Neutral Citation Number: [2020] EWHC 81 (QB)

Case No: QB-2015-007457
(formerly HQ-2015- X04102)

IN THE HIGH COURT OF JUSTICE
QUEEN'S BENCH DIVISION
QB

Royal Courts of Justice
Strand, London, W
C2A 2LL

Date: 24 January 2020

Before:

MRS JUSTICE FOSTER

- -

Between:

EURASIA SPORTS LIMITED **Claimant**

-and-

1. LAN-CHUN TSAI (KNOWN AS MARTIN TSAI)

2. YUEH-RU TSAI (KNOWN AS DOMINIC TSAI)

3. JOSE ROBERTO DE ROMAÑA LETTS

4. ALBERTO CARLOS MALDONADO VALDERRAMA

5. SERGIO RIPAMONTI MANGINI

6. GONZALO CABRERA NIERI

7. ROBERTO NICOLAS BRONSTEIN AUBERT

8. RICARDO ANTONIO VASSALLO GJURINOVIC
~~**9. I WA LOU**~~

10. JUAN CARLOS ROMAN CARRIÓN

11. JUAN OMAR MACHI AGUAD

Defendants

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Antony White QC (instructed by **Reed Smith LLP**) for the Claimant
The Defendants were neither present nor represented

Hearing dates: 19 November 2020

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Approved Judgment

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

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MRS JUSTICE FOSTER :

INTRODUCTION

1. This is the judgment on the trial of this action at which the Defendants have not appeared or been legally represented.

THE CLAIM IN OUTLINE

2. The Claimant (Eurasia Sports Ltd ("Eurasia")), is a company incorporated in Alderney carrying on business as a betting agency. Its essential activity was at the material time identifying new customers internationally and operating betting accounts for those customers by means of an online betting exchange at www.matchbook.com. Accounts are procured for the customers with Triplebet Limited, which trades as Matchbook. At the material time Triplebet was a part of the same corporate group as Eurasia. The Claimant itself operates through employees of Xanadu, which is incorporated in Ireland. Among those employees were Mr Osei-Amoaten and Mr Paul McGuinness, both of whom are based wholly or partly in London and work for the Claimant on a consultancy basis. By their pleaded case Eurasia seeks to recover more than US $12.6 million from the Defendants by various causes of action, including in debt.

3. The claim has been pleaded in tort, as a matter of fraudulent misrepresentation and/or conspiracy, and as a breach of contract. Before me, without resiling from his case under any head of claim, Mr Antony White QC, counsel for the Claimant, seeks only judgment in respect of the claims arising in debt.

4. Mr White has explained to me, and I accept, that the actions arising in particular in tort would be disproportionately expensive and/or complicated to prove given the international nature of the case, the absence of coherent or any responses from the individual Defendants and the requirements for further documentary disclosure. For that reason, and not because of any perceived inherent weakness in the case as otherwise expressed, the Claimants proceed only in debt. It is relevant that part of the claim made in respect of the dishonour of the Third Defendant's cheque in the sum of $10 million has already succeeded. This appears from the somewhat complex procedural history to which I will briefly turn below.

5. The essence of the Claimant's case is that there was an agreement for an account to be opened in respect of each of the Defendants, either directly or by reference to an agency and security agreement. There were important terms of the agreements to open the individual accounts that security was to be provided against credit offered by the Claimant, and the accounts were to be settled on a monthly basis.

6. Regarding the agency and security agreements, D1 was described in the evidence by Mr Osei-Amoaten, Head of Global Acquisition at Eurasia, as being the "gatekeeper" of these arrangements. Thus D1 and D3 took a cut of the business that was transacted in respect of the sub- account holders and D1, D2 and D3 also individually held accounts which were used to place bets. Mr Osei-Amoaten provided written evidence, confirmed orally, that authority was given by the other Defendants to D1 to place bets on their behalf. A "50/50 revenue risk share agreement" in respect of referred new clients operated between the Claimant on the one hand and D1 and D3 on the other. This meant that D1 and D3 were entitled to 50% of the losses of the introduced clients and were liable for 50% of any winnings. A US$10 million deposit cheque from D3 was the security for that agreement. The Claimant reported results across the entire group to D1 and D3 as well as in respect of their own personal accounts.

7. I was taken to the relevant supporting documents and am satisfied this was the essence of the position between the Claimant and the Defendants. It is worthy of note that in an application in this matter on 8 September 2016 concerning jurisdictional issues, Edis J (at paragraph [41] of [2016] EWHC 2207 (QB)) said:

> *"There is clear prima facie evidence of the existence of a conspiracy. There is no scope for doubt about the existence of an agreement. Participation in the agency and security agreement and its exploitation was on its face a concerted act between the Tsai brothers, Letts and all the sub-account holders."*

No material has been put before the Court since then to seek to displace the findings of Edis J.

8. In due course, each of the accounts was utilised. The evidence shows that in the initial stages, as reported in an email dated 21 October 2014 by Mr Osei-Amoaten to D1 and D3 under the heading "Tsai agency figures", the group accounts were about US$250,000 in credit. D2 and D3's accounts were also in credit. However, The Claimant says that significant unsuccessful betting took place thereafter and that the various Defendants incurred debts which have not been settled. This action seeks to recover those outstanding monies.

9. At the date of issue of the claim, the alleged indebtedness, not counting the calculation of interest, was in the following amounts (which I take from the Particulars of Claim dated 22 February 2016):

   a. D1 US $4,230,053.40

   b. D2 US $2, 992,162. 90

c. D3, US $2, 542,007. 09

d. D4, US $169,000 793.12

e. D5 US $270,545.54

f. D6 US $133,999.43

g. D7 US $90,000.39

h. D8 US $92,656.38

i. D9 US $49,898.89 (discontinued)

j. D10 US $21,874.76

k. D11 US $2,049,991.

10. I say at the outset of this judgment that I am satisfied that the Claimant has made out its case that Defendants 1 to 8 and 10 to 11 are indebted to it as alleged and in the sums claimed. This conclusion rests in part on inferences I have been able to draw on the balance of probabilities from the documents before the Court. I am indebted to Mr White QC for the painstaking way in which he has taken me through the relevant documents and has drawn my attention to the materials, such as they are, that have been advanced on behalf of the Defendants. As a result, the conclusion I have reached follows careful consideration of any contrary evidence, whether in the written statements or in the documentation.

PROCEDURAL HISTORY

11. The events in question began in September 2014. When the business relationship to which those events gave rise turned sour, a claim form was issued on 30 September 2015, later amended on 22 February 2016 and an application to serve outside the jurisdiction and for alternative service was filed.

12. Stephen Skrein, a Partner in Reed Smith LPP, solicitors for the Claimant, indicated in his statement dated 19 February 2016 (sworn in the jurisdiction challenge) that there was good reason to believe that all of the Defendants were aware of the claims. Their addresses had all been provided to the Claimant in KYC ("Know Your Client") documentation. The Defendants were served at those addresses and at certain other residences with the Claim Form and Trial Notices by email. That fact, and further details provided by Mr Skrein which I shall not rehearse, leave me in no doubt that the Defendants were made well aware of the action and of the date of this hearing by the manner in which they were served. It is clear to me that the Defendants have deliberately chosen not to attend the trial.

13. The Order for permission to serve out of the jurisdiction was challenged variously in May 2016 by D9 and in June 2016, by D3, D6 and D11. In the event D9 withdrew her challenge to the jurisdiction and filed a Defence. On 23 September 2019 the Claimant filed Notice of Discontinuance in respect of the claim against D9 only.

14. On 8 September 2016, Edis J dismissed an application by D3, D6 and D11 to set aside the Order for service out. On 20 October 2016 D3 and D6 served a Defence. On 7 November 2017 Henderson LJ granted D11's application for leave to appeal Edis J's Order of 8 September 2016. The Court of Appeal dismissed D11's appeal on 24 July 2018 with an order for costs in the sum of £75,000 in favour of the Claimant. The various judgments are helpfully described in Mr White's skeleton argument as follows:

> "This case has been the subject of four substantial judgments: (i) by Edis J on 8/9/16 dismissing an application by D3, D6 and D11 challenging the jurisdiction of the Court ([2016] EWHC 2207 (QB));by Andrew Baker J on 15/3/17 adjourning on terms an application by C against D3 for summary judgment on part of the claim ([2017] EWHC 748 (QB)); by Lavender J on 28/7/17 making a conditional order on C's application for summary judgment against D3 ([2017] EWHC 2232 (QB)); and by the Court of Appeal (Longmore, Gross and Floyd LJJ) on 24/7/18 dismissing D11's appeal against the rejection by Edis J of his challenge to the jurisdiction ([2018] EWCA Civ 1742, reported at [2018] 1 WLR 6089)."

15. In the meantime, D5, who had been debarred from defending by Order dated 31 May 2016, indicated he wished to contest the claim and was permitted to serve a Defence. He did so on 12 January 2017.

16. In 2017, the Claimant applied for summary judgment against D3 on his cheque for US$ 10 million. After an adjournment to allow D3 to plead Peruvian law, Lavender J gave judgment for the Claimant for dishonour of the cheque in the sum of US $10 million with interest and costs.

17. However certain of the Defendants have taken no active part in the proceedings.

18. The individual interaction of the Defendants with this litigation and its various stages, is as follows.

    a. D1, in common with all the Defendants, was served in the manner authorised by the Court with the Claim Form and also with Notice of both the original trial date and the adjourned date.

    b. D2 filed a Defence on 10 June 2016. He was represented at that time by Bark and Co. They ceased to act for him on 15 July 2016. The Defence contained mostly non-admissions. D2 accepts the account was opened for him although he denies a contract with the Claimant. As Edis J observed, this contention is inconsistent with the WhatsApp traffic and with D2's later communications with the Claimant.

    c. D3 was initially (between 9 May 2016 and 14 September 2016) represented by Albert Badia of ACCNI (UK) Ltd and Co, jointly with D6 and D11. As already described, he joined with D6 and D11 in making an application to challenge the jurisdiction of the court. Healy's LLP then acted for him in the jurisdiction appeal and the summary judgment proceedings. The last step taken by Healy's on behalf of D3 was service of a list of documents on 27 June 2017. In the

summary judgment proceedings, Lavender J made an Order on 28 July 2017 requiring D3 to pay US $10 million into court as a condition of being granted leave to amend his Defence to plead Peruvian law. D3 did not make the payment and, on 27 September 2017, without prejudice to the Claimant's right to pursue its other claims against him and the other Defendants, Lavender J gave summary judgment against him for US $10 million plus interest and costs. Healy's LLP remained on the record, but on 10 October 2019 they telephoned Reed Smith indicating they were without instructions, would not be attending the Pre-Trial Review and had applied to come off the record for both D3 and D6. The judgment of 27 September 2017 remains unsatisfied.

d. D4 was served with the Claim Form and Trial Notices. Although the evidence shows that D4 participated in certain of the relevant meetings, he has taken no part in the litigation, nor responded to correspondence from the Claimant's solicitors.

e. D5 was also represented by Mr Badia between 25 November 2016 and 2 March 2017, obtaining relief from sanctions and serving a Defence on 12 January 2017. Although originally indicating an intention to participate in the proceedings, his solicitor ceased to act for him on 3 March 2017 and after that date he has taken no further steps in the action.

f. D6's position is analogous to that of D3 and D11 - the last step taken on his behalf by Healy's being service of his List of Documents on 27 June 2017. As with D3, Healy's applied to come off the record for D6 some time before 10 October 2014.

g. D7, although served as above and given Notice of the trial dates, has not responded participated in any other way in the litigation. As with the other non-responders, the Claimant relies on D7's participation at earlier stages in the history to prove his liability.

h. D8 is in a similar position to D7.

i. D9, is the partner (possibly wife) of D1. The Claimant discontinued against her on 23 September 2019.

j. D10, who corresponded with Reed Smith before the proceedings were issued, filed an Acknowledgement of Service to the Claim Form, apparently intending to contest the jurisdiction. His challenge to the jurisdiction was not pursued. He was served with all the subsequent documentation and relevant Trial Notices but has taken no further part in the proceedings.

k. D11, as indicated above, was jointly represented with D3 and D6 at first by Mr Badia and from 14 July 2016 by Healy's LLP. Since the dismissal of his jurisdiction appeal on 24 July 2018, D11 has not participated further in the action.

THE COURT'S APPROACH

19. Where one or more of the Defendants has served no Defence and has not appeared at the trial, the Court has the option of giving a judgment in default or a reasoned judgment on the merits, provided it is satisfied (as I am in the present case) that the absent party has been given fair warning of the proceedings and of the trial date.

20. Mr White QC asks the Court for a reasoned judgment rather than a default judgment in order to assist later enforcement of the judgment abroad. He referred me in this context to the line of cases beginning with Colman J's decision in Berliner Bank AG v Karageorgis [1996] 1 Lloyds Rep. 426. The latter was applied in Habib Bank Ltd v Central Bank of Sudan [2007] 1 WLR 470 where Field J said this (at [8]): -

> *"It would have been open to HB in this situation to obtain default judgment pursuant to CPR Pt 12 but the enforcement of such a judgment is notoriously difficult in international cases because such a judgment is not a determination on the merits. HB accordingly applied to Colman J on 3 February 2006 for directions with a view to there being a trial on the merits in the absence of CBS. The judge made the directions sought. He did so in accordance with his own decision in Berliner Bank AG v Karageorgis* [1996] 1 Lloyd's Rep 426 *where he held that the court could order under its inherent jurisdiction that there be a trial on the merits where the defendant had failed to acknowledge service so that the plaintiff could seek to obtain a judgment that if given would be far more likely to be enforceable than a default judgment."*

21. Mr White QC pointed out that CPR 39.3 now makes express provision for trial in the absence of a party or parties.

22. Where the Court decides to determine the merits of a claim without the defendant being present it must take special care to ensure that the process is fair and that the interests of the absent defendant are properly safeguarded. The Court may adapt the trial procedure where necessary to achieve fairness and the overriding objective. There is guidance in CPR 3.1A as to how to treat an unrepresented party and Mr White QC suggested that, as a safeguard for achieving fairness, the judge might, whilst maintaining impartiality, explore the case with the witnesses called on behalf of the represented party in a manner going beyond the usual clarification that a judge might seek from a witness in a trial where both sides were present and legally represented. He referred to the case of LXA and Ors v Wilcox and Another [2018] EWHC 2256 (QB) in the family law context where these issues have recently been examined.

23. Accordingly, Mr White presented his case in a manner which was properly conscious of his duty where Defendants are not present, and I sought clarification from him and from his witnesses of the foundation of the claim, mindful that he should satisfy me of the involvement of each of the Defendants, which he did. Mr White QC set out the circumstances of each Defendant in some detail, highlighting what each had said, if anything, by way of defence or exculpation, and he went so far as to indicate where he felt the evidence was stronger or weaker on his client's side. The next section of

this judgment contains a précis of the case for the Claimant which Mr White set out for me.

24. Mr White QC drew my attention to the requirement in CPR31.19 that a party disputing the authenticity of a document must give notice that he intends to challenge the document on that ground. He pointed out that no notices under CPR 31.19 have been served by any of the Defendants in this case. I can therefore approach the evidence on the basis that the authenticity of none of the contemporaneous documents is challenged.

THE CLAIMANT'S CASE

25. Mr White QC drew my attention to a large number of the witness statements before the Court and relied in particular on those sworn for the trial by Mr Francis Osei-Amoaten (Head of Global Acquisitions for Xanadu - a company which at the material time provided business development to Eurasia), by Mr Paul McGuinness (Latin America Commercial Director of Xanadu), by Mr Andrew Pantling (a director of Triplebet) and by Mr Francisco Rivero (a partner of Reed Smith LLP based at their Houston office). Mr Rivero, a native Spanish speaker, had worked on the case for the Claimant for over 2 years.

26. I heard live evidence from Mr Pantling from the witness box in London, from Mr Osei-Amoaten via video-link from Ghana, and from Mr Rivero via video-link from Texas USA.

27. Eurasia is registered in Alderney and operated through employees of another entity called Xanadu which is incorporated in Ireland and has offices in London and in Cork. Eurasia was, until 1 January 2016, in the same corporate group structure as Triplebet Ltd, whose trading name is Matchbook and whose business is identifying and procuring accounts for Triplebet with Matchbook, the online betting exchange.

28. A flavour of Matchbook's business is gathered from the manner in which they described themselves in correspondence. They are particularly expert in football betting, and have "*always aimed for the biggest punters on the planet*". They claim to have "*built up a vast array of "professional" agents in every corner of the globe who bring us high-volume betters from their local markets in order to earn a rebate of our commission charges*." In essence, the service offered provided a brokerage product, working via Skype or over the telephone, which enabled large clients to bet considerable amounts quickly.

29. Those acting on behalf of the Claimant were of the clear view that the Defendants were very wealthy people. The evidence was that D1 was known to be a compulsive gambler. All of them were businessmen well-known in Peru or internationally. They had certain connections one to another: D1 and D9 were partners, D6 was the legal representative of D1, D2, and D3, D8 introduced himself as a business colleague of D1 and D2. D1, D2 and D3 had wealthy family connections as well as certain related business interests. Mr White QC emphasised that the Defendants all knew each other.

30. The trial bundles contain 27 statements on behalf of the Claimant, and one from D9 against whom proceedings were discontinued. The bundles also contain evidence of the contractual relationships, personal identification or KYC documents of the Defendants, and print-outs of WhatsApp messages and other communications between the parties. I have been taken to a significant number of individual documents by Mr White QC which support the claim that the Defendants are indebted to the Claimant as alleged.

31. Mr Osei-Amoaten was the main representative of the Claimant in the commercial dealings leading to the claims affecting D1 to D10. He oversaw the transactions in question and, liaising with Mr Paul McGuinness who reported to him, was also aware of the latter's dealings with the Defendants.

32. On 2 September 2014, Mr McGuinness and Mr Pantling, acting on behalf of the Claimant, met with D11 (Mr Juan Omar Machi Aguad) at the Atlantic City Casino in Lima, Peru which Mr Aguad owned. This was plainly a business development trip. Mr Aguad was keen to place substantial bets on the outcomes of NFL football games. I was told in evidence by Mr Osei-Amoaten that the mechanism of Eurasia allowed for larger stake bets to be placed than might otherwise have been possible had Mr Aguad gone directly to www.matchbook.com.

33. Mr Aguad wished to bet up to US $500,000 per game and stated he could make large transfers to the Claimant using his international banking facilities. The usual conditions of contracting with the Claimant involved the provision of a deposit by the gambler in return for which credit would be extended. The Claimant sought to persuade Mr Aguad to provide US $500,000 against which they would advance US $1 million in credit. In the event, Mr Aguad refused to provide the US $500,000 deposit, but it was agreed instead that he would verify his wealth to Eurasia, so he completed a wire transfer to test his banking system in the much smaller sum of US $5,000.00. As Mr Pantling explained to me, such was the reputation of D11, and such are the conditions for high-stakes gambling internationally and the competition for it amongst providers, that the Claimant was quite prepared to offer him credit of US $1,000,000 million without security.

34. An agreement was also reached that whenever the account was either up or down by the sum of US $1,000,000, Mr Aguad or the Claimant as the case may be would settle the account.

35. A system of personal verification involving KYC documents was operated by the Claimant. Once these were completed, pursuant to the oral agreement documentation was provided to the client and an account was established. The credit facility of US $1 million was allocated to D11 on 3 September 2014, which was in time to catch the NFL season.

36. By 4 September 2014 D11 had lost the entire credit allocation. He lost it on the first day of the NFL season through unsuccessfully placed bets.

37. Following a telephone call from D11 to Mr Pantling the day after that, further credit was advanced against a promise from D11 to make a wire transfer of US $500,000 on the following Monday. The further credit was advanced; but following yet further

unsuccessful betting, D11 owed the Claimant US $1.5 million by the end of 7 September 2014.

38. Following these losses, D11 at first promised to wire money, claiming to be carrying out the relevant procedures and to be in the process of selling some shares. He offered various methods of payment including, on about 21 September 2014, a transfer via a business associate, a Mr Emilio Saba. He then asked for an account to be set up in that name and said he would get Mr Saba to send the Claimant US$500,000 by wire transfer. An account in that name was duly set up. Betting on that account himself, D11 lost a further US $500,000. He caused Mr Saba to pay US $500,000 to the Claimant in settlement of that account by wire transfer on 23 September 2014.

39. On 8 October 2014, D11 told the Claimant that he had arranged for a transfer of US $375,000 to be made in part settlement of the sums due on his own account. He then asked Mr McGuinness to arrange for additional credit in that sum, which was duly allocated.

40. That same day D11 bet the amount of US$375,000 and lost it all.

41. The present position is that D11 has paid the sum of US $375,000 to the Claimant but remains indebted to it in a sum of US $2,049,991 which the Claimant claims from him in these proceedings together with interest and costs.

42. First contact had been made by the Claimant with D1 and D2 (who are brothers) in September 2013, through a girlfriend of D2. At that point, discussion of the Claimant offering them a credit facility for gambling came to nothing. A year later, on 22 September 2014, following further discussions on the telephone between the Claimant in London and D1 and D2 in Lima, an agreement was reached. The discussions culminated in an agreement by D1 and D2 as to the Claimant's terms which involved the need for funds to be posted as security before credit was allowed, and a requirement to settle credit balances at the end of each month.

43. Mr Osei-Amoaten's evidence explained how D1 and D2 had agreed orally they would provide US $1 million as security for their two accounts in return for credit in that sum being allocated to them. D1 and D2 also undertook to settle their accounts each month. The trial bundles contain print-outs of WhatsApp messages passing between the Claimant and D1 and D2 from 19 September 2014 evidencing the agreement. The Claimant understood from D1 and D2 that further business opportunities would result if D1 and D2 were satisfied with the services they received.

44. Accordingly, on about 23 September 2014, Mr Osei-Amoaten opened accounts with the Claimant for D1 and D2 upon provision of the KYC documents. He opened two further accounts for them on 2 October 2014.

45. On 1 October 2014, D1, on behalf of himself and D2, sent a WhatsApp message to the Claimant indicating that he was "doing first wire today for 500 K" and including a photograph of what appeared to be a letter of instruction dated 1 October 2014 to Banco Credito del Peru ("BCP") apparently stamped by and signed on behalf of BCP. It instructed BCP to transfer US $500,000 to the Claimant. A further photograph which purported to be for confirmation of transfer was sent with a WhatsApp message saying "here is first swift".

46. A further US $570,000 credit was made available to D1 and D2 on their accounts with the Claimant on 3 October 2014. The transfer of US $500,000 was received by the Claimant's bank later that day and the Claimant received another photograph by WhatsApp of what appeared to be a further letter of instruction dated 3 October 2014 to BCP, stamped and signed on behalf of D1 and D2, instructing BCP to transfer a second sum of US $500,000 to the Claimant. This was accompanied by a number of messages from D1 stating "I will have Swift on Monday morning", "can just credit it please" or similar communications. One of the messages said "believe" and another "trust".

47. Mr Osei-Amoaten explained that, believing this second set of messages heralded the arrival of a further US $500,000, the Claimant advanced further credit. The Claimant allocated to the accounts of D1 and D2 a sum of US $990,000 on 4 October 2014 and a second sum of US $500,000 on 5 October 2014. The second transfer of US$500,000 never arrived with the Claimant. Mr Osei-Amoaten's evidence was to the effect that he was not overly concerned: he trusted D1 and D2. Furthermore their accounts were in credit at this point. Also, he had arranged to visit them in Lima in order to discuss the introduction of new customers and thus new business for the Claimant, in particular the introduction of D3 (Mr José Roberto De Romana Letts) who was described as very wealthy, respected and well-known.

48. From about mid- October 2014, discussions opened concerning an agency and security agreement between the Claimant and D1 and D3 under which the Claimant would appoint D1 and D3 jointly as its agent in Peru to introduce Latin American gamblers. At a series of meetings between 13 and 15 October 2014 Mr Osei-Amoaten and Mr McGuinness on the part of Eurasia held talks with D1, D3 and other Defendants.

49. On 13 October 2014, D1, D2, D3, D6, D8 and the brother of D10 attended a meeting at the Hilton Hotel in Lima where Mr Osei-Amoaten and Mr McGuinness were being accommodated at the expense of D1 and D2. D6 explained he was the legal representative of D1, D2 and D3, and that D8 was a business colleague of D1 and D2. It was plain to the Claimant that the Defendants all knew each other.

50. There was a dinner meeting that night. D9 was present and took part in discussions at that point. At further talks the next morning D8 and D10's brother confirmed they were regular customers at the casino owned by D11 and were wealthy businessmen. That day, another meeting was held at BCP, which D1 attended with his private banker, Mr Walter Mori. D1 explained that he was going into business with the Claimant. Mr Mori asked for due diligence on the Claimant. The same day there was a lunch involving D1, D2 and D4 and the Claimant's representatives. D4 was described as a wealthy individual whose family was involved in mining. It was said that he was interested in placing large bets with the Claimant.

51. It was here that D3 suggested that he would provide security for the bets placed by the proposed new customers. Because D3 said he had been involved in a tax investigation, he proposed that he should provide the security, not by sending a large bank wire but by cheque. He suggested US $10 million was an appropriate amount of security for betting on the proposed accounts.

52. On 15 October 2014 a morning meeting took place when D1 and D3 agreed to be partners in the proposed arrangements. Thereafter at lunch involving the Claimant's representatives, D1 and D3 the risk share arrangement was agreed by which D1 and D3 would share both profit and risk with the Claimant. The agreement reached was that D1 and D3 would receive 50% of any losses made on the accounts of the gamblers they introduced, and be liable for 50% of their winnings. Oral agreement was reached at the lunch on 15 October 2014. Mr Gonzalo Cabrera Nieri (the lawyer who is D6) also attended.

53. Written evidence exists to support this agreement, including the US $10 million cheque made out to the Claimant in respect of which the Claimant has received judgment. The KYC documents for a personal betting account for D3 are before the Court, and, importantly, an email of 17 October 2014 from Mr Osei-Amoaten which includes D1, D3 and D6 on the distribution list. It recapitulates the terms agreed at the lunchtime meeting of 15 October 2014 and confirms receipt of the US $10 million cheque.

54. Accordingly, in performance of the agency and security agreement D1 on his own behalf and for D3 introduced D4, D5, D6, D7, D8, D9, and D10 to the Claimant and requested accounts to be opened in respect of these persons. As to D9 and D10, D1 indicated he would deal with D9, his partner, and also would make arrangements with the brother of D10 in respect of those two accounts. There were at this time two other potential customers, but accounts were not opened for them because their KYC documents were missing.

55. The email dated 17 October 2014 from Mr Osei-Amoaten to D1, D3 and others which was copied to Paul McGuiness (referred to as the "re-cap email" in the judgment of Edis J at [2016] EWHC 2207 (QB)) is a telling document. It came after a series of short WhatsApp messages to D3 from Mr McGuinness dated 15 October 2014 and 16 October 2014 reflecting the fact they were about to do business and that Mr McGuinness would be in touch. The email deals with problems that were materialising regarding the US $10 million cheque from D3 and the checking process that was in train. It sets out some background on Matchbook, records that the Claimants have possession of the US $10 million cheque from D3 which, once cleared, will be the basis of the deposit for the "risk share proposal that we agreed". The terms of that proposal are then set out.

56. The recap email gives a detailed explanation of the operation of the scheme and of certain steps to be considered further, including the proposal that credit should be offered on a 1:1 basis. The requirements of the settlement of accounts on the first of every month is included, and methods of settlement. The personal betting accounts of D1 D2 and D3 are mentioned,

57. In light of the take up of the facilities and use of the accounts, especially in light of the provision of the cheque for US$10 million as security, I am in no doubt that the arrangements were agreed and operated in the manner alleged by the Claimant.

58. The materials before the Court include emails from D7, D8 and D4 in October 2014 accepting the Claimant's offer to set up accounts for them. D6 replied accepting the offer by telephone and D5, D9 and D10 accepted it by conduct when they used their respective accounts.

59. By the end of October 2014 accounts had been set up for D3 and D4 to D10. Credit of US $1.5 million was allocated to D3 and the sub- accounts of D4 to D10.

60. The accounts of D1 to D10 were owing about US $3 .7 million by the end of October 2014; almost 2 million of this was down to D1 personally. D1 had told Mr Osei-Amoaten that a transfer of US $800,000 from a Mr Gonzalgo Vega could be utilised against D1's indebtedness to the Claimant. However, Mr Gonzaga Vega later contacted the Claimant saying this was not so and the money was re-credited to him for an account of his own which he said had been its purpose.

61. Once more in November 2014 D1 on his own behalf and on behalf of D2, D7 and D8 sent WhatsApp pictures to the Claimant purportedly evidencing instructions for bank transfers in various sums: one of US $1.5 million and two of US $350,000 each, which appeared to have authentic signatures. When, two days later, the Claimant had received nothing, Mr Osei-Amoaten made enquiries. The response from D1, on behalf of himself and D2, D7 and D8, was a series of WhatsApp messages referring to payments and containing photographs of purported transfer documents. D1 said that he had put in train the transfer of the sum of US $1.5 million, the two sums of US $350,000 and also a fourth sum of US $400,000. In truth he had not, but relying on these misrepresentations the Claimant transferred further credit to the accounts of D1, D2 and D3 in the sum of US $3 .2 million. Again, the money was lost on unsuccessful bets.

62. All of the relevant Defendants, in what appears to be a coordinated deception, said they were surprised, and that they had sent the money. They said they would investigate and be in touch. They were not in touch.

63. The next part of this saga, which I need not describe in any detail in this judgment, concerns the dishonoured cheque from D3. In mid-October 2014, Mr Osei-Amoaten sought to obtain payment on the cheque by presenting it for payment. His "recap" email of 17 October 2014 refers to this. D3 was in contact but he did not respond substantively to the Claimant's emails and WhatsApp messages. In December 2014 BCP refused to honour the cheque. Thereafter, unsuccessful without prejudice negotiations took place.

64. At around the same time Mr Osei-Amoaten and Mr McGuinness met with D1, D2, D6 and D11 at the Lima casino. D8 and D10's brother were also present. On this occasion D11 acknowledged that he owed US$2,049,991 to the Claimant although later, in January 2015, he denied it.

SUMMARY OF CONCLUSIONS

65. I am in no doubt that this is a case involving well-informed and sophisticated defendants, most of whom have at some stage been legally represented and all of whom have been served with the Claim Form, the Claimant's evidence and the Trial Notices in such a way as to have made them aware of the case being brought against them and the date of this trial. In my judgment the overwhelming probability is that the Defendants' absence from the trial is due to a strategic decision on their part not to attend or to put forward any defence to the compelling case against them.

66. I have already indicated at paragraph 10 above that I am satisfied that the Claimant has proved that the sums claimed are due. With the benefit of Mr White's meticulous oral and written presentation and his guidance through the assembled documents, I have no difficulty finding that the claim in debt is made out.

67. Accordingly I give judgment for the Claimant on the debt claims in the sums requested, plus interest. I reserve issues of calculation and any consequential matters to the handing down of this judgment, or other time convenient to the parties.