

26 SEPTEMBER 2025

THE DUBAI INTERNATIONAL FINANCIAL CENTRE COURTS CLAIM NO: CFI-066-2024

IN THE COURT OF FIRST INSTANCE

BETWEEN:

KLESTA ESHJA
(the “Claimant”)
HAIR CREATORS SALON LLC
(the "Second Claimant")
(Collectively, the "Claimants")
AND

SALAH MASRI a.k.a SALAH MOHAMED ADEL AL MASRI
(the “First Defendant”)
HAIR CRAFTERS COMPANY LTD (TRADING NAME THE GROVE
SALONS) a.k.a HAIR BY SALAH
(the "Second Defendant")
LULIIA VALIULLINA
(the "Third Defendant")
HAIR BY ROJIN SALON LTD
(the "Fourth Defendant")
(Collectively, the "Defendants")

CLAIMANTS’ REPLY TO DEFENDANTS’ APPLICATION NO. CFI-066-2024/8

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1. Introduction

- 1.1. The Claimants refer to the Court's order dated 25 September 2025 directing the Claimants to respond to Application No. 8 filed by the First Defendant acting in person ("Application 08"). The Claimants submit their response by noon on 26 September 2025, as directed.
- 1.2. The Claimants would highlight that subsequent applications have been filed by the First Defendant, on behalf of himself and the Second and Third Defendant as well as independently by the current listed Representatives of the First, Second, Third Defendants and Messrs. Lutfi & Co. Each of the subsequent applications filed address the issues related to the Legal Representation of the First, Second and Third Defendant by Lutfi & Co, together with the costs orders against the First, Second, and Third Defendants.
- 1.3. The Claimants reserve their right to respond to points raised in each of those applications separately.

2. Procedural Background

- 2.1. Application 08 has been served by email and filed by the First Defendant acting in person on 1 September 2025, in essence to highlight that the actions leading to the Wasted Costs Orders issued on 7 August 2025 and 4 September 2025 were not as a result of any wrong doing on the part of the First, Second or Third Defendant, but rather failure on the part of the Defendants instructed Legal Counsel, Lutfi and Co to follow Client instructions, comply with the Court Orders as previously issued and comply with the Rules and Practice Direction No. 2 of 2009 DIFC Courts' Code of Professional Conduct for Legal Practitioner.
- 2.2. The Claimants respond specifically to this Application No.8, without prejudice to their right to respond to other applications.
- 2.3. The Court's record shows that this matter has effectively been at a standstill since the first Case Management Conference on 3 March 2025. At that CMC, the First Defendant, together with the other Defendants, were ordered to make disclosure to the Claimants as per the Order drafted immediately thereafter by the Claimants Counsel and submitted to both the First, Second and Third Defendant on 05 March 2025 and issued by the Court on 18 April 2025. The evidence of the First Defendant at E3 and E4 clearly demonstrates that the First Defendant took the words of advice given by HE Justice Thomas Bathurst in good faith and immediately sought to appoint Lutfi & Co on 13 March 2025. Yet Lutfi & Co failed to notify the DIFC Court of their appointment until 30 June 2025. Nor did they seek to assist the First, Second or Third Defendant in complying with the obligations they were already bound to comply with pursuant to the hearing on 3 March 2025.

- 2.4. On 30 June 2025, Lutfi & Co submitted a Part 37 form (served via email from their legal representative, Harjeet Bhatia), this is not reflected on the Court's file that we are able to see. Thus, our records indicate that the Defendants benefitted from legal counsel from 30 June 2025 onwards.
- 2.5. On 7 August 2025, the Court ordered at paras 2–3 that the 1st–3rd Defendants pay costs.
- 2.6. On 4 September 2025, the Court further ordered costs at para 5.
- 2.7. Despite this, the First Defendant, Salah Masri (self-represented) and Lutfi & Co (acting on behalf of the same Defendants) have filed overlapping applications challenging the costs submitted as per the aforementioned Orders.
- 2.8. Contrary to the First Defendant's assertions in Application 08, the Claimants highlight that procedural irregularities have occurred on the part of both the First, Second and Third Defendants as well by Lutfi and Co. These irregularities ultimately led to the costs orders made on 7 August 2025 and 4 September 2025, for which the First, Second and Third Defendants and their counsel Lutfi and Co are jointly and severally responsible.

3. Issues raised by the First Defendant in Application 08

- 3.1. The First Defendant asserts that he has not reviewed or signed any of the memoranda of defence filed by his former legal representatives, except for a court-ordered affidavit, which he claims he “duly signed without a choice”.
- 3.2. The Claimants note that:
- 3.2.1. A litigant cannot disclaim responsibility for pleadings filed by duly instructed counsel. The memoranda of defence were submitted on behalf of the Defendants by their legal representatives who were properly instructed. Liability for those filings remains with the Defendants.
- 3.2.2. Moreover, the Claimant notes that the affidavit was signed in the presence of another Part II registered lawyer who is registered with another law firm, therefore the First Defendant signed the affidavit with the statement of truth. He had every opportunity to object to the contents prior to signing it and chose not to. If the First Defendant is now stating the Contents are False, this is a serious issue under RDC 2014 Rule 22.32 and 29.137 - 29.138.

- 3.3. The First Defendant further states that, despite multiple requests to his legal representatives to share draft pleadings for his review, he discovered that the memoranda had already been submitted on the Court's e-Registry Portal "in a surprising fashion".
- 3.4. The First Defendant asserts that he has disclosed all agreements "currently in his possession, extracted from emails received from Rak Bank", and claims that any further official loan contracts can only be obtained by Court order addressed to RakBank. The Claimant would highlight to the Court that this is an admission by the First Defendant that he had emails and documents in his possession from RAK Bank related to the Second Claimant which could have been supplied in compliance with the Order made at the First CMC but failed to do so.
- 3.5. The Claimants further submit that the use of the term "extracted" indicates that the disclosure is still partial and selective. Relevant information, including the emails with the loan agreements have not been disclosed.
- 3.6. The Defendant is under an ongoing obligation to disclose all relevant documents in his possession, including emails and electronic data, not merely those selectively extracted from emails.
- 3.7. The First Defendant states that certain attachments, including audio transcripts, were provided to his legal representative but were not submitted because they were deemed unnecessary by his counsel.
- 3.8. The First Defendant states that he has submitted conversations with Mr. Aldo, Mr. Sokol, and Ms. Marsela of Platinum Real Estate to the best of his ability, but that further audio voice notes could be transcribed and submitted only if the Court grants permission. The Claimant would highlight to the Court that this is an admission by the First Defendant that he has the information in his possession and it could have been supplied in compliance with the Order made at the First CMC but failed to do so.
- 3.9. The Claimants submit that partial submission of evidence, as acknowledged by the First Defendant, demonstrates incomplete compliance with the Court's order as the First Defendant had the opportunity to include such references in his affidavit. Lutfi & Co, in compliance with RDC 2014 Rule 28.1, 28.2 and 28.4 were obligated to advise the First Defendant of his obligations in respect of the Court Orders for Production of Documents extending to all classes of medium as per the definitions in the highlighted rules, as well as the First Defendant being obligated to read the rules be familiar with the obligations when acting in person.
- 3.10. The First Defendant submits for the first time in any of the pleadings before the Courts that a Ms. Danica has confirmed that the company's liabilities were disclosed to a Mr. Aldo via printed

copies of the salon's bank statements handed over by her personally. Neither are a party to this matter.

3.11. The Claimants contend that this is irrelevant.

3.12. The First Defendant states that he never intended to challenge the Court or disrupt proceedings, expresses disappointment with his legal counsel, and requests permission to change law firms and resubmit a defence. The Claimants contend that the First Defendant's application contains admissions in which he admits possession of relevant material that was ordered to be Produced in the first CMC that has been withheld, demonstrating wilful non-compliance with Court orders and procedural obligations. His request to submit a revised defence constitutes an attempt to relitigate issues, seeking another bite at the cherry and undermining the process of fair justice for the Claimants. If permitted any further submissions by the Defendants should not delay the proceedings, and the Claimants should be entitled to full costs for reviewing and responding to such submissions.

3.13. The Claimants submit that in line with its previous response submitted on 19 September 2025 in response to Application No 09 which requested for clarifications that Lutfi & Co should be held jointly and severally accountable for:

3.13.1. the mismanagement, unauthorised use of AI and delays caused by Lufti & Co 's inactivity which directly contributed to the wasted costs and disruption of the proceedings, which is now further supported by the First Defendant's application No 8.

3.14. The combined conduct of Defendants and Lutfi & Cos in ignoring the Court Orders and the procedural timetable supports the Claimants' entitlement to indemnity costs or wasted costs against Lufti & Co, in addition to costs against the Defendants, under RDC 38.7 and 38.83-38.87.

3.15. The Court is invited to take this evidence into account when determining both procedural compliance and costs liability of Lutfi & Co.

3.16. It is noted that the First Defendant requests a reduction of the judgment amount due to financial hardship, stating that the request is not intended to challenge the Court's decision. However, the Claimant would highlight no decision on Costs has yet to be taken.

3.17. The Claimants would submit that any request for reduction should be dismissed in light of the admissions of the First Defendant and the further information that has come to light regarding the conduct of Lutfi & Co.

- 3.18. Furthermore, the costs have only increased due to the delays, repetition of documents and failures to comply with the Rules by both the Defendant's and Lutfi & Co, the Claimants should not be burdened with these fees. The evidence demonstrates that Lutfi & Co. were partially responsible for delays, non-compliance, and mismanagement for non-submission of documents, inactivity in following their instructions and the unauthorised use of AI and citing of inaccurate cases and sources. The Claimants are entitled to indemnity costs against Lutfi & Co. in respect of wasted time and additional work caused by their actions.
- 3.19. Both the Defendant and his legal representatives have repeatedly failed to comply with procedural obligations, withheld or delayed submission of evidence, and have caused unnecessary costs and disruption.
- 3.20. The Claimants submit that
- 3.20.1. The First Defendant (the First, Second, Third Defendants) remains liable for costs jointly and severally with Lutfi & Co.
- 3.20.2. Lutfi & Co. should be held accountable by way of indemnity costs for mismanagement.
- 3.20.3. If permission is granted for further Defence submissions, any new submissions should not delay proceedings, and Claimants wasted costs are requested.

4. Relief Requested by the Claimants

- 4.1. The Claimants respectfully seek the following orders:
- 4.1.1. Strike out Application No 08
- 4.1.2. Confirm that liability for costs lies with the the First, Second ,Third Defendants, pursuant to the Orders of 7 August and 4 September 2025 and make Lutfi & Co jointly and severally liable;
- 4.1.3. Order the Defendants to pay the Claimants' costs of and occasioned by these applications on the indemnity basis under RDC 38.7;
- 4.1.4. Alternatively, make wasted costs orders against Lutfi under RDC 38.83 for failing to comply with professional obligations and for causing unnecessary expense and delay.

Sincerely,

Claire Marie Grainger (CMG)

For the Claimants

Dated: 26 September 2025