Neutral Citation Number: [2021] EWHC 2329 (QB)

Case No: QB-2019-003093

IN THE HIGH COURT OF JUSTICE
QUEEN'S BENCH DIVISION

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 18 August 2021

Before :

ROGER TER HAAR QC
(Sitting as a Deputy Judge of the High Court)

- -

Between :

PREMIA MARKETING LIMITED	**Claimant**
- and -	
REGIS MUTUAL MANAGEMENT LIMITED	**Defendant**

- -
- -

Paul Ashwell (instructed by **Rohan Solicitors LLP**) for the **Claimant**
Lawrence Jones and Kyle Lecuona (instructed directly) for the **Defendant**

Hearing dates: 20, 21 and 22 July 2021

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Approved Judgment

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Covid-19 Protocol: This judgment will be handed down by the judge remotely by circulation to the parties' representatives by email and release to Bailii. The date and time for hand-down will be deemed to be 10:30am on 18 August 2021.

Roger ter Haar QC:

1. In this action the Claimant seeks reasonable remuneration from the Defendant ("Regis") for introducing Regis to The Caravan Club ("CC") and helping Regis to secure an agreement under which Regis was engaged by CC to manage a discretionary mutual insurance scheme.

The Claimant

2. The Claimant ("Premia") is a company of which the sole director was and is Mr Adrian Stone who is also a 50% shareholder (the other 50% shareholder is Mr. Stone's wife).

3. Whilst Mr. Stone acted through Premia at all material times, it was in reality Mr Stone who has providing the services which Premia provided.

4. Premia undertakes a range of insurance and business consultancy services for third parties. Mr. Stone has undertaken consultancy and business development work for Eurotunnel, RNIB, HBOS and Prudential amongst others. He had previously held senior marketing executive positions at Aon, Europe Assistance and Lloyds TSB.

The Defendant

5. Regis is a mutual management company. Its business is to manage mutual insurance schemes: under the heading of management would fall all the day to day functions necessary for the mutual to operate efficiently. This can include claims handling, compliance for the mutual and marketing services, actuarial advice, placement of supporting insurance to members and the mutual itself and general advice.

6. There is a significant distinction between two different types of mutual insurance scheme. A mutual insurance scheme such as that run for the Bar of England and Wales (the Bar Mutual) provides contracts of insurance with the members of the scheme under which the members are entitled to indemnity against claims. Such schemes are the subject of substantial statutory regulation.

7. The other form of mutual is a discretionary mutual scheme under which the provision of indemnity is at the discretion of the board of the mutual. Because there is no entitlement to indemnity, such a scheme is not the subject of the same level of regulatory oversight as the first form of mutual.

8. It is in the establishment and management of discretionary mutuals that Regis has particular expertise.

9. The Chief Executive Officer of Regis is Mr. Paul Koronka, who set up Regis in 2007 for the purpose of specialising in the structuring and management of discretionary mutuals. Regis now looks after 11 mutuals.

10. Mr. David Gudopp is the head of business development at Regis.

The Caravan Club mutual

11. In 2015 Mr. Stone, in his role on behalf of Premia, was undertaking insurance consultancy work for Eurotunnel. In that role Mr Stone worked for Mr. Harvey Alexander, who was the Marketing and Sales Director of Eurotunnel. In late 2015 Mr. Alexander changed jobs to become Marketing Director at CC. Before he left Eurotunnel, Mr. Alexander asked Mr. Stone to review CC's insurance and prepare a paper on potential improvements.

12. In March 2016 Mr. Stone emailed Mr. Alexander and explained that he had a radical insurance idea (a mutual insurance scheme) that would be extremely beneficial for CC insurance and their members. Mr. Stone was already aware of the concept of mutuals and felt that such an arrangement would be most appropriate for CC. Mr. Alexander was keen to explore this and in April 2016 Mr. Alexander introduced Mr. Stone to Mr. Savage, the Director of Membership Services at CC.

13. Mr. Stone's son, Oliver, was in 2016 working for the well-known insurance brokers, Willis Towers Watson. It appears to have been Oliver Stone who suggested the name of Regis to his father as a potential manager of a mutual scheme.

14. In April 2016 Mr. Stone contacted Mr. Gudopp with the aim of assessing whether Regis would be a suitable company to introduce to CC with a view to developing a mutual. It is Mr. Stone's evidence that he asked Mr. Gudopp about introductory fees and that Regis confirmed that it would be prepared to pay an introductory fee if things progressed. This is disputed: I return below to consider this important factual issue.

15. To ensure confidentiality of their discussions on 6 April 2016 Mr. Stone for Premia and Mr. Gudopp for Regis signed a confidentiality agreement/Non-Disclosure Agreement. After that initial discussions took place between Mr. Gudopp and Mr Stone about Regis's credentials and experience.

16. On 12 May 2016 Mr Stone met Mr. Savage of CC and explained to him how turning the CC caravan insurance into a mutual would be extremely advantageous to CC. Mr. Stone says, and I accept, that he undertook a significant amount of preparation for this meeting. Following the initial meeting Mr. Stone and Mr. Savage held various subsequent discussions and exchanged a number of emails with Mr. Savage to progress the scheme and to answer questions raised by Mr. Savage. During these exchanges Mr. Stone advised Mr. Savage that the scheme would have to be managed by a third party. Mr. Stone recommended Regis as they were specialists at managing such schemes. He proposed introducing the two parties to discuss the proposal in greater detail.

17. In June 2016 at Mr. Stone's request, Mr. Gudopp emailed to him a copy of Regis's corporate brochure. On 24 June Mr. Stone prepared a presentation incorporating some elements from the generic Regis brochure, detailing how the scheme would work for CC if the scheme progressed.

18. After internal consultations within CC, on 20 July Mr. Savage contacted Mr. Stone to confirm that CC would like to meet Regis, together with Mr. Stone, for a "fact-finding mission". A meeting was arranged for 17 August 2016.

19. Before the tri-partite (Premia/Regis/CC) meeting on 17 August 2016 there was a meeting between Mr. Stone and Mr. Gudopp and two other members of the Regis team to discuss the proposal and CC generally. There is a dispute as to what was said at that meeting about remuneration of Mr. Stone: I return to that subject below.

20. The 17 August 2016 meeting was a success. On 9 September 2016 there was a meeting between the board of CC (including Mr. Savage and Mr. Wright) and Mr. Gudopp, Mr. Ames, Mr. Page and Mr. Thurgood of Regis with Mr. Stone present. Regis made a presentation about the scheme.

21. In December 2016, Regis was asked by CC to prepare a feasibility study. The first phase of the feasibility study was presented by CC on 8 February 2017. Initially the fee to be paid to Regis for the feasibility study was to be £40,000: however after the first phase had been presented, it was agreed that the second phase of the study was not needed and Regis was paid only £20,000.

22. Following further discussions CC signed a four-year mutual management contract with Regis on 11 August 2017.

Mr. Stone's involvement in the introduction and negotiation of the CC/Regis contract

23. There is a dispute between the parties as to the extent of Mr. Stone's involvement in the introduction and negotiation of the CC/Regis contract.

24. There is no dispute between the parties that the scheme was Mr. Stone's brain child: he it was who identified the benefits to CC of a mutual scheme and who identified that Regis were ideally suited to run the scheme. He was therefore the person who effected the introduction between the two willing parties.

25. At least until September 2016 Mr Stone was a highly active and necessary participant in the presentation of the scheme and in satisfying CC that it was in its and its members' interest to move to a mutual insurance scheme.

26. In respect of Mr. Stone's involvement after the meeting on 9 September 2016 I have evidence from Mr. Savage who was called by Premia. In cross-examination he was taken to an exchange of emails. On 4 June 2018, Mr Stone wrote to Mr. Savage as follows:

> "Brian
>
> "Sorry to trouble you again but I am still having issues with Regis.
>
> "Following our last conversation I checked my records, and with my solicitor, and there is no 'offer' on the table from Regis (as suggested by Paul to yourself) so my solicitor sent a friendly but correct letter with a lower and fair offer to Paul and his barrister.
>
> "His barrister has now come back with a full broadside saying they have no intention of paying me anything whatsoever, disputing any claim that there was any agreement with Regis,

> and going on to say amongst other things that I was "handsomely remunerated by the Caravan Club" for my introduction and work.
>
> "I find this farcical and ridiculous.
>
> "Whilst I have the evidence to suggest there was an agreement of sorts in place I do need to clarify this last point.
>
> "So I would be grateful if you would send me an email confirming that I acted as an introducer between the CMC and Regis, and that I undertook a large amount of work in the process of CMC securing an agreement with Regis and it was agreed that I should be reimbursed by Regis. (Which I confirmed to PK in an email on 26.10.16 after I discussed the matter with you)….."

Mr. Savage replied:

> "I can confirm that you introduced a new insurance concept to me during our meeting in Haywards Heath and also introduced the Club to Regis who were/are providers of this type of scheme. This resulted in one introductory meeting and another operational meeting from which point the 2 organisations "flew solo" in regard to agreeing terms of engagement etc. At this point I had no knowledge of any remuneration terms agreed or not with Regis…"

27. When the expression "flew solo" was put to Mr. Savage, he agreed that after the 9 September 2016 the negotiations and discussions were primarily between the principals. Mr Thurgood, a former employee of Regis who was also called by Premia, agreed with the appropriateness of the expression "flew solo", although he qualified this by saying that there was constant contact with Mr. Stone.

28. I conclude that, unsurprisingly, the most important role performed by Mr. Stone was in coming up with the idea for the mutual scheme, and putting CC and Regis together. After that inevitably the focus shifted to the technical details which were not within Mr Stone's expertise. However this did not mean that he ceased to be involved. On the contrary, a schedule of email communications which he has prepared shows continuing involvement.

Discussions between Mr. Stone and Regis as to an introductory fee

29. I return now to the discussions between the parties as to Mr. Stone's remuneration.

30. As I have pointed out, it is Mr. Stone's evidence that he asked Mr. Gudopp about an introductory fee in their first conversation in April 2016 and that Mr. Gudopp confirmed that Regis would be prepared to pay an introductory fee if things progressed.

31. Mr. Stone's evidence is denied by Mr. Gudopp who says that Mr. Stone did not mention his "earn requirements" until later in the year in response to a request from Mr. Gudopp for his earn requirements from the feasibility study.

32. In paragraphs 10 to 12 of his witness statement Mr Stone says this:

> "10. I believe Mr. Savage then took the proposal to the board of directors at TCCL to discuss the concept. He then contacted me on 20th July to confirm that TCCL would like to meet the Defendant for the first time, together with me, for a fact-finding mission. I then liaised with the Defendant to arrange meeting on 17th August 2016 – over 8 months after I started my discussions with TCCL.
>
> "11. Prior to this three-way meeting I gave serious consideration to the fees Premia would charge Regis for the introduction. I considered that a small percentage of the funds going into the mutual annually would be a simple way of calculating Premia introductory fee and thus calculated that 0.5% of the funds in the mutual would be fair and appropriate. I expected to get paid annually once the contract was signed and for the duration of any contract. If TCCL did not take the mutual concept forward and sign a contract then Premia would not receive a fee at all. Introducers are normally paid a fee, based on the value of the contract, by insurance companies, and this fell into line with industry standard levels of remuneration where commission on insurance products range from 15% (motor), 25% (small business insurances) to up to 50% for commercial contracts.
>
> "12. To prepare for that meeting I met with Mr Gudopp, Mr Page and Mr Knight (all of the Defendant) on 12th August 2016 at their London Office to discuss the proposal and TCCL generally. I explained TCCL's expectations and requirements and what was needed to prepare for the first TCCL/Regis meeting. During this meeting Mr. Gudopp asked me what fee Premia required for the TCCL business and also whether I would like to work for Regis as TCCL account manager (and if so, what remuneration I would expect). I said that I could work three days per week at £1,000 per day plus 0.5% of the funds going into the mutual. Subsequent to this we then all worked together to prepare the presentation for the anticipated meeting with TCCL."

33. Again, Mr. Gudopp differs from Mr. Stone as to what happened at that meeting.

34. On 25 August Mr. Stone sent an email to Mr. Gudopp saying:

> "…Furthermore before the meeting on the 9th Regis needs to work out the cost of undertaking the feasibility study as I would imagine at the close of the meeting will be 'yes lets go ahead

> with the feasibility study … When can you undertake it, how long will it take and how much will it cost?' I would also like a fee at this stage as well.
>
> "I also think it is getting to the stage where I need a meeting with Paul, or whoever, to decide my introduction fee, and ongoing role and fees."

Mr Gudopp responded on 25 August:

> "Can you please confirm the fee level you require during the feasibility study phase – so we can add this into our costs.
>
> "We are currently mapping this out, estimating time investment across our various internal departments, plus site visits etc. to ascertain existing systems, capabilities etc. in-hour actuarial modelling of the data etc. collectively this is going to consume a lot of time – current best guess circa 350 hours – which is looking like a circa £40k cost. If they stop at this stage, that's the fee level we are coming out at – but which as mentioned, we could rebate back an element of, if they commit to continue into the build and operate phase.
>
> "At the end of the feasibility study, we would have full costing to build, launch and operate the mutual – with projected mutual outcomes for reflecting a repeat of the current 5-year loss record.
>
> "Is it worth us generating a feasibility study proposal document – so we can include all of this detail – the study outputs etc. – which will all help to support the price quoted.
>
> "Let me know your thoughts on how best to approach this with them."

Mr. Stone's reply was:

> "I definitely think a feasibility study proposal is required for this level of fee. The proposal will form the first impression of Regis and how much work will be involved and how much money the Mutual cost them – but we don't want to frighten them away or make them think Regis is going to be expensive! Therefore I would definitely include a large rebate element if they proceed to sign a contract – perhaps as much as 30% so Regis is seen as providing excellent value for money. And of course you will make much more fees with the set up and the ongoing management.
>
> "350 hours is the equivalent of 10 work weeks – are you sure it will take this much time? At the moment the CC were suggesting we start with just the 5C's product, so asking for

> £40k for one product does seem high; or if it is also for all other products we need to make sure this is clearly identified.
>
> "My fees – I would suggest 12.5% of the feasibility study at this stage – there again it depends on how much work I will be involved with – I would suggest this would involve me attending the CC meetings and coming up to your offices a few times.
>
> "I would also like to get my fees agreed with Regis before we go much further with CC. Yes I am happy with working as an 'account manager' 3 days a week at £1000 per day, but I also want an introductory fee that reflects the volume of business. As the value of the business is high I suggest 0.5% of new, and subsequent renewal, premiums moved into the mutual (5C's and/or other products).
>
> "Please can you confirm this is acceptable."

Mr Gudopp came back:

> "….
>
> "Part of the feasibility study will also be gauging workloads (sales volumes, renewal volumes, claims count, future sales projections/marketing activity/plans, board meeting frequency etc.), with some elements of this work being done within the Caravan Club itself – with the mutual delegating this work out to them and paying a fee for those services etc. That's the section of work where we will also take up your income requirement into the overall mix and total.
>
> "So we'll build your element into the feasibility cost, with your ongoing income requirement being built into the Regis costs for operation of the mutual which will be an output of the feasibility study.
>
> "I trust all make sense and is what you/they will be expecting to be undertaken."

35. There, according to Mr. Stone, the matter rested for a little while. At paragraphs 21 to 23 of his statement, he sets out his account of what followed:

> "21. Mr Koronka is the managing director of the Defendant and the first occasion I met him was on 5th October 2016 when I met with him and Mr Gudopp at the Defendant's offices. This meeting was a general TCCL catch up meeting and was followed by lunch at Village East restaurant nearby. We did not discuss my fee agreement at that meeting but soon thereafter I reiterated Premia's fee agreement by email to Mr Gudopp, Mr Thurgood and Mr Koronka via email on 25th and 26th October

> 2016 (copies shown at pages 68-70a) confirming the fees for the introduction were 12.5% commission of the feasibility fees paid to Regis plus 0.5% of the sums being moved into the TCCL mutual and that I would accept the role Account Manager role at £1,000 per day. In response Mr Koronka said he would discuss it with Mr Gudopp and Mr Thurgood later today and get back to me before a TCCL meeting the next day.
>
> "22. I arranged and attended a follow up meeting between TCCL and the Defendant on 27th October 2016 to further discuss the proposed TCCL mutual and at this meeting TCCL, Defendant and I, representing Premia, signed a joint three way Non-Disclosure agreement to protect our respective positions.
>
> "23. A further meeting between the Defendant and I was scheduled for 1st November 2016 at Regis's London office. It was attended by Mr Koronka, Mr Thurgood and I and we discussed the TCCL mutual and Premia fees. I again reiterated I expected 12.5% Feasibility fees commission and 0.5% commission on the sums in the mutual. Mr Koronka said he wanted me to work as account manager for at least 4 days per week, not 3 days as suggested previously but he thought £1,000 to be the rate charged by top consultants. I clearly recall that Mr Koronka asked Mr. Thurgood to check that the fee elements had been factored into the business model and Mr Thurgood looked on his laptop and confirmed that indeed they had. This further cemented my view that my fees had been agreed. When the meeting concluded we all shook hands sealing the agreement and I left the office feeling comforted that the Defendant had now expressly agreed to pay my fees in line with what I had requested. If I had thought otherwise, I would not have continued to work on the relationship and the deal. I am now aware that Mr Thurgood had prepared a spreadsheet on 26th October 2016 for this meeting that recorded the three fees payable: 0.5% = £110,280.55, 12.5% feasibility = £5000, and Day rate = £132,000, payable per annum. That spreadsheet is shown at page 71. As the electronic file date stamp 'properties' of that spreadsheet display, this was later amended and last saved on 30th August 2017 when it additionally included the unexpected £20,000 completion gratuity payment to Premia from TCCL and further calculated negotiating positions ready for the Premia fee meeting on 30th August 2017."

36. Mr. Gudopp set out his recollection of events in his witness statement:

> "6. Mr. Stone first submitted his earn expectations in response to a request from me for his earn requirements from the feasibility study. Whilst we included his earn request from the feasibility study within the overall price quoted for the feasibility study, his earn request in relation to an operational mutual introduction was premature and un-actionable.

> "7. At that point in time we were pitching for the feasibility study as this was a vital step in ensuring the potential business from the Caravan Club was viable. Some mutuals, including this one, can take a long time to establish. They are bespoke products that require careful design.
>
> "8. At this stage in August 2016 we had no idea what the mutual might look like; it's size, viability, profitability, etc. We also had no idea what the Regis fee for the services would look like and certainly could not put any shape, form or quantification to what Adrian's earn might look like.
>
> "9. I was a little surprised by his request on his earnings because anyone with mutual experience knows that you are unable to put numbers to agreements at such a premature stage, especially where the details of the contract are yet to be negotiated. The value of the mutual still needing to be proved. Excessive costs could easily make it unviable and cause the project to lapse.
>
> "10. Following the awarding of the feasibility contract to Regis, I temporarily relocated to New Zealand for a twelve month period. So my involvement for the following 12 months moves from first hand to second hand after this point….."

37. Mr. Koronka in both his written and oral evidence emphasised that Regis does not pay referral fees for introductions. Although Mr. Koronka was not directly involved in discussions with Mr. Stone until about October 2016, he refers in his witness statement to the email exchanges in August which I have set out above, including the discussion about the feasibility study and said:

> "23. The reason for including the feasibility fee in this modelling exercise was to ensure that all possible costs for the mutual as a whole could be accommodated within the financial plans for the mutual to ensure it could remain profitable. After this rough calculation Mr Stone's proposal was given no further consideration other than to note his demands and make clear that such discussions in relation to the mutual commission were premature at that time. Furthermore that it was expressly stated that any agreement on fees could only be made with senior Regis executive agreement.
>
> "24. At this stage Mr. Stone's feasibility fees would have needed to be included into the feasibility study stage as a prudent precaution to find out whether they were at a sustainable level however we did not know at this point, what the final contract value would be or indeed our own costs for designing and administering the mutual scheme. So whilst potential fee demands were noted, there were no incomes yet firmed up to compare them with. Cost was only ever one consideration as it became clear during the extended

> negotiations with the Caravan Club that the management contract would be on a different basis to the normal fully outsourced model. It was made clear to the Caravan Club from that point on that Regis' fees were not going to based on time and trouble but rather for the use of the accumulated IP and know-how that Regis had developed over the past 13 years. IP without which the scheme could not have been put into existence in such a short time or at all.
>
> "25. On the 26 October 2016 Mr. Stone emailed me to again state his proposed fees and asked to meet before a meeting with the Caravan Club the following day. **[Exhibit PK1, page 7]**. I was unable to do so but said I would discuss the proposal with David Gudopp and Graeme Thurgood **[Page 7]**. In our internal discussions we decided it was too early to make any such determination at such an early stage with much work to complete before any view on remuneration and future employment could be made.
>
> "26. On the 1 November 2016 Mr. Stone met with myself and Graeme Thurgood. It was a review of the progress that had been made and the next steps. Mr. Stone continued to press for agreement to his fee demands and was always given the same answer – namely that there could be no agreement until it was known what the scope of the management services were to be in the future, the cost of these services and the possibility of employing Mr. Stone in some ongoing capacity."

38. Then later in his statement, Mr. Koronka continued:

> "33. On the 7 April 2017 Mr. Stone and I met. It had become apparent that Mr. Stone was not qualified to be a mutual manager. He had already floated the idea of other introductions he could make (Golf Clubs was one such suggestion he came up with). So I instead said that we could explore the possibility of him becoming a business development manager and that going forward remuneration could be linked to the work he would do developing new business. It is fair to say however I was quite sceptical about his ability to develop worthwhile leads short of trawling through lists of names and try a few approaches. On this basis we have received many scores of suggestions over the years.
>
> "34. On the 10 April 2017 Mr. Stone emailed me to say that he was not adverse to changing how he was remunerated so long as it was in line with what was agreed in October 2016 **[Exhibit PK1, page 8]**. I found this a strange position as it was quite clear from our emails that nothing had been agreed in relation to remuneration. At this point the Defendant still did not know how much they would earn from the contract with Caravan Club.

"35. By an email of the same day I responded to Mr. Stone to say that we could not agree to link his earnings to the income of the mutual and that his remuneration would need to be linked to what Regis actually earned **[Exhibit PK1, page 9]**. To link his earnings to what was paid into the mutual would have been a completely irrational decision for us. First of all it goes against the principle enunciated above to reduce frictional costs for the client and secondly, we have no control over what is paid into the mutual. It would have therefore exposed us to a completely unknown sum to be paid to Mr. Stone which would have no bearing on what we had actually earnt. If for instance the earnings of the mutual fell far short of expectations the Regis costs and cost of the provision of IP might not be covered by the fee less the commission. I did not believe anyone, faced with this proposition, would agree to it. When negotiating our fee with the client, naturally we would have had to disclose the composition and no client would be willing to agree to pay fees of that magnitude. In our experience, cost is only justified where value is created.

"36. On the 27 April 2017 I again emailed Mr. Stone to say that discussions relating to the Claimant's remuneration would need to wait pending the outcome of what was agreed with the Caravan Club. On the 10 May 2017 Mr. Stone emailed to see whether he could progress his agreement. I said that it was not possible and he persisted by asking whether it was not possible to progress the Premia agreement. Again, I said that we didn't yet know where we stood with the Caravan Club on final fees. As I had indicated to Mr. Stone, his remuneration had to be linked to what we earned. The expectation that it would be linked to what was earned by the mutual was unrealistic for all the reasons given above. I exhibit a copy of these emails hereto at **[Exhibit PK1, pages 10-13]**.

"37. As mentioned earlier, during the period when we were working on the Feasibility Study there was very little engagement from Mr. Stone that was of any value. Although we kept him involved in providing copies of drafts these were provided ultimately as a matter of courtesy. Mr. Stone attended most (but not all) meetings with the Caravan Club but as I have mentioned earlier I do not recall any constructive intervention or suggestion emanating from him apart from seeking agreement on his fees.

"38. On the 10 August 2017 Regis entered into a management contract with the Caravan Club for commencement in March 2018. The terms of this agreement were that Regis would receive a yearly fee of £1.1m for 4 years as well as £300k for the initial setup.

"…

> "40. On the 15th August Mr. Stone again pushed for the fees he had previously said had been agreed. On the 17th August 2017 I responded to say that his fees were hard to justify in the circumstances and were certainly out of the ordinary for any introducers agreement I had heard of. **[Exhibit PK1, page 14]**. His proposal in the email of the 15 August 2017 was that he would receive a total compensation of £302k made up of 0.5% of the money paid into the mutual plus 3 days a week. That figure represented just over 27% of the total fee earned by Regis under the contract as it was initially envisaged and a far high percentage of the contract that was eventual renegotiated. Such a figure was simply preposterous as Mr. Stone had very little man hours invested into the setting up of the scheme and had absolutely no ongoing commitment or skill in terms of the management of the mutual while the Defendant had to ensure that the Club operated properly as a mutual observing all the regulatory requirements such as they were; a day-to-day task for the duration of the contract….
>
> "…
>
> "44. It was my impression at this point that Mr. Stone was seeking a windfall for an introduction that he had put a comparatively small number of man hours into and was to have no ongoing involvement in."

39. I also had evidence from Mr. Thurgood, who, as I have said, was previously employed by Regis, said in his witness statement:

> "12. I can confirm that the Claimant made edits to the Feasibility Study proposal document sent to TCCL on 16th November 2016 that resulted in the Defendant winning the contract to prepare a Feasibility Study, for TCCL at £40,000 on 21st December 2016[1]. This was only part charged at £20,000.
>
> "13. I recall that the Claimant's request for fees was set out in several emails sent at the material time and amounted to:
>
> "a. 12.5% commission of the feasibility fees paid to the Defendant;
>
> "b. 0.5% of the sums being moved into the TCCL mutual;
>
> "c. Account manager role at £1,000 per day.
>
> "14. I prepared a spreadsheet for the Defendant on 26th October 2016 showing the Claimant's fees ready for the meeting on 15[1] November 2016, this was to show the

[1] The statement gives the date as 2017 but that is clearly a typing error

> imbalance of the Claimant's introduction costs versus the Defendant's ongoing services and costs.
>
> "15. I attended a meeting on 1'[1] November 2016 where the Claimant met Mr Koronka and I at the Defendant's offices for a meeting regarding the TCCL mutual and the Claimant's fees. I recall that, in addition to the 12.5% Feasibility fees commission and 0.5% commission on the premiums/contributions in the mutual, Mr Stone also wanted 3 days a week consulting for the Defendant on the TCCL account, at the cost of £1000 per day. The Defendant explained to the Claimant that this was unlikely to work as the Defendant needed someone full time or at least 4 days a week. The Defendant did not want Mr Stone as the mutual manager or account manager and already had someone in mind to manage the mutual. The Defendant did not need the Claimant or Mr Stone's services to manage the proposed mutual. The Defendant was only willing to work with the Claimant for the introduction of TCCL and considering future potential introductions only.
>
> "16. I did not consider the Claimant's fees to be settled between the parties as nothing had been agreed with the Defendants Exec team or Board or with TCCL. However, on 21st December 2016, I was given authority from Mr Koronka to pay the Claimant 12.5% commission (£5,000 plus VAT) on the feasibility fees to the Defendant from TCCL, even though the Defendant had only been paid 50% of the fee from TCCL and subsequently reduced to £20k, providing Mr Stone 25% commission."

40. The spreadsheet referred to in paragraph 14 of Mr. Thurgood's witness statement was placed before me. It had a line *"Premia ongoing expectation"* against which for the first year was a figure of £242,280.55, for the second year £110,280.55 and finally for a third year £41,800.

41. Although Mr. Koronka did not mention this in his witness statement, Mr. Thurgood recorded an offer made to Mr. Stone in 2017:

> "30. On l6th August 2017, I emailed the Claimant and said I had spoken to Mr Koronka who will contact Mr Stone regarding the Claimant's fees.
>
> "31. I subsequently set up a meeting for the Claimant and Defendant on 30th August 2017 to discuss the Claimant's fees. I revised the original spreadsheet from 26th October 2016 displaying alternative fee option for the Claimant which I gave Mr Koronka in readiness for this meeting, again this provided a range of fee suggestions, from memory of £50,000 -100,000 per annum considering the introductory nature of the arrangement and the likely final fee income.

> "32. I will confirm that at the meeting Mr Koronka offered the Claimant a percentage% of the annual Income from the TCCL management contract which Koronka said equated to £75,000 per annum. The Claimant stated that this in no way matches the original agreement from October 2016, being 12.5% of Feasibility Study fees, 0.5% of the sums in the mutual plus £1,000 per day for 3 days a week.
>
> "33. I tried to reason with the Claimant, that the Defendant would not be using the Claimant's day rate services and therefore his original fee was reduced to take that and the overall TCCL fee reduction into account. The Claimant was not accepting of this or that his fee requirement was disproportionate to the Defendant's potential profit. The meeting was terminated."

42. It is not in dispute that that offer was made and that it was not accepted by Mr. Stone: it was subsequently withdrawn by Regis.

43. In the course of cross-examination by Mr. Jones for Regis, Mr. Thurgood said that it *"was always the intention to remunerate Adrian"* (i.e. Mr. Stone). He confirmed this in re-examination. This was consistent with his evidence in paragraph 34 of his witness statement that *"it is my reasonable belief that the Defendant always intended to agree to a reasonable sum and pay the Claimant for introducing the TCCL business."*

44. As the above recital of the evidence shows, there are some significant differences in the evidence, but there is also much common ground.

45. The first major difference between the parties is as to what was said in the initial conversation between Mr. Stone and Mr. Gudopp in April 2016.

46. As background to that conversation it seems to me important to keep in mind:

    i) The evidence from Regis's witnesses that Regis did not pay referral fees, but was willing to pay for services rendered certainly in respect of time spent;

    ii) Mr. Stone was not entering into this arrangement from the goodness of his heart: it must have been obvious to Mr. Gudopp in that first conversation that Mr. Stone would be after some remuneration;

47. In those circumstances it seems to me probable that Mr. Stone did say something about expecting some sort of payment, and that at the lowest Mr. Gudopp did not suggest that that would be unreasonable. Thus I accept that during that initial conversation Mr. Stone did say something about Premia expecting payment and Mr. Gudopp did not dissent. What form that remuneration would take was not then discussed.

48. There is some dispute about when the subject of payment next came up: as I have set out above, it is Mr. Stone's evidence that at the meeting on 12 August he raised his expectation of an introductory fee. I accept that evidence: it seems to me

overwhelmingly probable that he would have wished to discuss that at the earliest realistic moment.

49. I also accept that at that stage there was no express agreement in principle as to the payment of such a fee, still less as to the way in which it should be calculated: from Regis's point of view there was a continuing reluctance to commit to any introductory or referral fee, and it was too early from Regis's point of view for such a fee to be agreed.

50. As I have set out above, it is Mr. Stone's evidence in paragraph 23 of his witness statement that at a meeting on 1 November 2016 he again reiterated that he expected *"12.5% Feasibility fees commission and 0.5% commission on the sums in the mutual"* and that the meeting concluded with hands being shaken.

51. As set out above, before that meeting an internal model had been prepared by Regis which allowed for payment to Premia/Mr. Stone on this basis.

52. There is no dispute that at the 1 November 2016 Mr. Stone *"continued to press for agreement as to his fee demands"* (paragraph 26 of Mr. Koronka's witness statement). It is also common ground that at no time between that meeting and Regis reaching an agreement with CC did Regis say to Mr. Stone that no introductory fee would be payable.

53. In paragraph 9 of the Defence a positive case is pleaded as follows:

> "(iv) Notwithstanding Stone/Premia's commercial expertise and success in the business of introducing commercial opportunities Stone failed to discuss or attempt to secure an introductory fee for the Caravan Club business. There was neither agreement to pay a fee for such business nor a legal basis upon which one could be claimed or demanded. This reflected the basis upon which Stone dealt with the Caravan Club. Stone left the matter of compensation to the Caravan Club who responded with an ex gratia payment of £20,000.
>
> "….
>
> "(vi) It is averred that the reason for Stone not wishing to secure a legally binding introductory fee was because of an ulterior motive namely to appeal to Regis and secure a [position] as a mutual manager. This proved to be unsustainable by reason of Stone's avarice and secular inabilities in the field of mutuals."

54. This pleading was signed by Mr. Jones as counsel for Regis rather than by any director or company secretary of Regis. The assumption is that it is based upon the instructions which Mr. Jones received from Regis. It is not clear from whom those instructions would have come given that it is at odds in important respects with the evidence of Regis's witnesses before me. In particular:

i) It is quite contrary to the Regis witnesses' evidence that *"Stone failed to discuss or attempt to secure an introductory fee for the Caravan Club business"*: on the contrary the evidence is that he tried repeatedly both to discuss and to attempt to secure such a fee;

ii) There is no support at all for the suggestion that *"Stone left the matter of compensation to the Caravan Club"*;

iii) The suggestion that Mr. Stone did not wish to secure a legally binding introductory fee is contrary to the evidence of the Regis witnesses.

55. I have considered whether I should draw some adverse inference(s) from the discrepancy between the case pleaded and the evidence adduced by Regis, but have decided that I should not. I have no reason to suppose that this misleading pleading arose from any direct instructions from any of the witnesses called. However, it is unfortunate that Regis's legal team did not seek to correct the record once the witness statements made it clear that the Defence was materially inaccurate.

56. I make the following factual findings, some of which I have already set out above:

i) I accept that it was not the practice of Regis to pay introductory fees;

ii) In April 2016 Mr. Stone did say something to Mr. Gudopp about expecting some sort of payment, and Mr. Gudopp did not dissent;

iii) What form that remuneration would take was not then discussed;

iv) Mr. Stone again raised his expectation of an introductory fee at the meeting on 12 August 2016. He raised the issue again in his emails of 25 August 2016 (see paragraph 34 above);

v) In October 2016 Regis prepared an internal model on the basis that an introductory fee would be paid;

vi) As I have recorded at paragraph 43 above, it was Mr. Thurgood's evidence that it was always the intention to remunerate Mr. Stone. Whilst Mr. Thurgood was not in on the negotiations from the beginning, by October 2016 he was in a position to know what was Regis's internal expectation, and I accept this evidence;

vii) On 1 November 2016 Mr. Stone again raised the issue of an introductory fee. This was not dismissed by Regis;

viii) There were then further discussions in April 2017, as confirmed by Mr. Koronka (see paragraph 38 above). It is important to note in paragraph 35 of Mr. Koronka's witness statement he said *"By email of the same day* [10 April 2017] *I responded to Mr. Stone that we could not agree to link his remuneration to the income of the mutual and his remuneration would need to be linked to what Regis actually earned …"*. This was very far from being a rejection of the suggestion of an introductory fee being paid;

ix) I accept that Regis was unwilling to agree the terms of any introductory payment until its agreement with CC had been concluded;

x) In August 2017, after the agreement between Regis and CC had been concluded, Regis did make Mr. Stone/Premia the offer of an introductory fee, but the offer was not accepted, and was withdrawn (see paragraphs 41 and 42 above).

57. From that recitation of the facts as I find them to be, I hope it is clear that at no point did Regis expressly agree to pay an introductory fee, still less the basis upon which such a fee would be calculated.

58. It is Regis's case as pleaded and as put forward in the evidence that it was Mr. Stone who first suggested that he might have a job as the account manager of the scheme if and when it was agreed with CC. Mr. Stone contests that. I have some difficulty in deciding who is right about this, but on the balance of probability it seems to me that this suggestion came first from Regis as a way of giving Mr. Stone some reward for his role as introducer and thereby to avoid breaching Regis's policy against payment of an introductory fee. I come to that conclusion because the terms of Mr. Stone's second email quoted in paragraph 34 are consistent with his evidence that he was responding to a suggestion coming from Regis. In the event I do not regard anything of importance as turning on this because (1) Mr. Stone never indicated that such employment would be acceptable to him as his/Premia's sole reward; (2) Regis never indicated that this would be the only basis upon which it would be willing to reward Mr. Stone/Regis; and (3) in the event Regis decided it did not wish to engage Mr. Stone as account manager: whether that was or was not a reasonable conclusion does not matter, since once that decision had been made by Regis, this possible solution to the question of reward for the introduction fell away, leaving only two options: no reward at all or payment on some other basis.

How the claim is put

59. The Claimant puts its claim on three alternative bases, the third of which has three sub-grounds:

i) Implied contractual term;

ii) Restitutionary claim for reasonable remuneration for services provided;

iii) Quantum meruit:

a) Unjust enrichment;

b) Free acceptance;

c) Estoppel.

Claim based in contract

60. It is the Claimant's case summarised in paragraph 8.1 of Mr. Ashwell's opening skeleton argument that the parties agreed orally and in writing that Premia would perform services by introducing Regis to CC, helping Regis to develop a mutual

scheme and helping Regis negotiate and secure a mutual contract. Premia and Regis's agreement left the consideration for Premia's services to be determined between them. It never was. Section 15 of the Supply of Goods and Services Act 1982 fills the gap, implying a term that Regis would pay a reasonable charge for Premia's services.

61. In support of this case, Mr. Ashwell refers to the decision of Mr. Hugh Simms Q.C. in *Melissa Stonard v Green Shoots Capital UK Ltd.* [2021] EWHC 927 [Ch] in which the learned Deputy Judge held at paragraph [131]:

> "I conclude, having regard to the above principles, that:
>
> "i) Even if no oral agreement was reached, it is clear that there was a contract for services and those services were provided;
>
> "ii) It follows a term should be implied that reasonable remuneration is payable;
>
> "iii) That remuneration is to be assessed objectively and by reference to the market price or value for the services, which were freely accepted and which Green Shoots derived a benefit from, and accordingly any subjective views on the part of Green Shoots, or indeed Mrs. Stonard, as to worth, is to be ignored, but
>
> "iv) The court may take account of the discussions in relation to fees which took place between Green Shoots and Mrs. Stonard, as well as to the expert evidence as to the market practice."

62. For Regis, Mr. Jones refers to the decision of H.H. Judge Keyser Q.C. in *Moorgate Capital (Corporate Finance) Limited v H.I.G. European Capital Partners LLP* [2019] EWHC 1421 (Comm). Mr. Jones summarises the effect of that decision in paragraph 5 of his written closing submissions, submitting that it has remarkable similarities, both in law and fact, to this case:

> "(a) there was no agreement between the parties: (i) there was no written evidence although one would reasonably expect such evidence to exist in the circumstances; (ii) the parol evidence was vague and not shared;
>
> "(b) D rarely paid introductory fees;
>
> "(c) an NDA was in place;
>
> "(d) the Claimant was a 'disappointed risk taker';
>
> "(e) the parties thereto were in frequent contact and communication;
>
> "(f) the claims in contract, unjust enrichment, quantum meruit, free acceptance and restitution failed."

63. The dividing line between a claim in contract and a claim for unjust enrichment on the basis that there was no contract but compensation should nevertheless be paid is often difficult to draw in cases such as this where the claim is for an introductory fee.

64. That this is so appears to me to be reflected in paragraph [85] of the judgment of Lord Reed JSC in *Benedetti v Sawiris* [2013] UKSC 50; [2014] A.C. 938:

> "The case, as advanced on behalf of Mr. Benedetti, is concerned with services provided and accepted in the expectation of reward under a contract which in the event was not concluded. A contract, referred to as the acquisition agreement, had been entered into at an early stage in the parties' dealings with one another, but it had envisaged a venture of an entirely different contract from that subsequently entered into, and the only inference which could be drawn from the parties' conduct was that they had tacitly agreed to abandon that agreement. Mr Benedetti nevertheless provided his services to Mr Sawiris and his companies (which can for present purposes be elided with Mr Sawiris) in circumstances where it was understood that Mr Benedetti expected to receive some form of reward, but where there was no agreement, or even a loose understanding, as to the form which such a reward might take or as to its amount. It might perhaps have been possible in those circumstances to argue that there was a contract with an implied term that reasonable remuneration would be paid, and the court would then have determined what, in the whole circumstances, ought to be regarded as reasonable remuneration. The case has not however been brought on that basis. Instead, Mr Benedetti has brought a claim based on unjust enrichment: a claim of a fundamentally different character."

65. In cases arising out of the banking and financial services industries, particularly where very large transactions are the focus of the introduction, a court will be very reluctant to infer any contract to pay an introductory fee in the absence of either a written agreement or very clear oral evidence. This seems to me to be an important aspect of the reasoning of Thomas J. in *Becerra v Close Brothers* (unreported: judgment dated 25 June 1999) and of H.H. Judge Keyser Q.C. in *Moorgate Capital (Corporate Finance) Limited v H.I.G. European Capital Partners LLP* (referred to above).

66. In this case Mr. Jones understandably relies upon the absence of any written agreement or even any clear oral evidence as to the existence of an agreement.

67. He does not seek to elevate the discussions between the parties to an understanding between them that in the absence of a firm agreement (even if not in writing) no fee would be payable.

68. In my judgment, on the basis of the factual findings I have made above, whilst it was an unspoken understanding on the part of Regis, there was a common understanding between the parties that Mr. Stone/Premia would receive some financial reward from Regis if his introduction to CC bore fruit. There was no agreement between the

parties as to how that reward would be calculated, but both parties expected it would be based upon either the turnover of the mutual (Mr. Stone's position) or the net profit from the arrangement to Regis (Regis's position).

69. In my judgment this is a marginal case, but my conclusion is that there was a sufficient meeting of minds between the parties to constitute a contract under which in return for effecting an ultimately successful introduction Premia would receive a reasonable fee for that service and any other associated services which Regis requested it to provide.

70. In reaching that decision, I have been assisted by some of the distinctions which H.H. Judge Keyser Q.C. made in the case upon which Mr. Jones principally relies, namely the *Moorgate* case.

71. Firstly at paragraph [94] the learned judge said:

> "there is no reason to suppose, and it was not suggested, that the parties acted in the mistaken belief that there was a contract for fees."

In this case it is Mr. Stone's case, which I accept, that it was his subjective belief that Regis had agreed to payment of an introductory fee by the hand shake on 1 November 2016.

72. Secondly, at paragraph [95] the learned judge held:

> "I find that neither Moorgate nor HIG understood that Mr. Mockett's work in respect of Bezier would attract a fee, at least unless an agreement was made."

Here, by contrast, both parties understood that some fee would be payable.

73. Thirdly, he said at paragraph [98]:

> "…the courts ought not to be quick to suppose that commercial parties who are well able to make contracts with each other expect payment to be made in the absence of a contract. There may be such cases ….. but they are not the default position. The remarks of Thomas J in the *Becerra* case, relied on by HIG, are particularly in point in the present case. Mr. Mockett was well able to put a fee proposal to HIG but, for whatever reason, he did not do so. Nor did he provide services on the basis of an understanding that they would be paid under a fee agreement to be made when more detailed information was available."

Here, by contrast, Mr. Stone did put forward a fee proposal, and he also understood that he would be paid a fee in due course.

74. Fifthly, at paragraph [100] the learned judge said that the services provided were modest. In this case the services provided by Mr. Stone were of central importance. Allied with that is the learned judge's sixth point – in paragraph [101] of his judgment

he held that in the *Moorgate* case the introducer's influence was not the effective cause of the transaction: in this case the Regis/CC scheme was entirely Mr. Stone's idea. Without his vision the transaction would never have happened.

75. Accordingly, far from the *Moorgate* case assisting Regis, it seems to me the factual differences assist Premia. For these reasons, Regis's refusal to recognise any obligation to pay any introductory fee to Premia is a breach of its contractual obligations to Premia.

Restitutionary claim for reasonable remuneration for services provided

76. Whilst conceptually there may be cases succeeding as a restitutionary claim which would fail as a claim in contract or for unjust enrichment, I find it difficult to conceive of any such situation on the facts of this case: in my judgment this claim succeeds either in contract or for unjust enrichment or not at all.

Quantum meruit: unjust enrichment

77. As I have set out above, the claim for a quantum meruit is put forward on three separate bases, but in my view if not a claim in contract, it is a claim for unjust enrichment or nothing. A claim based on estoppel is not in classic analysis a basis for a claim, and on the facts of this case I see no grounds for maintaining a claim upon the basis of an estoppel if other bases of claim fail.

78. As to free acceptance, that seems to me on the authorities to be concerned with whether there has been unjust enrichment rather than a separate basis of claim.

79. Whether I am right on those points or not seems to me irrelevant because this seems to me a case in which if I am wrong as to my conclusion on the case based in contract, there is a legitimate claim for unjust enrichment,

80. In *Benedetti v Sawiris* (referred to above) Lord Clarke of Stone-cum-Ebony JSC said at paragraph [10] of his judgment:

> "It is now well established that a court must first ask itself four questions when faced with a claim for unjust enrichment as follows. (1) Has the defendant been enriched? (2) Was the enrichment at the claimant's expense? (3) Was the enrichment unjust? (4) Are there defences available to the defendant?"

81. Taking each of those questions in turn:

i) Regis has been enriched by what has proved to be a profitable arrangement with CC (see below);

ii) In the sense that Premia/Mr. Stone had the idea, effected the introduction and contributed to the eventual agreement because of the trust which Mr Stone had engendered in CC for his advice, if Premia were to be unrewarded it would be at the expense of Mr. Stone's contacts, ideas and ability to cement the relationship because of the trust which was a feature of his relationship with CC;

iii) If Premia/Mr. Stone were to be unrewarded in circumstances where from the outset both understood that he expected to be rewarded, that would be unjust;

iv) There are no defences available to Regis to avoid the consequences of (1) to (3) above.

82. Consequently, had I not concluded that Premia has a valid claim in contract against Regis, I would have held that Premia had and has a valid claim against Regis for unjust enrichment.

Quantum

83. Whether Premia's entitlement is calculated as an entitlement to be paid what is due pursuant to an implied term of a contract or as compensation for unjust enrichment, it seems to me that the amount payable to Premia by Regis will be of the same order.

84. The amount payable on either basis would not be reasonably reflected by the time spent by Mr Stone: the real value was Mr Stone's recognition of an arrangement which he was uniquely able to being to fruition to the mutual advantage of both CC and Regis. The time taken by him is not an accurate metric to use as anything other than a subsidiary factor in assessing the value of what Premia enabled Regis to achieve.

85. It seems to me that the fundamental factor is what the arrangement that Mr. Stone's vision created for Regis generated as an increase or decrease to Regis's bottom line.

86. In that respect I have the advantage of evidence from Mr O'Donnell, the Chief Financial Officer of Regis.

87. The figures which he has produced show that between 2017 when the arrangement started and February 2022 it is projected that the gross income to Regis will be £3,226,061. Against that there are direct costs of this block of business of £1,103,116. This leaves a profit before tax of this block of business of £2,122,948.

88. In Regis's management accounts a further £512,967 is allocated against this block of business as being an allocation of the overall overheads of the Regis business to this part of its business.

89. In assessing what is due to Premia, it seems to me that what is payable should reflect the additional value to Regis of the new CC business which was additional to Regis's existing block of business.

90. On this basis the allocated overheads should be kept out of account for the exercise upon which I am engaged.

91. There has been a dispute between the parties as to whether, if an introductory fee is to be paid, it should be based upon the income of the mutual or the income derived by Regis. This seems to me somewhat academic since what Premia should receive would always sensibly be tied to the improvement of the arrangement to Regis's bottom line as a result of the business introduced. It matters not whether the base figure is calculated as a low percentage of the gross income of the mutual or a significantly higher percentage of Regis' net profit in respect of the business

introduced after allowing for the costs and expenses incurred of running the business, so long as after calculations Premia/Mr. Stone receive a fair figure for the net value to Regis of the introduction which benefitted Regis as a result of the arrangement between Regis and CC.

92. Reflecting this, it seems to me entirely appropriate that the starting point for present considerations should be Regis's actual gross profit from the arrangement before allocated general overheads. In the extended period referred to in paragraph 87 above that amount was about £2.1M on Mr. O'Donnell's figures – I return below to those figures.

93. The question then is, on the assumption that as a result of Mr Stone/Premia's introduction to Regis, Regis made a profit in that period of about £2.1M, what is the reasonable fee payable which should be paid by Regis to Premia?

94. On this issue I had the advantage of evidence from two expert witnesses. For Premia, I had the benefit of evidence from Mr Clegg who had a background in insurance broking arrangements. For Regis, I had the benefit of evidence from Mr. Clokey, whose background in this particular context is in respect of transactions in the financial services industry.

95. Neither of these experts had experience precisely in the area of contracts for the management of mutual insurance arrangements. Their figures gave me a wide range between Mr Clegg's figure of 25% of the fees which Regis might receive from CC and Mr Clokey's figure of 5% of Regis's profit after tax and expenses.

96. In deciding where in this very wide range a reasonable fee is to be set, it is important to be clear for what Premia is to be paid. Whilst Mr Stone had a continuing involvement after November 2016, the real value of his involvement was in effecting the introduction which had resulted by November 2016 in a relationship between Regis and CC which was formalised in August 2017.

97. In assessing a reasonable figure, I find the offer made by Regis in August 2017 to be of great assistance. That seems to me to have equated to about 10% of the expected additional net profit before tax of which the transaction would produce for Regis. This is a figure in the middle of the very wide range put forward by the two expert witnesses. (The sums actually offered in August 2017 reflected the then expected profits. In the event the profits after the first year were less than then projected).

98. On the basis of Mr. O'Donnell's figures, that would lead to payment of 10% of the figure of £2.1M set out above.

99. Compensation of that order seems to me to be fair whether the basis of calculation is under an implied term of a contract or compensation for unjust enrichment.

100. As to more precise calculations, after the evidentiary hearing had been concluded there were discussions between the parties which resulted in agreement that in the period to February 2022 Regis's gross receipts would be £3,226,061. It was also agreed that no tax was payable.

101. However, the parties were unable to agree attributable expenditure in that period. I have no reason to doubt Mr. O'Donnell's figure of £1,103,116 resulting in the net figure of £2,122,948 to which I have already referred. In my judgment the principle is that the fee should be calculated on the basis of the additional net profit brought by the CC contract: accordingly, as already indicated, I leave out of account the allocated general overheads.

102. This results in an entitlement on the part of Premia of £212,294 up to February 2022.

103. However, it seems likely that Regis may well continue to receive income from its relationship with CC after February 2022 (the end of the period assessed by Mr O'Donnell). If and insofar as Regis does profit from that ongoing relationship resulting from Mr. Stone's concept and introduction, it seems to me appropriate that Premia is entitled to a continuing fee on the basis of 10% of Regis's net profit each year. This continuing entitlement will be the subject of declaratory relief, as to the terms of which I invite submissions.