baradaran Tari International Company, “has no registration and activity records in Iran”. In other words, no such company exists, and the Rug Transactions are fictitious.

98. Further, I accept Mr Forouhar’s evidence that he introduced Dr Rajabieslami and Mr Tariverdi to each other in January 2019. It follows that they did not know each other before that date and could not have had any dealings in Iran. Given that the Rug Transaction Documents allegedly date from 2016 to 2019, they cannot be genuine.
99. In light of the issues outlined above, the only conclusion I can come to is that the Rug Transaction Documents are forgeries. I must also conclude absent any other documentary evidence that the underlying Rug Transactions said to be evidenced by these invoices do not exist.

XV: Liability

100. Given my findings that the Declaration of Trust of 18 April 2019 and Amendment of 3 July 2019 are genuine, and that the Rug Transaction Documents are forgeries, it follows that the shares in Desero, and thus Desero’s sole asset, i.e. the Vessel, were held on a bare trust for Dr Rajabieslami from 3 July 2019. The direct trustee of the shares was Melousa. Mr Tariverdi owned and controlled Melousa and knew of Melousa’s trust obligations. Direct trust obligations were also owed in respect of the appointment of Passa Navigation as director.
101. Regardless of whether the mortgage of the Vessel or Mr Tariverdi’s/Melousa’s refusal to follow instructions from October 2021 were themselves breaches of trust, it is indisputable that the sale of the Vessel to Last Voyage without the knowledge or consent of Dr Rajabieslami on 9 March 2022 constituted such a breach. Mr Tariverdi, Melousa, and Passa Navigation are therefore liable for that breach of trust (or, in Mr Tariverdi’s case and arguably Passa Navigation’s case, for knowing assistance in the breach of trust by Melousa).
102. Mr Davidson further submitted that even if I were not persuaded that the Declaration of Trust and Amendment were genuine, so long as I found that the Rug Transaction Documents were forgeries and that no such transactions in fact existed, Dr Rajabieslami should succeed. This is because, he argued, Dr Rajabieslami cannot have intended to gift the Vessel to Mr Tariverdi: rational businesspeople do not give away what is on any view a very substantial asset without good reason, and no credible reason has been advanced by Mr Tariverdi. The irresistible inference I should derive from those findings is, therefore, that the shares in Desero were transferred to Melousa to be held on trust for Dr Rajabieslami.
103. I accept this argument. I do note the declaration in the Deed of Transfer that Dr Rajabieslami transferred his shares in Desero to Melousa “for good and valuable consideration ... received from Messrs. MELOUSA INC...”, but as I have explained above, cleaving to the strict documentary wording is in this case unrealistic.
104. It is also telling that Mr Tariverdi felt the need to fabricate the Rug Transaction Documents in order to explain the otherwise gratuitous share transfer, which in turn suggests that no consideration was in fact given and that Dr Rajabieslami did not intend to pass the beneficial interest in the Vessel to Mr Tariverdi. Since I find that the Rug

Transactions are a fiction, it is difficult to see any alternative consideration for the transfer, nor can it realistically be contended (and the Defendants have not argued) that the transfer was a gift from Dr Rajabieslami to Mr Tariverdi. The most appropriate inference to draw in these circumstances is that the parties did not intend for Melousa to hold the shares in Desero outright. Those shares were held on trust for Dr Rajabieslami.

105. Given that Dr Rajabieslami's main claim for breach of trust is made out, I do not propose to deal with the alternative claims in breach of contract and unjust enrichment, which were in any event not advanced with any significant vigour at trial.

XVI: Quantum

106. Mr Davidson accepts that this is not a case where I can order the trust to be reconstituted by redelivery of the Vessel to Dr Rajabieslami. The remedy asked for is equitable compensation for breach of trust. I turn then to the question of quantum. Three heads of loss are advanced.
107. The first is the value of the Vessel. That is straightforwardly recoverable, and Mr Davidson accepted that the value should be determined as at the date the Vessel was sold to Last Voyage with delivery at Curacao, which was 9 March 2022. The only question is as to the appropriate valuation of the Vessel. I have seen an expert report by Mr Anthony English, who has extensive experience with shipbroking and valuation work and continues to work as a sale and purchase broker. He valued the Vessel at US\$ 8,684,275. The original agreed sale price with Last Voyage is US\$ 8,498,888.40. The difference is immaterial.
108. The agreed sale price was reduced to US\$ 7,392,995.20 due to delays in completion and the quantity of bunkers on board. This would have been the case no matter who the seller was. Mr Davidson submitted that the sale price was lower than the true value of the Vessel as Mr Tariverdi was forced to dispose of the Vessel quickly in light of his financial position and pending litigation, but I do not consider that Dr Rajabieslami or Ms Sanchouli were in a materially better position to realise a higher price for a ship which was no longer fit for trading. They may well have faced delays in selling the Vessel themselves and/or other obstacles. The appropriate valuation of the Vessel is therefore the actual sale price, i.e. US\$ 7,392,995.20.
109. The second head is the profits in fact made by Desero in trading the Vessel from 27 November 2021 until the discharge of its cargo in The Bahamas in late December 2021. The evidence shows that Desero was paid US\$ 5,091,723.35 by the US government for transporting the crude oil to The Bahamas. Discounting the Vessel's operational costs of US\$ 7,890.40 per day due to Emerald ceasing payments from October 2021, the profits made by Desero are US\$ 4,886,572.95. That is recoverable as profits made as a consequence of a breach of trust. (Following circulation of this judgment in draft, Mr Tariverdi sent an email which included assertions submissions to the effect that further deductions should be made. Mr Tariverdi had no permission or standing to make these submissions, having been debarred from defending the claim and after the hearing had concluded, and they were in any event not supported by evidence. I therefore disregard them.)

110. The third is the trading profits that Ms Sanchouli would have made between January 2022 and 9 March 2022. Apart from the lack of any credible evidence as to the profits which would have been made by trading the Vessel, the more fundamental problem is that the Vessel was by this point so old as to no longer be capable of trading. I was told at the trial that, in the event, the Vessel has not been scrapped following the sale but is instead currently being used as floating storage. However, I have not seen any evidence to that effect nor the profits which would have been made from such use, so I cannot award any sum on that basis. Furthermore, given that Ms Sanchouli and Dr Rajabieslami are both on the SDN List, it would have been extremely difficult for them to employ the Vessel in any profit-earning capacity, as amply demonstrated by the facts of this case. Dr Rajabieslami has therefore failed to prove this head of loss and no recovery is available.

VII: Conclusion

111. The 500 shares in Desero, which wholly owned the Vessel, were held on trust by Melousa for Dr Rajabieslami from 3 July 2019. Melousa and Mr Tariverdi acted in breach of trust and/or Mr Tariverdi and Passa Navigation knowingly assisted in that breach of trust by selling the Vessel on 9 March 2022, and so stripping all value from Desero, without Dr Rajabieslami's knowledge or consent. Dr Rajabieslami is therefore entitled to recover the value of the Vessel and the profits made by Mr Tariverdi as a result. This comes to a total of US\$ 12,279,568.15.