THE DUBAI INTERNATIONAL FINANCIAL CENTER COURTS

IN THE COURT OF FIRST INSTANCE

CLAIM CFI-066-2024

BETWEEN:

1 - KLESTA ESHJA

(the "First Claimant")

2 - HAIR CREATORS SALON LLC

(the "Second Claimant")

Claimants

AND

1 - SALAH MASRI a.k.a SALAH MOHAMED ADEL AL MASRI

(the "First Defendant")

2 - HAIR CRAFTERS COMPANY LTD
(TRADING NAME THE GROVE SALONS) a.k.a HAIR BY SALAH

(the "Second Defendant")

3 - LULLIA VALLIULINA

(the "Third Defendant")

4 - HAIR CREATORS LTD - LADIES ONLY HAIR BY ROJIN

(the "Fourth Defendant")

Defendants

DRAFT COPY Of AMENDED DEFENSE

First Defendant

19 / September / 2025

PRELIMINARY MATTERS

The DIFC honourable Court, this memorandum is written solely by the First Defendant and based on verified facts, it is free of Artificial Intelligence generated content, and submitted in a draft form subject for the Court's kind acceptance.

Draft Of Amended Defence

Pursuant to Rule 16.1 and Rule 21.7 of the Rules of the DIFC Courts and the liberty to re-plead granted under the order of H.E. Justice Thomas Bathurst dated 4 September 2025 (the “Order”), the First Defendant serves this Draft of Defence and Counterclaim.

(A) with utmost respect, the First Claimant was aware of the loan's existence; indeed, she is well aware that the company loan is secured by a Cheque, which has been signed by the First Defendant in a personal capacity, thereby compelling him to face the legal execution raises of her refusal to make repayments.

(B) The First Defendant respectfully submit that, the Claimant's accusations are not more than a disguise, serving merely as a facade for the intentional and genuine harm inflicted upon the First Defendant.

(C) Her denial to replace the rent Cheques of the leased premises, valued at 796,000, which were also pre-signed by the First Defendant, thereby placing the First Defendant in a significant predicament.
{ Supported by Annexure-D12 }

(D) The First Defendant denies all of the Claimant's allegations of concealment save for those matters expressly admitted herein.

(E) This Draft is submitted alongside the ordered Affidavit confirming compliance with the Court’s directive regarding the use of Artificial Intelligence, re-pleaded with undeniable supporting evidences, Witness Statements, material facts and hope for the Court consideration.

(F) The First Defendant has carefully considered the order striking out the previously filed Defence. This pleading clarifies the factual and legal basis of his defense.

(G) The essence of the First Defendant's position is that the sale of Shares was conducted in good faith, with the First Claimant receiving exactly what was contractually agreed upon.

Brief Introduction

The First Defendant is a hairstylist who has been recognized as "Hair by Salah," which refers to his personal skills and online presence. He is the founder of "Hair Creators," a well-known trade name among salons in the region, established in 2013 as a hair academy. He subsequently established two other hair salons under the same trade name, predating his efforts in forming another salon based in DIFC (the Second Claimant), named Hair Creators Salon Ltd, a business entity commercially registered with its own Trade License. { Supported by Annexure-D39 }

Brief walk through the transaction

1. Negotiations / Purchase offer

1.1 In February 2024, the First Defendant was approached by Premium International Real Estate, represented by Mr. Sokol Cili (owner) and Mr. Aldo (Broker). They discussed the purchase of the Second Claimant without initially introducing their client, the "Buyer." During this visit, the First Defendant, as sole shareholder, openly explained to the agent that the Second Claimant is **burdened by** a Business Financing Loan, with funds credited into its account for equipment purchase and addition of new services. { Supported by Annexure-D48 }

1.2 Initially and verbally, the First Defendant sought AED 2.5 millions as a net price for which he was willing to sell his Shares and sign a formal clearance warranty against all liabilities of the company.

1.3 During a second visit, Mr. Aldo, expressed interest, captured photographs and asked more questions. In response, the First Defendant presented a printed copy of the company account statement along with other company documents, which Mr. Aldo briefly checked.

This disclosure is supported by two witness statements:

- Mr. Shady Zaiat, the Former Accountant of the Second Claimant.
{ Annexure-D8 }
- Ms. Danica Castillo, the Former Receptionist of the Second Claimant.
{ Annexure-D54 + Annexure-D62 }

1.4 The two witness statements contain common affirmations confirming that, liabilities including the business loan, were disclosed at pre-contractual negotiations to Premium International's representatives, who fully handled the agreement on behalf of the First Claimant.

1.5 the First Defendant, electronically via "WhatsApp", shared copies of the same documents, including 12 months account statements clearly showing loan deductions in the name of the Second Claimant, in response to Mr. Aldo's request of the same.

{ Evidenced in Annexure-D3 Page16 }

2. Base Contract

2.1 Premium International drafted a contract titled Memorandum of Understanding, dated 14 but presented on 20 February 2024. By this contract, the First Claimant undeniably and freely offered and signed to buy the company including **all liabilities** and other **obligations**, as clearly stated in on its first page. { Evidenced in Annexure-D1}

2.2 The Claimant offered AED 1.5 million on the contract to buy the company **as is**, for 1 million less than the initial price sought by the First Defendant. This reduction is admitted in the Claimant's Amended Particulars of Claim (14 July 2025 - para 25) and in the Witness Statement of Mr. Sokol Cili himself a similar admission.

2.3 The sum of this reduction is equivalent to the business financing loan of AED 1 million back then that was owed to RAK BANK. This obligation was a well-known aspect during the negotiations and was anticipated to be repaid by the Buyer in accordance to the Loan repayment plan.

3. Second Contract

3.1 A Shares Transfer Agreement dated 20 March 2024 was signed on the 26 by both parties. Its terms were revised and amended by both the First Defendant and the Broker after some disagreements resulted in two written cancellation requests from the First Defendant offering a refund of the deposit. { Evidenced in Annexure-D2 - Page 78 }

3.2 This agreement addressed new requests that arose after the MOU was signed, such as a staged payment plan for the Shares which the First Defendant was not happy to deal with but eventually agreed to Mr. Sokol's request and separated the price into two instalments, 30 days apart.

3.3 The First Claimant signed the "STA," re-confirming her acceptance of the company's Shares along with the **liabilities** and other **obligations** as stated on its first page. { Evidenced in Annexure-D1 Page4 }

3.4 The following provisions do not exist in any of the contracts:

- No warranty for **debt-free** transferred Shares.
- No restrictions imposed on the First Defendant for using the company's funds prior to completed transfer of Shares.
- No post-transfer **work** restrictions imposed on the First Defendant in his personal capacity.
- No provisions to maintain a minimum capital in the bank account during handover or after completion of the Shares transfer.

The First Defendant affirms that such conditions, by any method of writing, contract, or emails, were never signed or agreed.

4. The First Defendant's **Specific Rights** Agreed Upon

4.1 The First Defendant's authority as Manager and his management rights remained unchanged during the probationary period to execute fund transfers, in accordance with Clause 1, Term 2 of the "STA", to which the First Claimant consented by signing it. This authority lasted until complete payment was made by 1 May 2024 while the alleged transactions occurred prior to this date, precisely during March and before.

> "(Term#2) The current company manager, Mr. Salah Masri, on the Trade License remains the general manager during the probationary period with the full rights of company management given to him as per the law of DIFC. This condition continues until the investor covers the full agreed amount of AED 1.5 million." As seen on the STA

5. Bank Access Restrictions

5.1 The First Claimant's late request to pay by instalments was never discussed during negotiations. Upon legal advice the First Defendant took measured steps to avoid any potential exposure to suspicious or illegal transactions through the company accounts while he is still the Authorised Signatory.

5.2 Key protective terms were added to the SPA including a decision to control both company accounts, ADIB and RAKBANK online banking services until the DIFC Authority officially approve the share transfer.
{ supported in Annexure-D2 - Page 75 }

5.3 The First Defendant reaffirms that this measure was a precaution agreed upon in the "SPA" to prevent potential transactions including these of money laundry, and not as alleged to conceal liabilities or mislead the Claimant. { supported in Annexure-D1 - Page 7 }

5.4 Bank statements remained available to all parties upon request. Full login access for both accounts was provided to the Claimant's accountant, Ms. Lulita, on the very day the share transfer final request was submitted to the DIFC Authority 1 May, thereby fulfilling all obligations.

6. The First **Claimant's Specific** Rights Agreed Upon

6.1 In light of the provision outlined in paragraph (7) of the "MOU", the First Claimant was granted the power to terminate the agreement and receive a refund after conducting the due diligence if deemed unsuitable.

> "If the information provided by the seller is found to be invalid or misrepresented, the buyer reserves the right to terminate the contract and receive a refund of the deposit." As seen on the MOU

6.2 Her agreed rights for termination were refreshed and extended for one extra month from the date of signing the "STA".

> "If the information provided by the company is found to be invalid or misrepresented, the investor reserves the right to terminate the contract **within 1** month from the date of signing this agreement and receive a refund of the deposit." As seen on the STA

the First Claimant did not express any issues concerning the disclosed financial status leaving no doubt about her satisfaction.

6.3 Her request by 1 May to acquire 100% of the Shares, followed by payment of the final installment, constitutes a waiver of her termination right by proceeding with the full execution of the sale/purchase registration.

7. Sequence of Important key points

7.1 - Method of Disclosure

The disclosure of liability was made precisely to Mr. Aldo, preceding the preparation of any contract, primarily through presented print copies of account statements showing loan repayments, which were also disclosed electronically via the "WhatsApp" messaging application.

7.2 - Doubtful Delivery

If the purchase was genuinely expected to be free of all previous liabilities, one would expect the broker to have drafted a specific disclaimer for the parties to sign. The absence of such critical document is notable. Their process was characterized by informal verbal exchanges rather than comprehensive written requests or formal submissions, which raises significant doubts as to whether they delivered a clear and complete report of the company's existed liabilities to their client, the First Claimant.

7.3 - Absence of Proven Concealment

The Claimants had never been supplied with altered or counterfeit information of any nature where the debit or any liability remained hidden to support the alleged intentional suppression of a material fact at any time.

There are no proven facts to substantiate the accusations about concealed liabilities because the First Defendant never aimed at obscuring any documents, financial statements, audit reports, or any other records containing debit information.

the First Defendant respectfully assures that, no auditor or accountant were hired by the Claimant to collect, verify and report the financial history of the company and that the First Claimant was not prevented from acquiring any information essential for a decision; rather, the actual issue stemmed from her total dependence on inexperienced third party individuals to perform the financial assessment, which was conducted carelessly before any contract was drafted, followed by a complete disregard for the financial details provided during the due diligence period that was extended from February 14 to May 1, 2024.

The core legal elements of concealment are known to this Honourable Court:

- A Duty to Disclose: The Defendant spoke up and revealed the fact to the Agent.
- Concealment of a Material Fact: No fake material fact was fabricated and/or provided.

- Intent to Deceive: The Defendant has not obstructed any Claimant's efforts to obtain and verify financial information.
- Reasonable Reliance: The Claimant performed due diligence and has not relied solely on the Defendants.
- Resulting Damage: The Claimant has provided no proof of a loss as a direct result of any Defendant's wrongdoing.

The First Defendant assures that at no point did the Claimant present any form of document to serve as **a warranty** against existing liabilities, nor did the First Defendant ever agree to such terms.

7.4 - Requests for Contact Cancellation

30 days following the execution of the contract, no substantive actions were taken by the Claimant to finalize the share transfer, nor were any arrangements made. Consequently, the First Defendant duly expressed his dissatisfaction to Mr. Sokol and formally requested in writing the cancellation of the entire agreement, even offered immediate refund of the deposit. This is substantiated by a "WhatsApp "conversation, which further demonstrates that the allegations of **fraudulent conduct** are so wrong.
{ supported in Annexure-D2 - Page 103/104 + Annexure-D4 }

7.5 - Formally Rejected Provisions

A **work** restriction provision requested to be applied on the First Defendant in his personal capacity, referred to as "Non-Competition," was fully rejected in writing, and full termination of the sale/purchase was again requested before Mr. Sokol refused and insisted on proceeding. A similar provision addressed to "the Company" was then included as a result of a mutual understanding to protect the Second Claimant's **brand name**, which was accepted by the First Claimant and signed upon.

{ supported in Annexure-D2 - Page 106 }

Therein, the First Defendant simply agreed to not set up another salon using the same trade name ("Hair Creators"), which would be considered unlawful competition.

7.6 - Limited Warranty Agreed

The provision labeled "No obligation to third parties" is clearly limited to Suppliers, Landlord, Clients, and Stakeholders only. The First Defendant confirmed his responsibility in that matter to what is stated therein. In light of parts (2.1) and (3.3) of this defence addressed above, the First Claimant offered and signed two contracts buying the Second Claimant "as is," including its liabilities and obligations.
{ supported in Annexure-D1 - Page 9 }

8. Premises Handover / New Representation

8.1 On 26 March 2024, the First Claimant and First Defendant met in person for the first time. The Claimant without requesting any further disclosure signed the Share Transfer Agreement in the presence of Mr. Sokol, instructed Ms. Marsella to pay the first instalment, and departed without making any enquiries.

8.2 Ms. Marsella verbally requested a bank statement from Mr. Shady, the former accountant, which he provided. During this meeting, the First Defendant emailed the DIFC Authority, copying relevant parties, to seek initial approval for adding the First Claimant as a shareholder.

{ Supported in Annexure-D6 }

8.3 Following this, all transitional matters were communicated, agreed, and arranged solely by Ms. Marsella on the First Claimant's behalf, with no further involvement from the broker.
{ Supported in Annexure-D44 }

8.4 The Salon was fully handed over on 1 April 2024, prior to the DIFCA formal approval. From that date, the Claimant's appointees assumed full operational control, managing the salon and making new recruitments.

8.5 On 2 April 2024, Ms. Marsella expressed confusion regarding the handover documents. In response, the First Defendant instructed Mr. Shady and Ms. Abier to remain on duty for an additional week and provide valuable assistance, given their knowledge of operations.
{ evidenced in Annexure-D44 - Page 19 }

8.6 As per Mr. Shady, all financial materials and accounting records were provided to the new accountant, Ms. Lulita. The banks login credentials were retained by Mr. Shady during his notice period under the new management, as agreed in the SPA and for the reasons stated in paragraph (5) above.

8.7 The Assistant Manager, Ms. Abier, has confirmed in her Witness Statement that all team files, management materials, and access for official portals (DIFC, FTA, website) were provided to the new salon manager, Ms. Rexhina. { supported in Annexure-D22 }

8.8 Digital data of the company was managed by the In-House Media Manager, Mr. Thomas, who remained employed under the new management. He coordinated the website maintenance with the freelance web designer, Mr. Kent Joseph, per the existing contract with the Second Claimant. { supported in Annexure-D55 }

9. Extended Coordination

9.1 The First Defendant shared daily updates on the sales credited in the bank with Ms. Marsella electronically via "WhatsApp", including screenshots showing "Loan & Finance", cleared rent cheques, and support on the process to register the Shareholder. No inquiry or complaint was made. { evidenced in Annexure-D44 - Page 33 }

9.2 By late April, the DIFCA approved Ms. Klesta Eshja as an individual to be registered as a shareholder and requested details regarding the percentage of Shares to be formally submitted on a "Board Resolution" for certification and actual registration of shares, the final step.

9.3 The Second Claimant was already under the full managerial and financial authority of the First Claimant, including its employees, premises, systems, and day-to-day affairs, no objection was raised.

10. Shares Registration

10.1 The First Claimant chose to proceed with 100% shares registration, paid the outstanding AED 750,000 by 1 May 2024. This concluded a sale process initiated in February involving multiple parties.
{ evidenced in Annexure-D6 }

10.2 The absence of any formal objection, claim of termination, or further disclosure request left the First Defendant reasonably convinced that the First Claimant was fully informed about all material liabilities and prepared to assume the same.

10.3 in summery. The First Claimant purchased the salon, including all its liabilities, freely signed two contracts, confirmed acceptance of the business "as is," requested no warranty against debt, conducted due diligence, registered the shares in full then 4 months later alleged concealment.

11. The following is mindfully brought to the Court's attention;

A. What documents Premium International relied upon for drafting the contract.
B. What documents were made available by the broker to the First Claimant to review for a decision.

Response to Allegations

12. Allegations about breaching "non-compete" term

The Claimants fail to differentiate between unlawful competition or prohibiting the First Defendant, as a person, from working in the industry again.

12.1 Allegations about Hair By Salah

The online identity of the First Defendant was never assigned to, nor owned by, the Second Claimant. No restrictive covenant was ever contracted that would prohibit him from finding a job post-transfer of Shares. This was made explicitly clear prior to the execution of the SPA.
{ Evidenced In Annexure-D2 - Page 66 + Annexure-D44 - Page 30 }

12.2 Allegations about Hair Crafters Company Ltd

The First Defendant has no ownership in it. His involvement is limited to being a salaried Manager and to providing hairstyling trainings, in his personal capacity. { Supported In Annexure-D30 }

13. Allegations about retaining control

The First Defendant denies the allegations of withholding system access, or business records in full. Post handover he instructed the company accountant and assistant manager to remain on duty and provide any required information to guarantee that the Claimants received access to the tools essential for the continued operation of the Second Claimant.
{ Evidenced In Annexure-D22 + Annexure-D44 Page 19 }

14. Allegations about Domain and Emails withholding

Any difficulty in navigating the domain registration and email tools are administrative issues and can be resolved by the assigned web designer, Mr. Kent Jason Tupas, who controls haircreators.net and its emails as per the contract he signed with the Second Claimant. Relevant credentials had been delivered to "Ms. Rexhina" during the handover period, shared with and saved by Mr.Thomas, the media manager. There is no evidence to the contrary.
{ Evidenced In Annexure-D55 + Annexure-D44 Page 34 }

15. Allegations about Shares Registration

The assertions that the First Defendant neglected to register the shares and caused a delay are not true because:

- On 26 March, the first "Add Shareholder" request was sent via email seeking initial approval for the First Claimant as an individual.
- On 1 May 2024, the First Defendant emailed the DIFC Committee and requested the registration of 100% of the Shares under the name of the First Claimant. These dates are relevant to the payments for shares. { Evidenced in Annexure-D6 }

16. Allegations about retained rent payment

The premises rent payment for April 2024 was pre-paid in advance by the First Defendant on 1 March 2024 via ADIB cheque no. 500158 for AED 110,458.00, cleared from account ending with 8723, beneficiary DIFC Investments LTD, for the period of March and April 2024. Ms. Marsella paid AED 50,000 in cash, end of Marsh, to the First Defendant as reimbursement to cover the rent for the month of April when the salon was handed over. { Evidenced in Annexure-D56 }

17. Allegations about the First Claimant profit rights

17.1 As reflected in the statement of the company account from RAK Bank, the total funds in the account as of 20 March is AED 17,231. From the effective date of the partnership until the handover date of 1 April, a period of 10 days, during of which salaries, salon expenses, and suppliers were settled prior to the agreed handover date totaling more than AED 100,000. Meanwhile, the First Claimant became the sole beneficiary of the company's income from 1 April.
{ Evidenced in Annexure-S15 + Annexure-D17 }

17.2 The procedure for settling outstanding payments lasted until 3 April. The sole payment authorized by the First Defendant for non-business-related expenses amounted to AED 20,000, which was transferred to Hair By Rojin for kids-related expenses as indicated.

17.3 This transaction was offset by a cash deposit of AED 50,000 the following day, showing on the account statement under reference number 500386542710 by 1 Apr 12:11 PM at the Dubai Mall ATM, by the First Defendant. This served as a reimbursement and an additional balance to fulfill all pending obligations. { Evidenced in Annexure-S15 }

18. Allegations about the Second Defendant's setup cost.

The Third Defendant paid the price for the shares she purchased in the Second Defendant using her personal savings in cash to Ms. Ruchika Singhal, the "previous shareholder" in the Second Defendant, on 21 July 2024, 2 months after her official resignation from the Second Claimant.
{ Evidenced in Annexure-D57 }

19. Allegations about the contact numbers taken by Defendants

19.1 The Claimants appear to have conflated the terms contractually agreed upon with matters of a personal nature.

19.2 The mobile numbers +971556165769 and +971551859769 are registered in the First Defendant's personal name and were never included or referred to among the assets designated for transfer under any agreement. only the "telephone" contractually agreed for transfer was the business booking landline, as showing in the contracts.
{ Evidenced in Annexure-D47 + Annexure-D1 }

20. Alleged misappropriation of company funds.

The Claimant's allegation of any breach regarding the use of company funds is denied in its entirety.

20.1 At the time of the alleged transactions, the First Defendant was the authorised signatory of the company and the sole beneficiary of its value. The transfers made were within the scope of his authority and his rights as the owner of the business, prior to share registration in the name of the Claimant and even before the handover of the company.

{ evidenced in Annexurs-D74 }

20.2 There were no contractual provisions or other binding restrictions placed upon this authority. The contracts are silent on this matter. Furthermore, the First Defendant respectfully request the Claimant to present any written agreement or any electronic communication, wherein the First Defendant agreed to prohibit himself from using company funds prior to the handover.

20.3 the Claimant's accusation regarding the transaction of AED 389,244 on 28 December 2023, which is stated as a "loan clearing" and was deducted from the Second Claimant's account, the First Defendant clarifies as follows:

This transaction was within the loan top-up process with RAK BANK. Upon the Bank's credit of AED 1,012,000 into the account (Loan Agreement No. 20669222), its automated systems on spot executed the deduction to settle the outstanding balance of the previous loan (Agreement No. 20649173). A clearance letter for the previous loan was issued by the Bank and submitted with the supporting documents.
{ Evidenced in Annexure-D24 + Annexure-S6 + Annexure-D13}

This process was an automated accounting function performed entirely by the Bank's internal systems, without any manual intervention or discretion by the First Defendant and it predated the contract.

21. Alleged concealment by withholding bank access

This Honourable Court is well aware of the risks involved in sharing access to online banking, as explained in paragraphs (5) to (5.4) above.

21.1 Restricted bank access during the transition period was a provision discussed after the request for instalments, stated within the probationary period clause of the SPA, and freely agreed upon by the First Claimant.
{ Supported in Annexure-D2 - Page 75 }

21.2 Its purpose was to prevent unlawful transactions that could place the First Defendant in a precarious legal situation, possibly jailed, The First Claimant, by her own choice, consented to this provision, and her representatives reviewed it beforehand. During this period, she had the option to reject the agreement and accept the refund offered. Accepting the terms and subsequently, months later, contending that there was concealment is illogical and is denied. { Evidenced in Annexure-D1 }

22. Allegations on the Loan transfer request

22.1 Ever since the First Claimant refused to pay, the First Defendant sent her many reminders via email urging her to commit to her contracted obligations for company liabilities and warned her about the consequences of legal action that the financing bank was about to take against her company and against him. there was no response.
{ supported in Annexure-D73 + Annexure-D11 }

22.2 The First Defendant realized that the First Claimant would not voluntarily fulfill the monthly installment without a court order compelling such action. Thus, a Dubai Court case was registered seeking enforcement of the contract terms before The First Defendant sought the transfer of the loan to the Second Defendant's business account, not due to any wrongdoing on his part, but to provide assurance to the financing bank that the loan would be repaid. He hoped this would prevent legal proceedings detrimental to both parties. { Evidenced in Annexure-D49 }

22.3 RAK Bank refused to shift the loan, eventually closed the account, blocked all related services including cards, suspended the online banking facility, and demanded continued monthly repayment into the frozen loan account or else legal action would be taken.
{ Evidenced in Annexure-D20 }

23. Allegations on agreement to zero the bank account

The First Defendant respectfully submits that no such agreement exists, nor was it ever agreed to. This is in contrast to (Term 2) specifying that full rights of management were assigned to the First Defendant, which the First Claimant personally agreed to in the SPA as further explained in paragraphs (4) to (4.1) of this defence.

24. Allegations about transactions to the Third Defendant

24.1 Regardless that the Third Defendant is the wife of the First Defendant, she is a well-experienced hair extensions specialist with a significant clientele. Her employment contract with the Second Claimant, signed on 22/Sep/2021, stated the following:

A. Basic monthly Salary of AED 10,000, and
B. 40% commission on the sales of Hair Extensions services.

24.2 The alleged transactions to her personal account consist of the same, monthly salaries and net commission from sales of hair extension services. A primary transaction of AED 59,000 was the commission owed to her by the Second Claimant for the income she generated within the last 3 months prior to the handover of the company. { Evidenced in Annexure-D41 }

24.3 The figures were calculated and prepared by the company accountant in the ordinary course of monthly salary payments.This is further evidenced by her personal bank statement, "commission" is clearly stated or "salary" next to these transactions. { Evidenced in Annexure-D40 }

25. Allegations about transactions to DIFC Investments

25.1 This allegation indicates that the respected Claimant's Counsel may have submitted accusations without reviewing the lease agreement of the Second Claimant. General expenses of the Second Claimant concerning its rent payments, work permits for its employees, employment cards, utility bills, penalties, marketing charges, document processing, and other transactions in respect to the ordinary conduct of operations are paid via bank transfer to the DIFC Authority using the below remittance details;

> Bank Name - Standard Chartered Bank
> Account Name - DIFC INVESTMENTS LTD.
> Bank Account - 01223121401
> IBAN No. - AE110446405700000417063

25.2 The First Defendant has disclosed significant number of relevant invoices in his possession that he was able to find from past emails. Further invoices can be found on the DIFC Client Portal, to which only the First Claimant has access, she can find all the data archived there.
{ Evidenced in Annexure-D18 }

25.3 While the **Second Defendant's rent** is paid to an individual landlord unrelated to DIFC Investments. The First Defendant assures that there was no direct payment from the Second Claimant's account on behalf of the Second Defendant at all. { Evidenced in Annexure-D9 }

26. Allegations about transaction to Liberty House

26.1 The alleged bank transactions during and before March 2024, transferred from the Second Claimant's bank account to Liberty House, consist of utility payments for the tenancy contract (Residential purposes) of apartment 2419 located on the 24th floor, Liberty House Tower, rented by the First Defendant since 2021 and paid for via bank transfer to the below remittance details;

> Account Name: LIBERTY HOUSE PRINCIPAL BC GEN FUND
> Account Number: 11312867920001
> Bank Name: ADCB
> IBAN: AE370030011312867920001

{ Evidenced in Annexure-D19 + Annexure-D45 }

26.2 These payments were made solely for the above-mentioned reason and are not related in any way to the Second Defendant, as the date the

Third Defendant acquired her Shares in the Second Defendant "Hair Crafters" is at least 5 months later than the date of the alleged transaction.

26.3 For clarity, a copy of the Second Defendant's utility invoice is submitted to demonstrate the difference in the details between the two utility accounts. { Evidenced in Annexure-D58 }

27. Allegations related to Hair By Rojin

27.1 There is no official contract mandating the transactions.

The funds were transferred to support the 15-year-old daughter of the First Defendant, who lives with her mother, Ms. Rojin (the former wife), to cover schooling and other related expenses. { supported in Annexure-D37 }

27.2 In light of the facts, after signing the STA, only one transaction of AED 20,000 was transferred to Hair By Rojin. Considering the AED 50,000 deposited the next day into the account, there is truly no loss to complain of. { Evidenced in Annexure-S15 Page4 }

27.3 As clarified, the First Defendant was the authorised signatory. The transfers made were within the scope of his authority, and there were no binding restrictions placed upon this authority.

27.4 The Claimant's assertion that Hair By Rojin Ltd is an asset of the Second Claimant is incorrect. it is a distinct legal entity, holding its own commercial registration and trade license since 2021. Historically, it operated as a leased branch under the Second Claimant's license. However, following a share transfer in 2021 and a subsequent trade name change, it was fully separated with a privet lease agreement became an independent entity entirely distinct from the Second Claimant.
The issue of the wrong units number mentioned on the Second Claimant's documents can be verified and corrected by the DIFC Authority.

28. Allegations about unpaid balance to a supplier "DBD"

28.1 The First Defendant has duly notified the supplier "DBD" in writing regarding the change of ownership and made payments against the outstanding balance, thereby releasing the Claimants from this liability, in accordance with an email sent and the attached invoices and proof of payment. { Evidenced in Annexure-D59 }

28.2 No payment has been made by the Claimant to lodge a complaint, nor has the Supplier ever sought payment from the Claimant as alleged. It was merely the case that the supplier provided the Statement of Account to the salon reception prior to recognizing that the ownership had changed.

29. Alleged **acknowledgment** of loan responsibility

29.1 The Claimant's supporting document, “EX-CL-28_merged.pdf”, presents a selective transcript of a voice note sent to Mr. Eshja. (Former husband of the First Claimant) This partial presentation is misleading and mischaracterizes the communication to falsely imply an admission of personal responsibility for the loan. The full conversation, when reviewed in its entirety, contains no such admission.

29.2 The complete and unaltered digital record of this conversation is retained and accessible on the First Defendant's mobile via "WhatsApp" totally converted to readable version and submitted with the supporting documents. { Supported in Annexure-D43 }

29.3 The conversation details a long-term partnership proposal the First Defendant initiated with the First Claimant. The proposal is about:

- First Defendant to purchase 20% Shares in the Second Claimant.
- First Defendant, **as a shareholder**, to pay the monthly loan instalments, a portion of the rent, some salaries, and other expenses.
- In return, First Defendant would receive dedicated space within the premises to operate hairdressing classes, with the First Claimant entitled to 50% of the derived education income.

29.4 Specifically, within that voice note, the First Defendant informed Mr. Eshja that the original company security cheque for loan agreement (20649173) had been cancelled, and It was replaced by a personal security cheque no. 133839 for AED 1,382,352 from the First Defendant, to secure the revised company loan agreement (20669222) for (AED1,012,000). This changed the security instrument from a company cheque to a personal guarantee, not a personal liability.

{ Evidenced in Annexure-D60 }

29.5 Far from any concealment, the full conversation demonstrates transparency and good-faith negotiations. This is confirmed by Mr. Eshja's response on behalf of the First Claimant: "**Salah do not worry, we are together,**" confirming their knowledge of the pre-disclosed facts.

29.6 The First Claimant denied her repayment's duty immediately upon learning about the personal guaranty referenced above, which elucidates her contractual assurance, followed by sudden refusal after the Shares are secured in her name.

30. Allegations about hidden fines imposed

30.1 The fine was imposed on 10 July 2024. By then, the company was under the First Claimant's management. The initial Notice of Fine was issued post the handover on 15 April 2024. No action was taken by the First Claimant's appointee to respond, which would have allowed the new management to submit the required data and seek a waiver for the then-unconfirmed fine. { Supported in Annexure-D50 }

30.2 The notice was sent to accountant@haircreators.net, the company's registered email address for authority communications, to which the Claimant had access. This is indisputable, as the First Defendant personally received an enquiry about this penalty sent from this very email address. { Evidenced in Annexure-D42 }

31. Clarification about the filed and disclosed loan agreements

The First Defendant affirms that the agreements with RAK BANK were conducted electronically, with no formal paper contract ever created. The digital loan details provided by the bank via email are submitted as true and accurate. The First Defendant does not possess any other format of the agreements. Obtaining an alternative format would require a direct court order mandating RAKBANK to produce it, as it is not within the First Defendant's power to do so. { Evidenced in Annexure-D38 }

31.1 During 2023 the Company loan's repayments were deducted from ADIB Bank account of the Second Claimant which is been disclosed to Premium International and not from Rak Bank as alleged.

32. This Draft is submitted alongside a Standard Production of Documents, which encompasses an index of all supporting documents, Witness Statements, and account statements presented in a clear manner to enable all parties and this Honourable Court to review the materials with ease. Additionally, it includes further disclosed details such as transcripts of Audio Messages and attachments exchanged in electronic conversations, based on the comments made by the Claimant's legal counsel doubting the recently filed, all previously submitted supporting documents are still reliable, thereby leaving no room for dispute.

33. Pursuant to Rule 17.29 of the Rules of the DIFC Courts, or respectfully any other Rules permits the First Defendant to request a Court order compelling the Claimants to;

(A) Provide a bank statement covering the period from January 1, 2023, to January 1, 2024, from ADIB Bank (Account - 19038723), ensuring that it bears the Bank's stamp and submit it to this Honourable Court; and

(B) Produce and Submit all documents relied upon before signing the Memorandum Of Understanding; and

(C) Produce and Submit any agreements, contracts or written warranties for a debit-free Share transfer if any; and

(D) Produce and Submit substantial material evidence of any alleged concealment, misappropriation, or fraudulent activities, if any exist; and

(E) Provide and submit any written agreements or contracts wherein the First Defendant consented to refrain from utilizing company funds before completing the transaction if any; and

(F) Provide and submit any written agreements or contracts wherein the First Defendant consented to refrain from working again following the share transfer if any.

34. Counterclaim

Basis of Counterclaim

34.1 The loan liability was fully disclosed prior to the sale, factored into the reduced purchase price and confirmed by contractual acceptance of all liabilities and obligations. Despite this, the Claimants denied the loan obligations once the Shares were transferred.

34.2 To prevent serious legal consequences, including the Second Claimant's license suspension and financial assets freezing, as warned by the legal department of RAK BANK, and due to an existing personal guarantee signed by the First Defendant against the company loan, he has been repaying the monthly loan installments on the Claimants' behalf, totaling AED 500,000 to the date of this Draft.

{ Evidenced in Annexure-D52 + Annexure-D71 + Annexure-D53 + Annexure-D72 }

34.4 Relief Sought in the Counterclaim

For the reasons stated herein, the First Defendant respectfully seeks an order from this Honourable Court that the Claimants:

I. Reimburse the sum of AED 500,000 for payments made on behalf of the Second Claimant between April 2024 and the date of this draft;

II. Assume full responsibility for the remaining loan balance;

III. Provide a replacement security instrument to RAK BANK, thereby discharging the First Defendant's personal guarantee.

V. Pay the First Defendant the cost associated with this Counterclaim

CONCLUSION AND RELIEF SOUGHT

The First Defendant, humbly petitions for the following relief. it is respectfully submitted that the first request for an order below is a matter of urgency.

A. An order directing RAK BANK to temporarily hold, and or not to initiate, legal proceedings against the First Defendant and the Second Claimant, before the judgment or ruling of this Honourable Court.

B. That the Claimants' claims be dismissed in their entirety with costs;

C. That judgment be entered in favor of the First Defendant on his Counterclaim, awarding:

- AED 500,000 as reimbursement of post-transfer loan installments paid by him;.
- Interest on the above sum at the DIFC Courts' standard commercial rate from the date of the order until the date of full repayment;
- Legal costs incurred in connection with the Counterclaim;

D. Such further or other relief as the Court deems just and appropriate.

STATEMENT OF TRUTH

The First Defendant believes that the facts stated in this Draft of Amended Defence are true.

The First Defendant - Salah Masri - 19 / Sep / 2025