THE DUBAI INTERNATIONAL FINANCIAL CENTER COURTS

IN THE COURT OF FIRST INSTANCE

CLAIM CFI-044-2026

BETWEEN:

1 - SALAH MASRI

(the "First Claimant")

2 - IULIIA VALIULLINA

(the "Second Claimant")

Claimants

and

1 - HARJEET BHATIA

(the "First Defendant")

2 - LUTFI & CO. Advocates

(the "Second Defendant")

Defendants

SUPPORTING DOCUMENT

ANNEXURE 5

PLEADED IN CFI-066-2024 IN JULY 2025

By Claimants - Litigant in Person

Produced on 1 / May / 2026

1. Introduction

1.1 This Supporting Document include copy of Defences filed to the DIFC Court in CFI-066-2024 by the Defendants on behalf of the Claimants, including eRigestry Application Notices.

1.2 please note, the Claimant in the these Proceedings were named defendants in CFI-066-2024 Proceedings.

2. List of Defences with their true titles pleaded in CFI-066-2024 Proceedings

I. Amended Statement of Defense, dated 9 July 2025

II. Further Amendment to the statement of defense - SM - July 26

III. Further Amendment to the statement of defense - LV - July 26

Amended Statement of Defense - 9 July 2025	
Note	This Defence is one of the Copies contained the misleading, wrong referenced Case Law and contained reference to non-existent DIFC Court Cases.
Source	Downloaded from the DIFC Court eRigestry Portal
Accuracy	Identical to the original

Table of References Contained		
Paragraph	Case Reference	Outcome
1.12, 3.1.7 3.1.76.	Brookfield Multiplex v DIFC Investments [CA-003-2012]	non-existent
1.12, 3.1.27, 3.1.52.	Al Tamimi v Keith Bunker (also cited as Al Tamimi & Company v Keith Fredrick Bunker) [CFI-016-2016]	non-existent
3.1.14.	Panther Real Estate v Modern Executive Systems [CFI-047-2019]	Wrong Case Number.
3.1.28.	Credit Europe Bank (Dubai) Ltd v New Medical Centre Trading [CA-006-2011]	Wrong Case Number.
3.1.37.	Ithmar Capital v Eight Investment [ARB-015-2014]	Wrong Case Number.
3.1.61	Al Buhaira National Insurance Co. v Horizon Energy LLC [CFI-029-2021]	The true on is CFI 098/2021
3.1.68.	Gulf Navigation Holding PJSC v DGS Marine Group [CFI-015-2017]	non-existent
3.1.76.	Transfield ER Ltd v Ariston [CFI-004-2020]	non-existent

Further Amendment to the statement of defense - SM - July 26	
Note	This Defence is one of the Copies contained the misleading, wrong referenced Case Law and contained reference to non-existent DIFC Court Cases.
Source	Downloaded from the DIFC Court eRigestry Portal
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Table of References Contained		
Paragraph	Case Reference	Outcome
1.9, 3.1.8	Brookfield Multiplex v DIFC Investments [CA-003-2012]	non-existent
1.9, 3.3.9, 3.5.10.	Al Tamimi v Keith Bunker (also cited as Al Tamimi & Company v Keith Fredrick Bunker) [CFI-016-2016]	non-existent
3.2.6.	Panther Real Estate v Modern Executive Systems [CFI-047-2019]	Wrong Case Number.
3.3.10.	Credit Europe Bank (Dubai) Ltd v New Medical Centre Trading [CA-006-2011]	Wrong Case Number.
3.4.8.	Ithmar Capital v Eight Investment [ARB-015-2014]	Wrong Case Number.
3.6.7.	Al Buhaira National Insurance Co. v Horizon Energy LLC [CFI-029-2021]	The true on is CFI 098/2021
3.7.3.	Gulf Navigation Holding PJSC v DGS Marine Group [CFI-015-2017]	non-existent
3.8.4.	Transfield ER Ltd v Ariston [CFI-004-2020]	non-existent

Further Amendment to the statement of defense - LV - July 26	
Note	This Defence is one of the Copies contained the misleading, wrong referenced Case Law and contained reference to non-existent DIFC Court Cases.
Source	Downloaded from the DIFC Court eRigestry Portal
Accuracy	Identical to the original

Table of References Contained

Paragraph	Case Reference	Outcome
1.8.	Al Khorafi v Bank Sarasin-Alpen (ME) Ltd [CA-003-2014]	Wrong Case Number.
2.3	Investors Group Limited v Joseph Ghossoub Media International Ltd [ARB-017-2019]	non-existent
3.6	Panini SpA v Ocean View Investments Ltd [CFI-014-2017]	non-existent
3.7	Nest Investments Holding Lebanon S.A.L. v Deloitte & Touche (M.E.) [CA-011-2020]	The true on is CFI-027-2016
3.10.	Gulf Navigation Holding PJSC v DNB Bank ASA [CFI-026-2015]	The true on is CA 007/2015

Please find the copies bellow

THE DUBAI INTERNATIONAL FINANCIAL CENTRE COURTS

THE COURT OF FIRST INSTANCE

CFI-066-2024

BETWEEN:

KLESTA ESHJA

(The "First 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")

(Collectively "The Defendants")

AMENDMENT TO THE STATEMENT OF DEFENSE

JULY 09, 2025

REPRESENTED BY: MS. HARJEET BHATIA,

C/O LUTFI & CO. ADVOCATES AND LEGAL CONSULTANTS

1201 & 1205, API TRIO OFFICE TOWER, AL BARSHA 1, DUBAI, UAE

1. INTRODUCTION

1.1 This Amended Statement of Defense is submitted by the First, Second and Third Defendants pursuant to Rule 16.9 and Rule 4.2 of the Rules of the DIFC Courts, in response to the Particulars of Claim dated 7 January 2025. The Defendants respectfully request leave to amend their original Statement of Defense in the interests of justice, procedural efficiency, and clarity. Unless expressly admitted herein, each and every allegation raised by the Claimants is denied.

1.2 The First Defendant, Mr. Salah Mohamed Adel Al Masri ("First Defendant"), is a professional hairstylist and entrepreneur with over two decades of experience in the UAE's salon and hairdressing industry. Since 1998, he has operated under "Hair by Salah," which predates the formation of the Second Claimant which is a business establishment having a separate legal entity.

1.3 The First Claimant's assertion that Hair Crafters Company Ltd, trading as "The Grove Salon" (the "Second Defendant"), is also known as "Hair By Salah" is entirely baseless, misleading, and factually inaccurate. We would like to submit on record and provide the necessary background that Hair Crafters Company Ltd was never founded, owned, or controlled by the First Defendant. The company was originally incorporated in 2013 by a third party, an Indian national named Ms. Ruchika, with the intention of operating a hair academy and salon. Ms. Ruchika successfully operated the business under the name "The Grove Salon" for a continuous period of eleven years, from 2013 until 2024.

1.4 In August 2024, the Third Defendant lawfully acquired the business and continued its operation under the existing trade name "The Grove Salon," through the entity Hair Crafters Company Ltd. The acquisition was motivated by the intention to preserve and benefit from the goodwill and market recognition associated with the business and trade name that had been cultivated over the past eleven years.

1.5 It is important to emphasize that Hair Crafters Company Ltd. (The Grove Salon) is entirely unrelated to the Second Claimant and was independently acquired by the Third Defendant in 2024. The only involvement of the First Defendant was his engagement as a trainer on the academy side of the business post-acquisition. The First Claimant's statement to the contrary is a clear misrepresentation, unsupported by any credible evidence or documentation, and should be disregarded in its entirety.

1.6 In early 2024, the First Defendant was approached by representatives of the First Claimant through Premium International Real Estate to discuss a potential share sale of Hair Creators Salon Ltd (the Second Claimant), in which the First Defendant was then the sole shareholder and managing director.

1.7 As initiated by the First Claimant's representative, a **Memorandum of Understanding ("MOU") was executed on 14 February 2024**, followed by a **Share Transfer Agreement ("STA") on 20 March 2024**,[1] under which the First Defendant agreed to sell 100% of his shares in the Second Claimant for a total

[1] Annexure D1

consideration of **AED 1.5 million** which was negotiated to be reduced from the original price of AED 2.5 million after taking into consideration the existing loan liability specifically, a RAK Bank loan exceeding **AED 1 million**.

1.8 The First Defendant reaffirms that the loan liability along with all other details related to the sale, was fully disclosed to the First Claimant and her representatives during pre-contractual negotiations and during the 30-day **probationary period** granted to the Claimants under Clause 7 of the MOU. This disclosure is substantiated by WhatsApp conversations, emails, and annexed documents, including ADIB bank statements, where the loan amount is clearly reflected with no room for denial. Following the receipt of the relevant information/documents concerning the loan, the First Claimant had an opportunity to terminate the transaction during the probationary period but failed to do so.

1.9 The Claimants paid the agreed installments in full (AED 100,000 during the signing of the MOU, AED 650,000 on 26 March 2024 and AED 750,000 on 1 May 2024) and assumed control of the business premises from **1 April 2024**. Daily income and access to business systems were transferred progressively, and the Claimants were provided continued support throughout the transition in line with the Share Transfer Agreement ("SPA").

1.10 Despite this, the Claimants have now sought to rescind the sale and allege misrepresentation, fiduciary breach, and concealment of liabilities. These allegations are completely unsubstantiated and legally untenable. The First Defendant continued to service loan repayments on behalf of the company/the Second Claimant even after the transfer of shares to the First Claimant to avoid default and reputational damage for both parties.

1.11 Furthermore, the Claimants' allegations regarding breaches of non-compete obligations and document retention fail to recognize that **"Hair by Salah"** was never assigned to, nor owned by, the Second Claimant. It is used by the First Defendant independently of the Second Claimant. No restrictive covenant was ever agreed to that would prevent the First Defendant, in his personal capacity, from continuing his trade as a hairdresser. The **non-compete clause in the SPA** does not extend to or prohibit the First Defendant from pursuing his livelihood as a hairdresser post-transfer of the Shares in the Second Claimant. This position was made explicitly clear to the First Claimant and her representatives prior to the execution of the MOU, and it was never contested at the time.[2]

1.12 This Amended Statement of Defense sets out a structured and comprehensive rebuttal of each allegation made by the Claimants, referencing supporting documents, WhatsApp and email correspondence, and relevant provisions of DIFC law. The Defendants also rely on the principles laid down in *Brookfield Multiplex v DIFC Investments* [CA-003-2012], *Al Tamimi v Keith Bunker* [CFI-016-2016], and Articles 82 and 68 of the DIFC Contract and Law of Obligations to demonstrate that the Claimants ratified the transaction, failed to exercise their contractual remedies in time, and are now barred from seeking relief.

[2] Annexure D2

1.13 The Defendants reserve the right to rely on additional documents, annexures, and witness statements as proceedings continue and respectfully request that this Honorable Court dismiss the Claimants' claims in full.

2. BACKGROUND

2.1 The First Defendant, Mr. Salah Mohamed Adel Al Masri, is an established hair stylist with over two decades of experience in the UAE's personal care and beauty industry. Since 1998, he has operated under the name "Hair by Salah", developing a substantial client base and professional reputation which helped him to build business and goodwill under the Second Claimant. However, "Hair by Salah" continues to be his personal and professional identity and not a goodwill of the tradename Hair Creators Salon Ltd., transferred under the Share Transfer Agreement (SPA)

2.2 Hair Crafters Company Ltd. (trading as **"The Grove Salon"**), contrary to the First Claimant's assertions, was neither founded nor previously owned by the First Defendant. The entity was originally incorporated in **2013** by a third party, an Indian national named **Ms. Ruchika,** for the purpose of operating a hair academy and salon.[3]

2.3 In **August 2024**, the company was acquired by the **Third Defendant**, who purchased the business under the legal name **Hair Crafters Company Ltd.**, continuing to operate under the trade name **"The Grove Salon"**[4]. The acquisition was made with the intention of preserving and benefiting from the existing goodwill associated with the trade name, which had been established and maintained over a period of **eleven years**.

2.4 The First Defendant has no ownership interest in Hair Crafters Company Ltd. His involvement is limited to providing hairstyling training services on the academy side, in his personal capacity.

2.5 Hair Crafters Company Ltd. is entirely **distinct and unrelated** to the Second Claimant, **Hair Creators Salon Ltd**. The First Claimant's attempt to link the two entities is **factually incorrect, misleading, and unsupported by any documentary evidence**. It is a clear misrepresentation of the facts and appears to be advanced solely for the purpose of inflating allegations against the Defendants.

2.6 The Second Claimant, Hair Creators Salon Ltd, was incorporated and owned solely by the First Defendant until March 2024. It operated from premises located in DIFC, Dubai, and was engaged in the business of providing hair and beauty services under the operational leadership of the First Defendant until the share sale transaction.

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[3] Annexure D3
[4] Annexure D4

2.7 On or around February 2024, the First Claimant expressed an interest in acquiring the Second Claimant. Following negotiations, the parties entered into a **Memorandum of Understanding (MOU)** on **14 February 2024**, and thereafter executed a formal **Share Transfer Agreement (SPA)** on **20 March 2024**, by which the First Defendant agreed to sell 100% of his shares in the Second Claimant to the First Claimant.

2.8 The agreed consideration for the transaction, under which the First Defendant sold **100% of his shares** in the Second Claimant, was **AED 1.5 million**, payable in three instalments:

(i) **AED 100,000** upon signing of the **Memorandum of Understanding**;

(ii) **AED 650,000** on **26 March 2024**; and

(iii) **AED 750,000** on **1 May 2024**.

This amount represented a **negotiated reduction** from the originally proposed price of **AED 2.5 million**, after taking into account the company's existing financial loan liability with **RAKBANK of AED 1,382,352**, which had been fully disclosed by the First Defendant during negotiations. The **AED 1 million reduction** was specifically agreed on the basis that the **First Claimant would assume responsibility** for settling the said loan as part of the share transfer. The Claimants accepted the revised consideration and confirmed the same under the executed **SPA**.

2.9 Under the SPA and the MOU, the transaction was structured as a **purchase of a going concern**, with the Claimants accepting the existing loan liability of the company with RAKBANK, which was explicitly disclosed to the Claimants representatives[5] prior to execution of the MOU.

2.10 Operational control was handed over to the First Claimant and her representative Ms. Marsela and Ms. Lolita on **1 April 2024**, upon which they assumed full managerial and financial authority over the Second Claimant, its employees, premises, systems, and day-to-day affairs. From this date, the First Defendant ceased all involvement in the company's operations.

2.11 During the Probation period, the First Defendant made a bona fide proposal to the First Claimant and her husband to retain a **10% minority shareholding** and contribute **AED 200,000** towards the business. This proposal was contingent upon his being permitted to conduct **hairstyling training sessions** and retain limited involvement under "Hair by Salah." The intent was to allow the First Defendant to continue adding value through his technical expertise and longstanding goodwill in the industry.

2.12 However, the Claimants rejected this proposal and instead counter-offered that the First Defendant would only be allowed to retain 10% equity in exchange for a **substantially higher investment**. This counter-offer was deemed commercially unfeasible and was declined by the First Defendant.[6] The parties proceeded with a full sale of 100% of the shares in the Second Claimant.

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[5] Annexure D5

[6] Annexure D6

2.13 The MOU contained a **30-day probation period**, during which the Claimants had full access to the business, staff, bank records, and management systems. Notably, **Clause 11 of the MOU** provided that should the turnover not meet satisfactory levels, the **full purchase price shall be refunded to the Buyer (i.e., the First Claimant)**. However, the Claimants:

- Assumed operational control from **1 April 2024**;
- Paid the second instalment post-handover, at the end of the Probation period;
- Did not raise any formal dissatisfaction with turnover levels;
- Did not invoke Clause 11 or seek rescission during the probationary window.

Their silence and performance during this period constitute a **clear affirmation of the transaction** and a **waiver of any rights under Clause 11**.

2.14 Since taking over, the Claimants have encountered internal management challenges, including staff resignations, suspension of the company bank account due to their failure to update signatory details with RAKBANK, and service disruption from non-renewal of domain and POS system subscriptions. Rather than acknowledge these administrative failings, the Claimants have sought to assign blame to the First Defendant for alleged post-sale interference and misrepresentation.

2.15 The Defendants respectfully submit that these proceedings are a **malicious attempt to reverse a fully executed commercial transaction**, arising out of the Claimants' belated dissatisfaction with their own lack of sound business decisions and performance. The sequence of events, including the rejection of the First Defendant's offer to contribute further and the non-invocation of Clause 11, clearly illustrates that the Claimants knowingly accepted the commercial risks and now seek to deflect responsibility for their own shortcomings.

2.16 It is also relevant to note that prior to the sale, the Second Claimant was operating in a financially healthy state, generating consistent monthly revenues sufficient to meet its financial obligations, including the RAKBANK loan instalments. An audited financial report[7] reflecting the company's financial standing prior to transfer is available and can be submitted upon request. The Defendants therefore reject any suggestion that the company was misrepresented as financially distressed.

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[7] Annexure D7

2A. CHRONOLOGY OF KEY EVENTS

Date	Event	Reference / Notes
1998–2020	First Defendant operates in UAE under "Hair by Salah".	Personal identity, never assigned or registered as corporate IP
2020	Hair Creators Salon Ltd registered in DIFC by First Defendant	Operating as a commercial salon
Early Feb 2024	Verbal negotiations and WhatsApp/email exchange with Claimants' agents	ADIB bank statements and loan disclosures shared with Mr. Aldo (appointed by the First Claimant)
14 Feb 2024	**MOU signed** between First Defendant and First Claimant	Drafted by Claimants' real estate agent; signed by First Claimant in advance
20 Mar 2024	**Share Transfer Agreement (STA)** executed	AED 1.5M agreed price; 30-day probation; no debt-free warranty
21-31 Mar 2024	Transitional coordination; access granted to Claimants' team	WhatsApp/email handover, access to staff, POS, documents
1 Apr 2024	Claimants assume control of salon operations	Confirmed in WhatsApp; all income from this date to remain in business account
1 May 2024	**Second Instalment paid** (AED 750,000); First Defendant sends share transfer email to DIFC	Annex D8 – Email confirmation[8]
Mid-May 2024	**DIFC Authority approves share transfer**	Claimants become 100% shareholder; no objections raised
Apr-Jun 2024	Claimants fail to replace cheques, update KYC, or renew domain/email hosting	Resulting in RAKBANK account suspension and website/email deactivation
Jun 2024 onwards	Claimants begin alleging misrepresentation, control retention, and misuse of brand	Despite post-sale operational control and full support from Defendant
Throughout 2024 till date	First Defendant continues **RAKBANK loan repayments** to prevent default	See Annex D20 – Loan Installments Paid

[8] Annexure D8

3. RESPONSES TO ALLEGATIONS

The Defendants now respond to the specific allegations set forth in the Claimants' Particulars of Claim and subsequent submissions. Each core allegation is addressed in turn, supported by documentary evidences, contractual provisions, and applicable principles of DIFC law.

(a) Alleged Non-Disclosure of Liabilities

3.1.1 The Defendants categorically deny that there was any non-disclosure or concealment of the Second Claimant's financial liabilities. The principal liability, being the loan facility from RAKBANK in the amount of approximately AED 1,382,352, was explicitly disclosed during the pre-contractual phase, mainly prior to the execution of both the MOU and the SPA and during the probationary period.

3.1.2 The existence and terms of the RAKBANK loan were communicated to the Claimants' intermediary, Mr. Aldo (of Premium International Real Estate), through WhatsApp messages and via transmission of ADIB bank statements. These statements clearly demonstrated monthly deductions for the loan instalments.[9]

3.1.3 The **reduction of the originally requested purchase price from AED 2.5 million to AED 1.5 million** was not arbitrary, it was made precisely in view of the Claimants' acknowledgement and acceptance of the company's ongoing loan liability. Accordingly, the reduced price represented a net valuation, factoring in the continuation of those obligations on the part of the First Claimant following the sale of the shares in the Second Claimant.

3.1.4 Clause 7 of the MOU afforded the Claimants a **30-day probationary period**, expressly entitling them to conduct operational, financial, and legal due diligence. During this period, the Claimants accessed key financial documents, interacted with staff and the salon accountant, and raised no objection to the company's financial standing. No attempt was made by the Claimants to exercise the contractual right of termination under the MOU.

3.1.5 The SPA, executed on **20 March 2024**, contains no warranty or representation that the company was free from liabilities. The SPA is entirely silent on the question of debt-free status, which under DIFC Contract Law (Article 49, Law No. 6 of 2004) implies that the risk of existing liabilities was knowingly and contractually assumed by the buyer. This interpretation is reinforced by the Claimants' conduct and the structure of the transaction.

3.1.6 Following execution of the SPA, the Claimants took over the company's premises, assumed control of the business, and continued operations. By their own actions, they effectively **ratified the transaction**, thereby extinguishing any entitlement to rescission under **Article 68 of the DIFC Law of Obligations (Law No. 5 of 2005)**.

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[9] Annexure D9

3.1.7 Further, in accordance with **Brookfield Multiplex v DIFC Investments [CA-003-2012]**, the act of taking operational control post-execution, and benefiting from company revenues constitutes conclusive affirmation of the transaction. A party cannot simultaneously ratify an agreement by conduct and seek to avoid its consequences on grounds of alleged non-disclosure.

3.1.8 The burden of proving fraudulent misrepresentation lies with the party asserting it. In the present case, the Claimants have produced no credible evidence that any material information was deliberately withheld. On the contrary, the First Defendant went to considerable lengths to disclose all financial data, even offering continued support beyond the transition period by paying the monthly loan installments, which was neither his obligation nor expectation.

(b) Alleged Withholding of Documents and Access

3.1.9 The Defendants strongly refute the Claimants' assertion that there was any withholding of operational documents, login credentials, system access, or material business records. At all material times, the Defendants acted in good faith and with full transparency in ensuring that the Claimants were provided with access to the assets and tools necessary for the seamless transition and ongoing operation of the Second Claimant.

3.1.10 It is pertinent to clarify that the First Defendant never had any direct communication or substantive meeting with the First Claimant prior to the execution of the SPA. The entire transaction was facilitated through the Claimants' appointed agent, Premium Real Estate. The First Defendant met the First Claimant only briefly at the moment of signing the share transfer agreement at which time she made no inquiries. All negotiations, disclosures, and payment arrangements were conducted through her representatives.

3.1.11 Immediately following the execution of the SPA, and throughout the probationary and transitional period, the First Defendant made available all necessary physical keys, passwords, and access credentials, including but not limited to:

- Salon premises keys;
- Credentials to the Fresha appointment management platform;
- WhatsApp and email communication records with clients and suppliers;
- Financial records and bank statements;
- Utility accounts and tenancy agreements.

3.1.12 The Claimants' representatives, Ms. Marsela and Ms. Lolita, were granted physical and administrative access to the business operations from **March 21, 2024**, with no limitation or obstruction imposed by the Defendants. The First Defendant personally communicated with them via WhatsApp, offering real-time assistance, clarification, and administrative guidance during the handover process.[10]

3.1.13 As of **April 1, 2024**, the Claimants were fully in control of the salon operations. From that point forward, all decisions regarding staffing, system management, marketing, vendor communications, and customer services were exercised independently by the First Claimant and her representatives. The allegation that the Defendants somehow retained control post-transfer is both factually incorrect and contractually baseless.

3.1.14 The DIFC Courts have repeatedly held that claims of access obstruction must be substantiated by contemporaneous correspondence or formal requests for access that were refused (see *Panther Real Estate v Modern Executive Systems [CFI-047-2019]*). In this case, there is no evidence that the Claimants made any formal requests for access that were denied, nor is there evidence that the Defendants refused cooperation.

3.1.15 Moreover, the Claimants were entitled under the MOU and SPA to inspect all records during the 30-day probation period. No concerns or objections were raised during this window. The failure to assert any access-related issues at that time constitutes a waiver of such objections and an affirmation of the sufficiency of the handover.

3.1.16 To the extent the Claimants allege difficulty in navigating the systems post-handover (such as domain registration or CRM tools), such administrative inaction cannot be imputed to the Defendants. It is well established in DIFC commercial law that following transfer of control, the burden lies on the acquiring party to regularize access, renew services, and ensure continuity of systems.

3.1.17 Notably, it was the Claimants' omission to renew domain registration and hosting services that resulted in the suspension of the salon's email and website infrastructure. The relevant credentials had been delivered to the Claimants during the handover period, and there is no evidence to the contrary, Website Suspension Notice[11] and Domain and Email Hosting History.

3.1.18 Accordingly, the Defendants submit that all access, control, and documentation necessary for post-sale continuity were duly handed over to the Claimants. Allegations to the contrary are unsubstantiated and appear to be retrospectively manufactured to support a claim for rescission.

(c) Alleged Client List Misuse and Infringement

3.1.19 The Defendants categorically deny any misuse of confidential client information, brand infringement, or unauthorized use of the Second Claimant's commercial identity. The allegations are factually baseless and legally untenable, as they are premised on the mistaken assumption that the First Defendant's personal work "Hair by Salah" was a corporate asset of the Second Claimant.

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[10] Annexure D10

[11] Annexure D11

3.1.20 The First Defendant has operated under **“Hair by Salah”** since at least **1998**, well before the incorporation of the Second Claimant in **2020**. This name forms an integral part of the First Defendant’s **personal and professional identity**, developed independently and used continuously in his individual capacity. It has never been assigned, licensed, or otherwise contributed to the Second Claimant’s assets.

3.1.21 At no point was **“Hair by Salah”** contemplated as part of the share sale transaction. Neither the **Memorandum of Understanding (MOU)** nor the **Share Transfer Agreement (SPA)** contains any provision transferring or incorporating the **“Hair by Salah”** into the sale. The absence of any such reference makes it unequivocally clear that this remained and continues to remain **the personal identity of the First Defendant**, entirely outside the scope of the transaction.

3.1.22 Further, the domain name **hairbysalah.com** (currently expired), the associated Instagram handle **@hairbysalah**, and other digital assets were personally registered by the First Defendant and were used for his independent professional activities. These were not part of the sale of shares of Hair Creators Salon Ltd. as a business asset.

3.1.23 The First Defendant’s continued use of the name “Hair by Salah” after the share transfer does not constitute infringement or breach of any contractual term. It reflects the exercise of a pre-existing right to operate as an individual. No provision in the SPA prohibits him from doing so, and no assignment of goodwill at his personal level was contractually agreed.

3.1.24 The Claimants’ reliance on Clause 9 (non-compete) is misplaced, as that clause:

- Applies only to “the Seller and/or the Company”;
- Does not mention the First Defendant personally;
- Lacks specificity as to duration, geographic scope, and restricted activity;

3.1.25 The Claimants’ allegation that the First Defendant's continued use of the **“Hair by Salah”** constitutes a breach is **denied in full**, primarily on the grounds set out in **paragraphs 3.1.19 and 3.1.20** above. Pursuant to **Article 49 of the DIFC Contract Law**, a contract is to be interpreted in accordance with the **common intention of the parties**. The absence of any reference to “Hair by Salah” in the MOU or SPA, coupled with the First Defendant’s continued and **public use of the same pre- and post-sale,** without any objection from the First Claimant makes it abundantly clear that there was **no mutual intention to include or restrict** the use of “Hair by Salah” as part of the transaction.

3.1.26 The Claimants have failed to produce any evidence to substantiate their allegation that the First Defendant solicited clients of the Second Claimant or extracted contact data from company systems. On the contrary, the First Defendant referred former clients to the Second Claimant’s **Instagram handle**, thereby encouraging direct communication with the salon and its new management.[12] Following the transfer of control to the First Claimant and her representatives, the First Defendant discontinued all

[12] Annexure D12

formal access to the company's CRM and ceased any engagement with client data. Annex D12 reflects the First Defendant's bona fide intent to **support business continuity**, not disrupt it.

3.1.27 As held in **Al Tamimi & Company v Keith Fredrick Bunker [CFI-016-2016]**, non-compete clauses are to be interpreted narrowly and may not unduly restrict an individual's right to practice a profession or earn a livelihood. In this case, no restrictive covenant was negotiated, no assignment of Hair by Salah was affected, and no contractual breach occurred.

3.1.28 The DIFC Court in **Credit Europe Bank (Dubai) Ltd v New Medical Centre Trading [CA-006-2011]** reaffirmed that any ambiguity in restrictive clauses must be resolved against the drafter. The SPA contains no unambiguous prohibition against the First Defendant's personal activity and thus cannot be interpreted to prohibit such conduct post-sale.

3.1.29 Finally, the Claimants' assertion that the First Defendant retained operational access to social media, email, or booking systems is unsupported. Where any such access existed temporarily during the transition, it was either

(a) provided by the Claimants voluntarily or

(b) used at their request to support operational continuity.

All such systems were eventually deactivated.

3.1.30 The Defendants therefore submit that the allegations relating to client list misuse and brand infringement are without merit, unsupported by contract, contradicted by documentary evidence, and contrary to established DIFC legal principles.

(d) Alleged Diversion of Funds

3.1.31 The Defendants deny any allegation of unauthorized diversion, misappropriation, or wrongful retention of funds belonging to the Second Claimant. These allegations are wholly unfounded, unsupported by any financial or forensic evidence, and appear to have been raised as an afterthought to justify the Claimants' attempt to unwind a transaction they freely entered into.

3.1.32 As stated previously, following the execution of the **Share Transfer Agreement (SPA)** on **20 March 2024**, the Claimants were granted access to the business premises and operations. From **1 April 2024**, operational control was formally transferred to the First Claimant and her representatives, and all revenues generated by the business were retained in the company's existing bank account with ADIB bank. This was communicated explicitly by the First Defendant via WhatsApp to Ms. Marsela, who had been designated by the Claimants to coordinate the transition.[13]

3.1.33 The Claimants have produced no credible evidence that any business income was siphoned off by the First Defendant after 1 April 2024. On the contrary, **the First Defendant refrained from withdrawing**

[13] Annexure D13

any company funds during the transition period and, in fact, **made payments from his personal resources to cover the RAKBANK loan instalments** till date in order to prevent default and reputational harm to the Second Claimant.

3.1.34 Any funds that may have remained in the company's account prior to the transfer of operational control formed part of the business assets transferred under the SPA. The SPA did not include a clause providing for a post-closing audit or adjustment of cash on hand, nor did it condition the transfer of ownership on a minimum working capital requirement. In the absence of such provisions, the Claimants cannot now seek to retrospectively revalue the transaction or assert entitlement to funds that formed part of the agreed consideration.

3.1.35 At no point did the First Defendant agree to leave a fixed balance or specific sum in the company's bank account upon transfer. The Claimants have not produced any written agreement, correspondence, or contractual clause evidencing such an arrangement. The burden lies with the Claimants to demonstrate that any such agreement existed. In the absence of this, their claim to post-sale cash amounts is unfounded.

3.1.36 As the sole shareholder of the Second Claimant prior to completion of the share transfer, the First Defendant retained full legal authority to deal with the company's finances, including but not limited to the right to transfer or utilize funds from the corporate account, to pay salaries for the staff employed by the Second Claimant,[14] pay rent for the Second Claimant,[15] pay utility bills on behalf of the Second Claimant.[16] No law or contractual clause prohibited such activity prior to the effective date of the sale or the completion of the final payment by the Claimants. Any attempt to retroactively restrict that authority is both baseless and contrary to settled corporate principles.

3.1.37 Furthermore, the SPA did not include any warranties by the seller concerning pre-transfer profit levels, or post-sale revenue performance. The DIFC Courts have made clear in **Ithmar Capital v Eight Investment [ARB-015-2014]** that where parties elect not to include certain warranties, they are presumed to have accepted the risk of commercial fluctuation and business performance post-closing.

3.1.38 To the extent the Claimants assert that the business failed to perform financially post-sale, such decline (if any) must be attributed to their own operational mismanagement, including their failure to:

- Replace the RAKBANK security cheques and update KYC, resulting in bank account suspension;
- Renew domain and website services, disrupting client booking and visibility;

3.1.39 In addition, the Claimants' failure to submit required documentation to the bank for change of signatory and mandate updates further impaired the company's financial operations.[17] The First Defendant repeatedly reminded the Claimants to complete these formalities and, in the interim,

[14] Annexure D14
[15] Annexure D15
[16] Annexure D16
[17] Annexure D17

continued to act solely to preserve the financial standing of the company/the Second Claimant, in good faith.[18]

3.1.40 Importantly, the Claimants have not conducted any independent audit or engaged an external accounting expert to substantiate the alleged diversion of funds. Their vague assertions are therefore inadmissible as speculative pleadings without evidentiary value.

3.1.41 Under **Part 16 of the DIFC Rules**, a party must provide clear particulars of any claim of fraud, dishonesty, or financial impropriety. The Claimants have failed to particularize dates, amounts, accounts, or transactions that would even remotely support the serious allegation of fund diversion. As such, the Defendants submit that this claim should be struck out in its entirety under **RDC Rule 4.2(3)** as an abuse of process.

3.1.42 The Defendants reserve their right to seek indemnity costs in relation to this claim, which was raised recklessly and without supporting documentation, in contravention of the overriding objective of the DIFC Court to manage proceedings efficiently and proportionately.

(e) Alleged Breach of Clause 9 of the Share Transfer Agreement

3.1.43 The Defendants submit that the Claimants' reliance on **Clause 9 of the Share Transfer Agreement (SPA)**, titled "non-compete," is entirely misplaced. The clause, which was drafted by **Premium Real Estate as the authorized representative of the First Claimant**, clearly and expressly limits its scope to the **Company (i.e., the Second Claimant)** and does **not impose any restriction** on the **First Defendant in his personal capacity**.

3.1.44 Clause 9 does not mention the First Defendant by name, nor does it identify him as a party subject to the restrictive covenant. Instead, it refers only to **"the Company"** and, at most, the ambiguous phrase **"the Seller and/or the Company"**, without specifying who the restriction binds. In the context of the SPA as a whole, and given the absence of any express reference to the First Defendant, the clause cannot reasonably be interpreted to bind him personally.

3.1.45 Furthermore, under **DIFC contract law and common law principles**, a valid and enforceable non-compete clause must contain clear terms specifying:

(i) **who** is restricted;

(ii) **what** competitive activity is prohibited;

(iii) the **duration** of the restriction; and

(iv) the **geographic scope**.

[18] Annexure D18

Clause 9 lacks all of these essential elements in respect of the First Defendant. It is therefore unenforceable against him even if it had purported to bind him, which it does not.

3.1.46 The First Defendant, post-sale, has acted strictly within his personal rights and has not violated any binding or enforceable non-compete obligation. His continued work as a hairdresser and trainer, including under "Hair by Salah," is entirely lawful and was never contractually prohibited.

3.1.47 Even if the Claimants now assert ambiguity or raise interpretive disputes over **Clause 9**, such arguments must be resolved against them under the **contra proferentem rule**. Pursuant to **Article 82 of the DIFC Contract Law (DIFC Law No. 6 of 2004)**, "if contract terms supplied by one party are ambiguous, they shall be interpreted against the party who supplied them." As the SPA was drafted by the Claimants' appointed agent, **Premium Real Estate**, any ambiguity, if it existed, must be construed against them, not the Defendants.

3.1.48 In the absence of these essential elements, **Clause 9 is incapable of enforcement under DIFC law**. Post-sale restrictive covenants are construed narrowly, and unless they are **clear, limited in scope, and proportionate**, they are invalid and unenforceable.

3.1.49 Furthermore, the First Defendant's continued professional use of **"Hair by Salah"**, and his limited role as a trainer at **Hair Crafters Company Ltd. (trading as "The Grove Salon") (the Second Defendant)**, do not constitute a breach of Clause 9. As established in paragraphs **3.1.19–3.1.20**, the use of "Hair by Salah" predates the Second Claimant and was never part of the SPA or MOU.

3.1.50 "Hair by Salah" was never **assigned, licensed, or transferred** to the Claimants, either expressly or impliedly.

3.1.51 The First Defendant has neither solicited clients of the Second Claimant nor misrepresented himself as affiliated with the Second Claimant post-sale. His conduct has been transparent and within his lawful rights as an independent professional. He has made no use of confidential information or trade secrets belonging to the Claimants.

3.1.52 As held in **Al Tamimi v Keith Bunker [CFI-016-2016]**, post-sale non-compete clauses must be narrowly construed and supported by **clear drafting** and **adequate consideration**. Clause 9 fails on both counts.

3.1.53 Even if Clause 9 were enforceable (which is denied), the First Defendant's conduct falls outside its scope. He has not operated under the name of the Second Claimant, opened a competing business, or induced staff or clients to leave. His engagement with Hair Crafters Ltd. relates solely to training activities in an existing legal entity that is independent of the Claimants.

3.1.54 Accordingly, the Defendants respectfully submit that **Clause 9 is unenforceable**, and no breach has occurred. The Claimants' allegations of unlawful competition and brand misuse are **unsubstantiated**, **legally misconceived**, and must be dismissed in their entirety.

(f) Alleged Retention of Control over Domain, Email, and POS Systems

3.1.55 The Defendants categorically deny the Claimants' allegation that they retained post-sale control over the Second Claimant's business domain (haircreators.net), email accounts, or Point-of-Sale (POS) systems. These allegations are unfounded and contradicted by the documentary evidence and the Claimants' own conduct during and after the transition period.

3.1.56 The Defendants affirm that all digital systems, including access to the salon's domain, CRM tools (e.g., **Fresha**), and official email accounts were properly handed over to the Claimants during the transitional phase from **21 March to 1 April 2024**. Control over these platforms was handed over and was fully available to the Claimants and their designated staff, including Ms. Lolita and Ms. Marsela.

3.1.57 The First Defendant maintains that, following the operational handover, he provided the Claimant through her appointed representatives, Ms. Marsela and Ms. Lolita, with full access to the company's digital systems. According to his account, this included the transfer of usernames and passwords for the company's email accounts and point-of-sale (POS) systems. He further states that the Claimants assumed control over bookings and marketing communications shortly after the handover and were advised to renew the domain hosting services and migrate the email accounts under their own administrator credentials. These assertions are supported, in part, by the correspondence referenced, and can be further substantiated by the Claimants' own conduct during the transition period.

3.1.58 The First Defendant's control over these systems was entirely relinquished after **1 April 2024**. From that date, the Claimants had full autonomy and responsibility over the salon's digital infrastructure. Their failure to retain continuity, specifically, the failure to renew the **domain registration** and migrate administrative access, led to the **deactivation of email and website services**, a result of their own inaction.

3.1.59 As supported by related correspondence, the hosting provider for the salon's domain notified the account holder (originally the First Defendant) that the subscription would lapse soon.[19] This information was conveyed to the Claimants, who failed to renew the services under their own credentials. The First Defendant had no obligation to maintain third-party services post-transfer, and no such obligation was imposed under the SPA.

3.1.60 The salon's point-of-sale (POS) system, **Fresha**, remained accessible to the Claimants both during the transition period and following the formal transfer of control. User access logs confirm that the Claimants actively utilized the system post-transfer. There is no evidence of any denial of access or interference by the First Defendant.

3.1.61 The legal burden rests with the Claimants to prove that the Defendants either actively prevented access or wrongfully retained administrative control. No such evidence has been presented. As held in **Al Buhaira National Insurance Co. v Horizon Energy LLC [CFI-029-2021]**, speculative assertions unsupported by contemporaneous records or formal access requests are inadmissible.

[19] Annexure D19

3.1.62 The DIFC Contract Law recognizes the principle of post-transfer autonomy: upon completion of a share sale and operational handover, the new owner assumes all management obligations, including digital system administration. The SPA does not impose continuing IT support or administrative maintenance duties on the seller, and the Claimants cannot now seek to rewrite the agreement retroactively.

3.1.63 To the extent that the Claimants allege temporary overlap of access, this occurred only during the defined **transition window** and was exercised by the First Defendant exclusively for the benefit of the Claimants and to assist in operational continuity. All such access ceased once the Claimants had assumed formal control and failed to assume responsibility for renewal and reconfiguration.

3.1.64 Accordingly, the Defendants respectfully submit that the allegation of retained control over the domain, emails, and POS systems is false, legally unsustainable, and evidentially lacking. The Claimants alone bear responsibility for the administrative failure to secure continuity of digital systems.

(g) Alleged Interference with Business Reputation and Staff

3.1.65 The Defendants deny, in the strongest possible terms, the allegation that the First Defendant interfered with the Second Claimant's business reputation, or that he actively solicited staff members or clients following the sale. These allegations are not only unsubstantiated by any credible evidence, but they are also contrary to the Defendants' documented conduct during and after the transition of control.

3.1.66 The First Defendant has consistently acted with integrity and professionalism throughout the course of the transaction. Following the execution of the SPA and the formal handover of operations on **1 April 2024**, he did not interfere with the day-to-day running of the salon, did not communicate with staff in a manner intended to disrupt, and did not solicit employees to resign or join the Second Defendant.

3.1.67 The Defendants expressly deny any solicitation or recruitment of the Second Claimant's employees following the share transfer.

3.1.68 In the absence of any contractual non-solicitation or restrictive covenant in the **SPA or MOU**, such conduct, even if it had occurred, which is denied, would not give rise to a cause of action under DIFC law. The **DIFC Court** has consistently held that, if an express contractual restriction is absent, post-sale recruitment does not constitute unlawful interference. In **Gulf Navigation Holding PJSC v DGS Marine Group [CFI-015-2017]**, the Court confirmed that "the right to operate a competing business or to hire employees in the absence of a contractual restriction is not an actionable interference."

3.1.69 No such restrictive clause exists in the SPA or the MOU. There is no non-solicitation provision prohibiting the Defendants from hiring former employees of the Second Claimant. There is also no evidence of any improper inducement, financial or otherwise, offered to staff members to depart from the Second Claimant.

3.1.70 As to the allegation of reputational harm, the Claimants have failed to identify any specific defamatory statement made by the Defendants to clients, suppliers, or the public. No emails, social media posts, or customer-facing communications have been submitted that demonstrate disparagement or malicious interference.

3.1.71 The First Defendant's continued use of "Hair by Salah" does not amount to reputational interference. As established above, "Hair by Salah" is his own professional identity, pre-dating the Second Claimant, and not a corporate asset transferred under the SPA. Clients who follow the First Defendant as an individual professional do so by choice, and such independent patronage is neither prohibited by law nor indicative of unfair competition.

3.1.72 The burden of proof lies with the Claimants to demonstrate:

(i) a clear act of interference;

(ii) an intention to harm; and

(iii) resulting damage. None of these elements are satisfied.

(h) Additional Defenses and Clarifications

3.1.73 Without prejudice to the detailed responses above, the Defendants provide the following additional clarifications to assist the Court in understanding the full context of this dispute and to address any residual or implied claims raised in the Claimants' pleadings.

3.1.74 The Share Sale was a Sale of a Going Concern:

The parties expressly agreed in the **Memorandum of Understanding (MOU)** and subsequently in the **Share Transfer Agreement (SPA)** that the transaction involved the sale of shares in the Second Claimant "as a going concern." There was no representation that the company was free of liabilities, nor was there any indemnity clause guaranteeing protection against debts incurred in the ordinary course of business. Under DIFC contract law, this structure imposes on the purchaser the duty to investigate the business, assess risk, and determine suitability.

3.1.75 Failure to Exercise Due Diligence or Probation Termination Rights:

The Claimants had 30-day probationary period within which they had full access to company records, staff, digital systems, and bank information. The SPA did not restrict the Claimants from terminating the agreement during this period, yet they chose to proceed with full execution, submit the second instalment of AED 750,000, on 1 May 2024, and request the registration of the share transfer with the DIFC Registrar. Their decision to move forward despite alleged constitutes an express affirmation of the contract, extinguishing any post-closing right of rescission.

3.1.76 Waiver and Acquiescence:

It is well established in DIFC law that a party who, with knowledge of a breach or alleged misrepresentation, affirms the contract by continuing to perform or by accepting benefits under the agreement, waives the right to later rescind or challenge it. The Claimants' conduct, including accessing business systems, assuming operational control, receiving revenues, and submitting filings to the DIFC Registrar, amounts to full performance and ratification of the SPA. This principle was upheld in **Brookfield Multiplex v DIFC Investments [CA-003-2012]** and further reinforced in **Transfield ER Ltd v Ariston [CFI-004-2020]**.

3.1.77 No Evidence of Causation or Loss:

The Claimants have failed to substantiate any direct financial loss arising from the alleged conduct of the Defendants. No audited financials, loss of profit calculations, or expert reports have been submitted to quantify alleged damages. In the absence of demonstrable loss and a causal connection to the Defendants' conduct, the claim fails under any valid legal ground.

3.1.78 The Defendants Have Acted in Good Faith Throughout the transaction:

The First Defendant, despite having no post-closing obligations, continued to:

- Assist the Claimants in managing operations;
- Remit loan instalments from his own resources;
- Respond to client queries;
- Provide technical guidance regarding the domain and email services.

His good faith conduct is documented extensively in the annexures submitted with this defense.

3.1.79 No Basis for Rescission or Restitution:

There exists no legal basis for the Claimants' attempt to reverse the share sale, recover consideration paid, or pursue damages. The transaction was negotiated at arm's length, supported by a formal written agreement, and executed without duress, mistake, or fraud. Under **Articles 67–70 of the DIFC Law of Obligations**, rescission is only available where a vitiating factor (fraud, misrepresentation, mistake) can be proven. No such factor is present here.

3.1.80 The Defendants respectfully submit that the Claimants' action constitutes an opportunistic attempt to reframe a commercial purchase, entered voluntarily and executed with full knowledge, as a wrongful transaction, solely due to their dissatisfaction with post-sale business performance.

3.1.81 The Defendants reserve the right to supplement this Defense should additional allegations be introduced or clarified by the Claimants in subsequent pleadings or witness evidence.

(i) Failed Negotiations, Rejected Offer, and the Claimants' Improper Motive

3.1.82 It is also relevant to note that shortly after the initial transaction of AED 650,000, and prior to execution of the Share Transfer Agreement, the First Defendant extended a genuine proposal to the First Claimant and her husband to retain a **10% minority stake** in the Second Claimant and to invest **AED 200,000** in return. The intention behind this proposal was to facilitate ongoing cooperation between the parties, particularly to allow the First Defendant to conduct **hairstyling and training workshops** under Hair by Salah," while preserving goodwill for the salon.

3.1.83 The Claimants, however, rejected this proposal and made a counter-offer whereby the First Defendant would be permitted to retain **10% equity** only in exchange for a significantly **higher investment amount**. This counter-offer was commercially unviable and was ultimately declined by the First Defendant.

3.1.84 The breakdown of this negotiation underscores that the parties considered and expressly rejected any ongoing collaboration post-sale. More importantly, the Claimants' rejection of the proposal, and their insistence on materially different investment terms, demonstrates that they voluntarily chose a clean sale and separation of involvement.

3.1.85 The Defendants respectfully submit that the present proceedings are not a bona fide attempt to seek redress for any actual wrong, but rather an opportunistic effort to reverse a commercial decision that the Claimants may be regretting for reasons best known to them. Having declined to collaborate, and having assumed full control, they now find the operational realities of running a business more challenging than expected, and seek to hold the Defendants responsible for their own mismanagement.

3.1.86 The improper motive behind the suit becomes all the more evident when seen in light of the Claimants' silence and inaction during the 30-day probation period and their continued reliance on the First Defendant's goodwill and guidance during transition, followed suddenly by the initiation of legal proceedings months after completion.

4. COUNTERCLAIM

4.1 The First Defendant, Mr. Salah Mohamed Adel Al Masri, respectfully brings this counterclaim in his personal capacity against the Claimants, arising from payments he made toward a loan liability that had been fully disclosed to the Claimants prior to the execution of the Share Transfer Agreement (SPA) dated 20 March 2024.

A. Basis of the Counterclaim

4.2 As set out in Section 3 above, the First Claimant and her representatives were informed prior to and during the transaction that the Second Claimant (Hair Creators Salon Ltd) was subject to a loan facility with RAKBANK in the amount of approximately **AED 1,382,352**, which had been used to finance the business operations and working capital.

4.3 Despite full disclosure of this liability and the fact that it was factored into the reduced purchase price of AED 1.5 million, the Claimants failed to assume responsibility for the RAKBANK loan repayments following the share transfer and operational handover.

4.4 In order to prevent the company from defaulting on its loan obligations, which would have had severe financial and reputational consequences for the Second Claimant, the First Defendant, though no longer a shareholder or director is **personally paying the monthly loan installments** on the Second Claimant's behalf, totaling **AED 398,000**, till date, as reflected in the attached RAKBANK payment confirmations.[20]

4.5 These payments were made between **April 2024 and till date, subsequent to the transfer of ownership and control to the Claimants.** The payments were made voluntarily but under commercial and reputational compulsion, given the Claimants' inaction and the First Defendant's personal guarantee previously issued to RAKBANK.

4.6 The First Defendant has repeatedly requested reimbursement from the Claimants, but no repayment or acknowledgement has been forthcoming.

4.7 The First Defendant respectfully requests the Honorable Court to order the Claimants to:

(i) assume full and continuing legal responsibility for the remaining balance of the RAKBANK loan, and

(ii) replace the security cheque held by RAKBANK in the name of the First Defendant with a new instrument issued by the Claimants, thereby releasing the First Defendant from any personal exposure related to the loan facility.

B. Legal Basis

4.8 Under **Article 122(1) of the DIFC Law of Obligations (Law No. 5 of 2005)**, "a person who lawfully, voluntarily, and reasonably provides another with a benefit in circumstances where restitution is appropriate may recover the reasonable value of the benefit conferred." Here, the First Defendant conferred a direct monetary benefit by satisfying the company's loan instalments post-transfer.

4.9 The First Defendant is entitled to recover such amounts under the doctrine of **unjust enrichment**, recognized under DIFC law, which requires:

- That the Defendant (Claimants) have been enriched;
- That the enrichment was at the expense of the Claimant (First Defendant);
- That there is no legal justification for the enrichment.

[20] Annexure D20

All three criteria are satisfied in the present case.

C. Relief Sought in the Counterclaim

4.10 The First Defendant therefore respectfully requests judgment against the Claimants, jointly and severally, for the following:

(a) **AED 398,000**, being the aggregate amount of loan instalments paid post-transfer on behalf of the Second Claimant till date;

(b) An order directing RAKBANK to produce the updated bank statements relating to the loan account held in the name of the Second Claimant, for the period from January 2023 to the present date, as the said account is no longer accessible to the First Defendant due to its closure following the First Claimant's failure to update KYC documentation;

(c) **Interest** at the DIFC Courts' standard commercial rate from the date of each payment until full reimbursement;

(d) A declaration that the Claimants are solely responsible for the outstanding balance of the RAKBANK loan, including all future instalments;

(e) An order directing the Claimants to procure the release of the First Defendant's personal security cheque held by RAKBANK and to provide substitute security in their own name;

(f) Costs associated with bringing the counterclaim; and

(g) Any other relief the Court deems just and appropriate in the circumstances.

5. CONCLUSION AND RELIEF SOUGHT

5.1 For the reasons set out in this Amended Statement of Defense, the Defendants respectfully submit that the Claimants' claims are factually unfounded, legally misconceived, and unsupported by clear evidence. The Claimants, having freely negotiated and entered into the Share Transfer Agreement with full access to company operations, records, and loan liability, cannot now seek to reverse or avoid their commercial obligations on the basis of post-sale dissatisfaction or operational difficulties.

5.2 The Claimants' assertions of misrepresentation, concealment, brand misuse, client list diversion, breach of non-compete, interference with staff, and financial impropriety have each been refuted with specific, documented responses supported by annexures, statutory provisions, and binding DIFC case law.

5.3 The Defendants respectfully submit that this dispute arises not from any wrongdoing on their part, but from the Claimants' own:

- Failure to conduct adequate due diligence during the agreed probation period;
- Mismanagement of the business following takeover;

- Inability to retain clients, or operational systems; and
- Failure to comply with basic administrative tasks such as bank updates, domain renewals, and contractual follow-through.

5.4 Furthermore, the First Defendant has demonstrated good faith by continuing to support the business during transition, including by personally making loan repayments on behalf of the Second Claimant to prevent default, despite no contractual obligation to do so.

Accordingly, the Defendants respectfully seek the following orders:

(A) That the Claimants' claims be **dismissed in full** with costs;

(B) That judgment be entered in favor of the First Defendant on his **Counterclaim**, awarding:

- AED 398,000 as reimbursement of post-transfer RAKBANK loan installments paid by him;
- An order directing RAKBANK to produce the updated bank statements relating to the loan account held in the name of the Second Claimant, for the period from January 2023 to the present date, as the said account is no longer accessible to the First Defendant due to its closure following the First Claimant's failure to update KYC documentation;
- Interest on the above sum at the DIFC Courts' standard commercial rate from the date of each payment until the date of full repayment;
- Legal costs incurred in connection with the Counterclaim;

(C) That the Defendants be awarded their **costs of these proceedings**, on the indemnity basis; and

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

STATEMENT OF TRUTH

The Defendants believe that the facts stated in this Amendment to the Statement of Defense are true.

P.O.Box:8812
DUBAI - UAE
LUTFI & COMPANY ADVOCATES & LEGAL CONSULTANTS

____

Ms. Harjeet Bhatia

Senior Consultant

Lutfi & Co. Advocates and Legal Consultant

EVIDENCE LIST:

SR. NO.	ANNEXURE NO.	CORRESPONDING EVIDENCE
1	Annexure D1	The MOU and the SPA
2	Annexure D2	WhatsApp conversation between the First Defendant and the Agent 'Mr. Aldo' from Premium Real Estate
3	Annexure D3	SPA between the Third Defendant and Hair Crafters Company Ltd.
4	Annexure D4	Share certificate and AOA of the Second Defendant
5	Annexure D5	WhatsApp conversation between the First Defendant and the Agent 'Mr. Aldo' from Premium Real Estate proving submission of Bank Statement.
6	Annexure D6	Email Copy from the First Defendant to First Claimant
7	Annexure D7	Audited Financial Report
8	Annexure D8	Email from the First Defendant to the DIFC authorities
9	Annexure D9	ADIB Bank Statements
10	Annexure D10 & D13	WhatsApp conversation between Ms. Marsela and the First Defendant.
11	Annexure D11	Website suspension notice
12	Annexure D12	Instagram conversations between the First Defendant and the Clients.
13	Annexure D14	Bank receipts confirming Salary transfers
14	Annexure D15	Rent Payment confirmation
15	Annexure D16	Utility bill payment confirmation
16	Annexure D17	RAK bank account closure notice
17	Annexure D18 & D19	Email from the First Defendant to the Claimants
18	Annexure D20	Loan Payment Confirmations
19	Annexure D21	Loan Agreement

محاكم DIFC COURTS

EVN-2246430725-7590

Application notice

Application Number : CFI-066-2024/2 Issued Date : 10-Jul-2025

Case Information

Case Number	:	CFI-066-2024
Case Title	:	Klesta Eshja vs Salah Masri a.k.a Salah Mohamed Adel Al Masri and others
I'm making this application under	:	Part 18.2 - 18.3
Description	:	Application for permission to file and rely upon the Amended Statement of Defence and Counterclaim in accordance with RDC Part 18. The amendments include further factual clarifications, updated relief sought, and correction of clerical errors. The amended pleading is attached herewith for the Court's consideration.
Party Type	:	Defendant
Defendant(s)	:	Salah Masri a.k.a Salah Mohamed Adel Al Masri, The Hair Crafters Company LTD (Trading Name The Grove Salons) a.k.a Hair by Salah

Application Details

How do you wish to have your application dealt with?	:	Without a hearing
Court fee (USD)	:	300.00
Court fee (AED)	:	1,101.75
Is this agreed by all parties?	:	No
Serving parties	:	Klesta Eshja

Part A, B and C

Part A

The applicant intends to apply for an order that

1. The Defendants be granted permission to file and rely upon the Amended Statement of Defence and Counterclaim in the form attached to this Application Notice;
2. The Amended Statement of Defence and Counterclaim be deemed properly filed and served; and
3. The Claimants be directed to file any Reply, if so advised, within 14 days from the date of service of the amended pleading.

because

The proposed amendments are necessary to clarify certain factual matters, include updated relief sought in the Counterclaim, and correct clerical or drafting inconsistencies in the original Statement of Defence. The amendments do not introduce any entirely new causes of action and are being submitted promptly and in good faith to ensure that the Court has the most accurate and complete record before it for determination of the dispute.

Part B

The applicant wishes to rely on the attached	:	Statement Of Case

Statement of Truth

Full Name	:	Harjeet Bhatia
Signature	:	Harjeet Bhatia

Once your claim form has been submitted successfully you will receive a confirmation and an invoice to be settled before your claim can be accepted and progressed. If your submission is unsuccessful you will receive a message explaining the error and how to rectify it.

If you have any problems filling out the form or need further assistance please contact us on + 97144273333 or by email on registry@difccourts.ae.

The DIFC Courts are open between 8.00am and 4.00pm, Monday to Friday. Please address all correspondence with the court to the Registry (registry@difccourts.ae) and quote the case number if you don't have a case number yet.

THE DUBAI INTERNATIONAL FINANCIAL CENTRE COURTS

THE COURT OF FIRST INSTANCE

CFI-066-2024

BETWEEN:

KLESTA ESHJA

(The "First 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")

(Collectively "The Defendants")

AMENDMENT TO THE STATEMENT OF DEFENSE FOR THE FIRST DEFENDANT

JULY 26, 2025

REPRESENTED BY LUTFI & CO. ADVOCATES AND LEGAL CONSULTANTS

1201 & 1205, API TRIO OFFICE TOWER, AL BARSHA 1, DUBAI, UAE

1. INTRODUCTION

1.1 This Amended Statement of Defense is submitted by the First Defendant pursuant to Rule 16.9 and Rule 4.2 of the Rules of the DIFC Courts. The First Defendant respectfully requests leave to amend their original Statement of Defense in the interests of justice, procedural efficiency, and clarity. Unless expressly admitted herein, each and every allegation raised by the Claimants is denied.

1.2 The First Defendant, Mr. Salah Mohamed Adel Al Masri ("First Defendant"), is a professional hairstylist and entrepreneur with over two decades of experience in the UAE's salon and hairdressing industry. Since 1998, he has operated under "Hair by Salah," which predates the formation of the Second Claimant which is a business establishment having a separate legal entity.

1.3 In early 2024, the First Defendant was approached by representatives of the First Claimant through Premium International Real Estate to discuss a potential share sale of Hair Creators Salon Ltd (the Second Claimant), in which the First Defendant was then the sole shareholder and managing director.

1.4 As initiated by the First Claimant's representative, a **Memorandum of Understanding ("MOU") was executed on 14 February 2024**, followed by a **Share Transfer Agreement ("STA") on 20 March 2024**,[1] under which the First Defendant agreed to sell 100% of his shares in the Second Claimant for a total consideration of **AED 1.5 million** which was negotiated to be reduced from the original price of AED 2.5 million after taking into consideration the existing loan liability specifically, a RAK Bank loan exceeding **AED 1 million**.

1.5 The First Defendant reaffirms that the loan liability along with all other details related to the sale, was fully disclosed to the First Claimant and her representatives during pre-contractual negotiations and during the 30-day **probationary period** granted to the Claimants under Clause 7 of the MOU. This disclosure is substantiated by WhatsApp conversations, emails, and annexed documents, including ADIB bank statements, where the loan amount is clearly reflected with no room for denial. Following the receipt of the relevant information/documents concerning the loan, the First Claimant had an opportunity to terminate the transaction during the probationary period but failed to do so. This disclosure was further confirmed by Mr. Shady Gorge Zaiat, the former in-house accountant of the Second Claimant, in his witness statement, where he affirms that all material liabilities, including the RAKBANK loan, were presented to the Claimants' representatives prior to execution of the MOU and SPA.

1.6 The Claimants paid the agreed installments in full (AED 100,000 during the signing of the MOU, AED 650,000 on 26 March 2024 and AED 750,000 on 1 May 2024) and assumed control of the business premises from **1 April 2024**. Daily income and access to business systems were transferred progressively, and the Claimants were provided continued support throughout the transition in line with the Share Transfer Agreement ("SPA").

1.7 Despite this, the Claimants have now sought to rescind the sale and allege misrepresentation, fiduciary breach, and concealment of liabilities. These allegations are completely unsubstantiated and legally untenable. The First Defendant continued to service loan repayments on behalf of the company/the Second Claimant even after the transfer of shares to the First Claimant to avoid default and reputational damage for both parties.

1.8 Furthermore, the Claimants' allegations regarding breaches of non-compete obligations and document retention fail to recognize that **"Hair by Salah"** was never assigned to, nor owned by, the Second Claimant. It is used by the First Defendant independently of the Second Claimant. No restrictive covenant was ever agreed to that would prevent the First Defendant, in his personal capacity, from continuing his trade as a hairdresser. The **non-compete clause in the SPA** does not extend to or prohibit the First Defendant from pursuing his livelihood as a hairdresser post-transfer of the Shares in the Second Claimant. This position was made explicitly clear to the First Claimant and her representatives prior to the execution of the MOU, and it was never contested at the time.[2]

1.9 This Further Amendment to the Statement of Defense sets out a structured and comprehensive rebuttal of each allegation made by the Claimants, referencing supporting documents, WhatsApp and email correspondence, and relevant provisions of DIFC law. The Defendants also rely on the principles laid down in *Brookfield Multiplex v DIFC Investments* [CA-

003-2012], *Al Tamimi v Keith Bunker* [CFI-016-2016], and Articles 82 and 68 of the DIFC Contract and Law of Obligations to demonstrate that the Claimants ratified the transaction, failed to exercise their contractual remedies in time, and are now barred from seeking relief.

1.10 The First Defendant reserves the right to rely on additional documents, annexures, and witness statements as proceedings continue and respectfully request that this Honorable Court dismiss the Claimants' claims in full and grant the relief sought in favor of the First Defendant.

2. BACKGROUND

2.1 The First Defendant, Mr. Salah Mohamed Adel Al Masri, is an established hair stylist with over two decades of experience in the UAE's personal care and beauty industry. Since 1998, he has operated under the name "Hair by Salah", developing a substantial client base and professional reputation which contributed to the commercial success of the Second Claimant without transferring his personal goodwill or professional identity to it. However, "Hair by Salah" continues to be his personal and professional identity and not a goodwill of the tradename Hair Creators Salon Ltd., transferred under the Share Transfer Agreement (SPA).

2.2 The First Defendant has no ownership interest in Hair Crafters Company Ltd. His involvement is limited to providing hairstyling training services on the academy side, in his personal capacity.

2.3 Hair Crafters Company Ltd. is entirely **distinct and unrelated** to the Second Claimant, **Hair Creators Salon Ltd**. The First Claimant's attempt to link the two entities is **factually incorrect, misleading, and unsupported by any documentary evidence**. It is a clear misrepresentation of the facts and appears to be advanced solely for the purpose of inflating allegations against the Defendants.

2.4 The Second Claimant, Hair Creators Salon Ltd, was incorporated and owned solely by the First Defendant until March 2024. It operated from premises located in DIFC, Dubai, and was engaged in the business of providing hair and beauty services under the operational leadership of the First Defendant until the share sale transaction.

2.5 On or around February 2024, the First Claimant expressed an interest in acquiring the Second Claimant. Following negotiations, the parties entered into a **Memorandum of Understanding (MOU)** on **14 February 2024**, and thereafter executed a formal **Share Transfer Agreement (SPA)** on **20 March 2024**, by which the First Defendant agreed to sell 100% of his shares in the Second Claimant to the First Claimant.

2.6 The agreed consideration for the transaction, under which the First Defendant sold **100% of his shares** in the Second Claimant, was **AED 1.5 million**, payable in three instalments:

(i) **AED 100,000** upon signing of the **Memorandum of Understanding**;

(ii) **AED 650,000** on **26 March 2024**; and

(iii) **AED 750,000** on **1 May 2024**.

This amount represented a **negotiated reduction** from the originally proposed price of **AED 2.5 million**, after taking into account the company's existing financial loan liability with **RAKBANK of AED 1,382,352**, which had been fully disclosed by the First Defendant during negotiations. The **AED 1 million reduction** was specifically agreed on the basis that the **First Claimant would assume responsibility** for settling the said loan as part of the share transfer. The Claimants accepted the revised consideration and confirmed the same under the executed **SPA**.

2.7 Under the SPA and the MOU, the transaction was structured as a **purchase of a going concern**, with the Claimants accepting the existing loan liability of the company with RAKBANK, which was explicitly disclosed to the Claimants representatives[3] prior to execution of the MOU.

2.8 Operational control was handed over to the First Claimant and her representatives, Ms. Marsela and Ms. Lolita, on **1 April 2024**, upon which they assumed full managerial and financial authority over the Second Claimant, its employees, premises, systems, and day-to-day affairs. From this date, the First Defendant ceased all involvement in the company's operations.

2.9 During the Probation period, the First Defendant made a bona fide proposal to the First Claimant and her husband to retain a **10% minority shareholding** and contribute **AED 200,000** towards the business. This proposal was contingent upon his being permitted to conduct **hairstyling training sessions** and retain limited involvement under "Hair by Salah." The intent was to allow the First Defendant to continue adding value through his technical expertise and longstanding goodwill in the industry.

2.10 However, the Claimants rejected this proposal and instead counter-offered that the First Defendant would only be allowed to retain 10% equity in exchange for a **substantially higher investment**. This counter-offer was deemed commercially unfeasible and was declined by the First Defendant.[4] The parties proceeded with a full sale of 100% of the shares in the Second Claimant.

2.11 The MOU contained a **30-day probation period**, during which the Claimants had full access to the business, staff, bank records, and management systems. Notably, **Clause 11 of the MOU** provided that should the turnover not meet satisfactory levels, the **full purchase price shall be refunded to the Buyer (i.e., the First Claimant)**. However, the Claimants:

- Assumed operational control from **1 April 2024**;
- Paid the second instalment post-handover, at the end of the Probation period;
- Did not raise any formal dissatisfaction with turnover levels;
- Did not invoke Clause 11 or seek rescission during the probationary window.

Their silence and performance during this period constitute a **clear affirmation of the transaction** and a **waiver of any rights under Clause 11**.

2.12 Since taking over, the Claimants have encountered internal management challenges, including staff resignations, suspension of the company bank account due to their failure to update signatory details with RAKBANK, and service disruption from non-renewal of domain and POS system subscriptions. Rather than acknowledge these administrative failings, the Claimants have sought to assign blame to the First Defendant for alleged post-sale interference and misrepresentation.

2.13 The Defendants respectfully submit that these proceedings are a **malicious attempt to reverse a fully executed commercial transaction**, arising out of the Claimants' belated dissatisfaction with their own lack of sound business decisions and performance. The sequence of events, including the rejection of the First Defendant's offer to contribute further and the non-invocation of Clause 11, clearly illustrates that the Claimants knowingly accepted the commercial risks and now seek to deflect responsibility for their own shortcomings.

2.14 It is also relevant to note that prior to the sale, the Second Claimant was operating in a financially healthy state, generating consistent monthly revenues sufficient to meet its financial obligations, including the RAKBANK loan instalments. An audited financial report[5] reflecting the company's financial standing prior to transfer is available and can be submitted upon request. The Defendants therefore reject any suggestion that the company was misrepresented as financially distressed.

2A. CHRONOLOGY OF KEY EVENTS

Date	Event	Reference / Notes
1998–2020	First Defendant operates in UAE under "Hair by Salah".	Personal identity, never assigned or registered as corporate IP
2020	Hair Creators Salon Ltd registered in DIFC by First Defendant	Operating as a commercial salon
Early Feb 2024	Verbal negotiations and WhatsApp/email exchange with Claimants' agents	ADIB bank statements and loan disclosures shared with Mr. Aldo (appointed by the First Claimant)
14 Feb 2024	**MOU signed** between First Defendant and First Claimant	Drafted by Claimants' real estate agent; signed by First Claimant in advance
20 Mar 2024	**Share Transfer Agreement (STA)** executed	AED 1.5M agreed price; 30-day probation; no debt-free warranty
21-31 Mar 2024	Transitional coordination; access granted to Claimants' team	WhatsApp/email handover, access to staff, POS, documents

1 Apr 2024	Claimants assume control of salon operations	Confirmed in WhatsApp; all income from this date to remain in business account
1 May 2024	**Second Instalment paid** (AED 750,000); First Defendant sends share transfer email to DIFC	Annex D6 – Email confirmation[6]
Mid-May 2024	**DIFC Authority approves share transfer**	Claimants become 100% shareholder; no objections raised
Apr-Jun 2024	Claimants fail to replace cheques, update KYC, or renew domain/email hosting	Resulting in RAKBANK account suspension and website/email deactivation
Jun 2024 onwards	Claimants begin alleging misrepresentation, control retention, and misuse of brand	Despite post-sale operational control and full support from Defendant
Throughout 2024 till date	First Defendant continues **RAKBANK loan repayments** to prevent default	See Annex D21 – Loan Installments Paid

3. RESPONSES TO ALLEGATIONS

The First Defendant now responds to the allegations set forth in the Claimant submissions. Each allegation is addressed in turn, supported by documentary evidence, contractual provisions, and applicable principles of DIFC law.

3.1 Alleged Non-Disclosure of Liabilities

3.1.1 The First Defendant categorically denies that there was any non-disclosure or concealment of the Second Claimant's financial liabilities. The principal liability, being the loan facility from RAKBANK in the amount of approximately AED 1,382,352, was explicitly disclosed both prior to the execution of the MOU and SPA and during the probationary period.

3.1.2 The existence and terms of the RAKBANK loan were communicated to the Claimants' intermediary, Mr. Aldo (of Premium International Real Estate), through WhatsApp messages and via transmission of ADIB bank statements. These statements clearly demonstrated monthly deductions for the loan instalments.[7]

3.1.3 The above point is substantiated by the witness statement of Mr. Shady Gorge Zaiat, the Second Claimant's former accountant, who confirms that he was instructed by the First Defendant to retrieve and share the company's accounting records, including loan statements, with the Claimants' representatives, Mr. Sokol and Mr. Aldo. Mr. Zaiat further states that during a meeting in February 2024, the First Defendant openly disclosed the existence of the loan facility and that the Claimants' agents explicitly agreed to proceed with the purchase "along with its liabilities" and without requiring any loan clearance disclaimer[8].

3.1.4 The **reduction of the originally requested purchase price from AED 2.5 million to AED 1.5 million** was not arbitrary; it was made precisely in view of the Claimants' acknowledgement and acceptance of the company's ongoing loan liability. Accordingly, the reduced price represented a net valuation, factoring in the continuation of those obligations on the part of the First Claimant following the sale of the shares in the Second Claimant.

3.1.4A The Claimants' acceptance of the loan liability is further evidenced by the fact that the First Claimant personally paid the RAKBANK loan installment for the month of July 2024[9]. This payment demonstrates her acknowledgment of the financial obligation and confirms that the liabilities were neither concealed nor disputed at the time. Following this payment, the First Defendant issued multiple reminders via email to the First Claimant in August and September 2024[10], urging her to continue servicing the loan in line with the agreement and the parties' prior understanding. These communications clearly reflect that the First Defendant expected the Claimants to assume full responsibility for the loan and had ceased to treat it as his obligation following the share transfer. In one such email dated 1 September 2024[11], the First Defendant expressly warned of the legal and reputational consequences of default, while also confirming that he had temporarily covered a subsequent installment using his personal funds purely to avoid harm to the company's credit standing.

3.1.5 Clause 7 of the MOU afforded the Claimants a **30-day probationary period**, expressly entitling them to conduct operational, financial, and legal due diligence. During this period, the

Claimants accessed key financial documents, interacted with staff and the salon accountant, and raised no formal objection, concern, or request for termination during the probation period to the company's financial standing. No attempt was made by the Claimants to exercise the contractual right of termination under the MOU.

3.1.6 The SPA, executed on **20 March 2024**, contains no warranty or representation that the company was free from liabilities. The SPA is entirely silent on the question of debt-free status, which under DIFC Contract Law (Article 49, Law No. 6 of 2004) implies that the risk of existing liabilities was knowingly and contractually assumed by the buyer. This interpretation is reinforced by the Claimants' conduct and the structure of the transaction.

3.1.7 Following execution of the SPA, the Claimants took over the company's premises, assumed control of the business, and continued operations. By their own actions, they effectively **ratified the transaction**, thereby extinguishing any entitlement to rescission under **Article 68 of the DIFC Law of Obligations (Law No. 5 of 2005)**.

3.1.8 Further, in accordance with **Brookfield Multiplex v DIFC Investments [CA-003-2012]**, the act of taking operational control post-execution, and benefiting from company revenues constitutes conclusive affirmation of the transaction. A party cannot simultaneously ratify an agreement by conduct and seek to avoid its consequences on grounds of alleged non-disclosure.

3.1.9 The burden of proving fraudulent misrepresentation lies with the party asserting it. In the present case, the Claimants have produced no credible evidence that any material information was deliberately withheld. On the contrary, the First Defendant went to considerable lengths to disclose all financial data, even offering continued support beyond the transition period by paying the monthly loan installments, which was neither his obligation nor expectation.

3.2 Alleged Withholding of Documents and Access

3.2.1 The First Defendant strongly refutes the Claimants' assertion that there was any withholding of operational documents, login credentials, system access, or material business records. At all material times, the First Defendant acted in good faith and with full transparency in ensuring that the Claimants were provided with access to the assets and tools necessary for the seamless transition and ongoing operation of the Second Claimant.

3.2.2 It is pertinent to clarify that the First Defendant never had any direct communication or substantive meeting with the First Claimant prior to the execution of the SPA. The entire transaction was facilitated through the Claimants' appointed agent, Premium Real Estate. The First Defendant met the First Claimant only briefly at the moment of signing the share transfer agreement at which time she made no inquiries. All negotiations, disclosures, and payment arrangements were conducted through her representatives.

3.2.3 Immediately following the execution of the SPA, and throughout the probationary and transitional period, the First Defendant made available all necessary physical keys, passwords, and access credentials, including but not limited to:

- Salon premises keys;
- Credentials to the Fresha appointment management platform;
- WhatsApp and email communication records with clients and suppliers;
- Financial records and bank statements;
- Utility accounts and tenancy agreements.

3.2.4 The Claimants' representatives, Ms. Marsela and Ms. Lolita, were granted physical and administrative access to the business operations from **March 21, 2024**, with no limitation or obstruction imposed by the Defendants. The First Defendant personally communicated with them via WhatsApp, offering real-time assistance, clarification, and administrative guidance during the handover process.[12]

3.2.5 As of **April 1, 2024**, the Claimants were fully in control of the salon operations. From that point forward, all decisions regarding staffing, system management, marketing, vendor communications, and customer services were exercised independently by the First Claimant and her representatives[13]. The allegation that the First Defendant somehow retained control post-transfer is both factually incorrect and contractually baseless.

3.2.6 The DIFC Courts have repeatedly held that claims of access obstruction must be substantiated by contemporaneous correspondence or formal requests for access that were refused (see *Panther Real Estate v Modern Executive Systems [CFI-047-2019]*). In this case, there is no evidence that the Claimants made any formal requests for access that were denied, nor is there evidence that the Defendants refused cooperation.

3.2.7 Moreover, the Claimants were entitled under the MOU and SPA to inspect all records during the 30-day probation period. No concerns or objections were raised during this window. The failure to assert any access-related issues at that time constitutes a waiver of such objections and an affirmation of the sufficiency of the handover.

3.2.8 To the extent the Claimants allege difficulty in navigating the systems post-handover (such as domain registration or CRM tools), such administrative inaction cannot be imputed to the Defendants. It is well established in DIFC commercial law that following transfer of control, the burden lies on the acquiring party to regularize access, renew services, and ensure continuity of systems.

3.2.9 Notably, it was the Claimants' omission to renew domain registration and hosting services that resulted in the suspension of the salon's email and website infrastructure. The relevant credentials had been delivered to the Claimants during the handover period, and there is no evidence to the contrary, Website Suspension Notice[14] and Domain and Email Hosting History.

3.2.10 Accordingly, the First Defendant submits that all access, control, and documentation necessary for post-sale continuity were duly handed over to the Claimants. Allegations to the contrary are unsubstantiated and appear to be retrospectively manufactured to support a claim for rescission.

3.3 Alleged Client List Misuse and Infringement

3.3.1 The First Defendant categorically denies any misuse of confidential client information, brand infringement, or unauthorized use of the Second Claimant's commercial identity. The allegations are factually baseless and legally untenable, as they are premised on the mistaken assumption that the First Defendant's personal work "Hair by Salah" was a corporate asset of the Second Claimant.

3.3.2 The First Defendant has operated under **"Hair by Salah"** since at least **1998**, well before the incorporation of the Second Claimant in **2020**. This name forms an integral part of the First Defendant's **personal and professional identity**, developed independently and used continuously in his individual capacity. It has never been assigned, licensed, or otherwise contributed to the Second Claimant's assets.

3.3.3 At no point was **"Hair by Salah"** contemplated as part of the share sale transaction. Neither the **Memorandum of Understanding (MOU)** nor the **Share Transfer Agreement (SPA)** contains any provision transferring or incorporating the **"Hair by Salah"** into the sale. The absence of any such reference makes it unequivocally clear that this remained and continues to remain **the personal identity of the First Defendant**, entirely outside the scope of the transaction.

3.3.4 Further, the domain name **hairbysalah.com** (currently expired), the associated Instagram handle **@hairbysalah**, and other digital assets were personally registered by the First Defendant and were used for his independent professional activities. These were not part of the sale of shares of Hair Creators Salon Ltd. as a business asset.

3.3.5 The First Defendant's continued use of the name "Hair by Salah" after the share transfer does not constitute infringement or breach of any contractual term. It reflects the exercise of a pre-existing right to operate as an individual. No provision in the SPA prohibits him from doing so, and no assignment of goodwill at his personal level was contractually agreed.

3.3.6 The Claimants' reliance on Clause 9 (non-compete) is misplaced, as that clause:

- Applies only to "the Seller and/or the Company";
- Does not mention the First Defendant personally;
- Lacks specificity as to duration, geographic scope, and restricted activity;

3.3.7 The Claimants' allegation that the First Defendant's continued use of the **"Hair by Salah"** constitutes a breach is **denied in full**, primarily on the grounds set out in **paragraphs 3.3.1 and 3.3.2** above. Pursuant to **Article 49 of the DIFC Contract Law**, a contract is to be interpreted in accordance with the **common intention of the parties**. The absence of any reference to "Hair by Salah" in the MOU or SPA, coupled with the First Defendant's continued and **public use of the same pre- and post-sale,** without any objection from the First Claimant makes it abundantly clear that there was **no mutual intention to include or restrict** the use of "Hair by Salah" as part of the transaction.

3.3.8 The Claimants have failed to produce any evidence to substantiate their allegation that the First Defendant solicited clients of the Second Claimant or extracted contact data from company systems. On the contrary, the First Defendant referred former clients to the Second Claimant's **Instagram handle**, thereby encouraging direct communication with the salon and its new management.[15] Following the transfer of control to the First Claimant and her representatives, the First Defendant discontinued all formal access to the company's CRM and ceased any engagement with client data. Annex D13 reflects the First Defendant's bona fide intent to **support business continuity**, not disrupt it.

3.3.9 As held in **Al Tamimi & Company v Keith Fredrick Bunker [CFI-016-2016]**, non-compete clauses are to be interpreted narrowly and may not unduly restrict an individual's right to practice a profession or earn a livelihood. In this case, no restrictive covenant was negotiated, no assignment of Hair by Salah was affected, and no contractual breach occurred.

3.3.10 The DIFC Court in **Credit Europe Bank (Dubai) Ltd v New Medical Centre Trading [CA-006-2011]** reaffirmed that any ambiguity in restrictive clauses must be resolved against the drafter. The SPA contains no unambiguous prohibition against the First Defendant's personal activity and thus cannot be interpreted to prohibit such conduct post-sale.

3.3.11 Finally, the Claimants' assertion that the First Defendant retained operational access to social media, email, or booking systems is unsupported. Where any such access existed temporarily during the transition, it was either

(a) provided by the Claimants voluntarily or

(b) used at their request to support operational continuity.

All such systems were eventually deactivated.

3.3.12 The Defendants therefore submit that the allegations relating to client list misuse and brand infringement are without merit, unsupported by contract, contradicted by documentary evidence, and contrary to established DIFC legal principles.

3.4 Alleged Diversion of Funds

3.4.1 The First Defendant denies any allegations of unauthorized diversion, misappropriation, or wrongful retention of funds belonging to the Second Claimant. These allegations are wholly unfounded, unsupported by any financial or forensic evidence, and appear to have been raised as an afterthought to justify the Claimants' attempt to unwind a transaction they freely entered into.

3.4.2 As stated previously, following the execution of the **Share Transfer Agreement (SPA)** on **20 March 2024**, the Claimants were granted access to the business premises and operations. From

1 April 2024, operational control was formally transferred to the First Claimant and her representatives, and all revenues generated by the business were retained in the company's existing bank account with ADIB bank. This was communicated explicitly by the First Defendant via WhatsApp to Ms. Marsela, who had been designated by the Claimants to coordinate the transition.[16]

3.4.3 The Claimants have produced no credible evidence that any business income was siphoned off by the First Defendant after 1 April 2024. On the contrary, **the First Defendant refrained from withdrawing any company funds** during the transition period and, in fact, **made payments from his personal resources to cover the RAKBANK loan instalments** till date in order to prevent default and reputational harm to the Second Claimant.

3.4.4 Any funds that may have remained in the company's account prior to the transfer of operational control formed part of the business assets transferred under the SPA. The SPA did not include a clause providing for a post-closing audit or adjustment of cash on hand, nor did it condition the transfer of ownership on a minimum working capital requirement. In the absence of such provisions, the Claimants cannot now seek to retrospectively revalue the transaction or assert entitlement to funds that formed part of the agreed consideration.

3.4.5 At no point did the First Defendant agree to leave a fixed balance or specific sum in the company's bank account upon transfer. The Claimants have not produced any written agreement, correspondence, or contractual clause evidencing such an arrangement. The burden lies with the Claimants to demonstrate that any such agreement existed. In the absence of this, their claim to post-sale cash amounts is unfounded. Moreover, on 1 April 2024, the date when the First Claimant's representative, Ms. Marsela, assumed operational control over the Second Claimant, the First Defendant explicitly shared a screenshot reflecting the balance in the company's bank account as zero. This communication was acknowledged without objection by Ms. Marsela, thereby confirming the Claimants' knowledge and acceptance of the financial position at the time of handover.

3.4.6 As the sole shareholder of the Second Claimant prior to completion of the share transfer, the First Defendant retained full legal authority to deal with the company's finances, including but not limited to the right to transfer or utilize funds from the corporate account, to pay salaries for the staff employed by the Second Claimant,[17] pay rent for the Second Claimant,[18] pay utility bills on behalf of the Second Claimant.[19] No law or contractual clause prohibited such activity prior to the effective date of the sale or the completion of the final payment by the Claimants. Any attempt to retroactively restrict that authority is both baseless and contrary to settled corporate principles.

3.4.7 Prior to the transfer of shares under the SPA, the First Defendant was the sole legal and beneficial owner of the Second Claimant and held full authority to manage and utilize the company's funds as he deemed appropriate. This included, but was not limited to, using such funds to settle utility bills, personal financial obligations, or transferring amounts to his family savings accounts. No contractual restriction, fiduciary limitation, or regulatory provision prohibited the First Defendant from exercising such discretion in his capacity as sole shareholder and manager. The Claimants have no standing to retrospectively challenge how the First Defendant chose to manage the Second Claimant's finances prior to the effective date of sale.

3.4.8 Furthermore, the SPA did not include any warranties by the seller concerning pre-transfer profit levels, or post-sale revenue performance. The DIFC Courts have made clear in **Ithmar Capital v Eight Investment [ARB-015-2014]** that where parties elect not to include certain warranties, they are presumed to have accepted the risk of commercial fluctuation and business performance post-closing.

3.4.9 To the extent the Claimants assert that the business failed to perform financially post-sale, such decline (if any) must be attributed to their own operational mismanagement, including their failure to:

- Replace the RAKBANK security cheques and update KYC, resulting in bank account suspension;
- Renew domain and website services, disrupting client booking and visibility;

3.4.10 In addition, the Claimants' failure to submit required documentation to the bank for change of signatory and mandate updates further impaired the company's financial operations.[20]

The First Defendant repeatedly reminded the Claimants to complete these formalities and, in the interim, continued to act solely to preserve the financial standing of the company/the Second Claimant, in good faith.[21]

3.4.11 Importantly, the Claimants have not conducted any independent audit or engaged an external accounting expert to substantiate the alleged diversion of funds. Their vague assertions are therefore inadmissible as speculative pleadings without evidentiary value.

3.4.12 Under **Part 16 of the DIFC Rules**, a party must provide clear particulars of any claim of fraud, dishonesty, or financial impropriety. The Claimants have failed to particularize dates, amounts, accounts, or transactions that would even remotely support the serious allegation of fund diversion. As such, the Defendants submit that this claim should be struck out in its entirety under **RDC Rule 4.2(3)** as an abuse of process.

3.4.13 The Defendants reserve their right to seek indemnity costs in relation to this claim, which was raised recklessly and without supporting documentation, in contravention of the overriding objective of the DIFC Court to manage proceedings efficiently and proportionately.

3.5 Alleged Breach of Clause 9 of the Share Transfer Agreement

3.5.1 The First Defendant submits that the Claimants' reliance on **Clause 9 of the Share Transfer Agreement (SPA)**, titled "non-compete," is entirely misplaced. The clause, which was drafted by **Premium Real Estate as the authorized representative of the First Claimant**, clearly and expressly limits its scope to the **Company (i.e., the Second Claimant)** and does **not impose any restriction** on the **First Defendant in his personal capacity**.

3.5.2 Clause 9 does not mention the First Defendant by name, nor does it identify him as a party subject to the restrictive covenant. Instead, it refers only to **"the Company"** and, at most, the ambiguous phrase **"the Seller and/or the Company"**, without specifying who the restriction binds. In the context of the SPA as a whole, and given the absence of any express reference to the First Defendant, the clause cannot reasonably be interpreted to bind him personally.

3.5.3 Furthermore, under **DIFC contract law and common law principles**, a valid and enforceable non-compete clause must contain clear terms specifying:

(i) **who** is restricted;

(ii) **what** competitive activity is prohibited;

(iii) the **duration** of the restriction; and

(iv) the **geographic scope**.

Clause 9 lacks all of these essential elements in respect of the First Defendant. It is therefore unenforceable against him even if it had purported to bind him, which it does not.

3.5.4 The First Defendant, post-sale, has acted strictly within his personal rights and has not violated any binding or enforceable non-compete obligation. His continued work as a hairdresser and trainer, including under "Hair by Salah," is entirely lawful and was never contractually prohibited.

3.5.5 Even if the Claimants now assert ambiguity or raise interpretive disputes over **Clause 9**, such arguments must be resolved against them under the **contra proferentem rule**. Pursuant to **Article 82 of the DIFC Contract Law (DIFC Law No. 6 of 2004)**, "if contract terms supplied by one party are ambiguous, they shall be interpreted against the party who supplied them." As the SPA was drafted by the Claimants' appointed agent, **Premium Real Estate**, any ambiguity, if it existed, must be construed against them, not the Defendants.

3.5.6 In the absence of these essential elements, **Clause 9 is incapable of enforcement under DIFC law**. Post-sale restrictive covenants are construed narrowly, and unless they are **clear, limited in scope, and proportionate**, they are invalid and unenforceable.

3.5.7 Furthermore, the First Defendant's continued professional use of **"Hair by Salah"**, and his limited role as a trainer at **Hair Crafters Company Ltd. (trading as "The Grove Salon") (the**

Second Defendant), do not constitute a breach of Clause 9. As established in paragraphs **3.3.1–3.3.2**, the use of “Hair by Salah” predates the Second Claimant and was never part of the SPA or MOU.

3.5.8 “Hair by Salah” was never **assigned, licensed, or transferred** to the Claimants, either expressly or impliedly.

3.5.9 The First Defendant has neither solicited clients of the Second Claimant nor misrepresented himself as affiliated with the Second Claimant post-sale. His conduct has been transparent and within his lawful rights as an independent professional. He has made no use of confidential information or trade secrets belonging to the Claimants.

3.5.10 As held in **Al Tamimi v Keith Bunker [CFI-016-2016]**, post-sale non-compete clauses must be narrowly construed and supported by **clear drafting** and **adequate consideration**. Clause 9 fails on both counts.

3.5.11 Even if Clause 9 were enforceable (which is denied), the First Defendant’s conduct falls outside its scope. He has not operated under the name of the Second Claimant, opened a competing business, or induced staff or clients to leave. His engagement with Hair Crafters Ltd. relates solely to training activities in an existing legal entity that is independent of the Claimants.

3.5.12 Accordingly, the First Defendant respectfully submits that **Clause 9 is unenforceable**, and no breach has occurred. The Claimants’ allegations of unlawful competition and brand misuse are **unsubstantiated**, **legally misconceived**, and must be dismissed in their entirety.

3.6 Alleged Retention of Control over Domain, Email, and POS Systems

3.6.1 The First Defendant categorically denies the Claimants’ allegation that they retained post-sale control over the Second Claimant’s business domain (haircreators.net), email accounts, or

Point-of-Sale (POS) systems. These allegations are unfounded and contradicted by the documentary evidence and the Claimants' own conduct during and after the transition period.

3.6.2 The First Defendant affirms that all digital systems, including access to the salon's domain, CRM tools (e.g., Fresha), DIFC portal, and official email accounts, were properly handed over to the Claimants during the transitional phase from 21 March to 1 April 2024. This handover was executed primarily by Ms. Abier Alkordi, the Sales Executive responsible for managing the Second Claimant's digital systems, who remained employed under paid notice for three weeks after the transfer. In her witness statement, Ms. Abier confirms that she personally trained the Claimants' appointed salon manager, Ms. Rexhina, on how to operate the DIFC portal, provided access credentials for email accounts, and transferred all relevant digital records. She further attests that at no point did she or the First Defendant denies any access request or retain administrative control after the handover. Her statement confirms that the First Defendant did not engage in any digital system management, as this was exclusively handled by Ms. Abier in the ordinary course of her duties[22].

3.6.3 The First Defendant maintains that, following the operational handover, he provided the Claimant through her appointed representatives, Ms. Marsela and Ms. Lolita, with full access to the company's digital systems. According to his account, this included the transfer of usernames and passwords for the company's email accounts and point-of-sale (POS) systems. He further states that the Claimants assumed control over bookings and marketing communications shortly after the handover and were advised to renew the domain hosting services and migrate the email accounts under their own administrator credentials. These assertions are supported, in part, by the correspondence referenced, and can be further substantiated by the Claimants' own conduct during the transition period.

3.6.4 The First Defendant's control over these systems was entirely relinquished after **1 April 2024**. From that date, the Claimants had full autonomy and responsibility over the salon's digital infrastructure. Their failure to retain continuity, specifically, the failure to renew the **domain registration** and migrate administrative access, led to the **deactivation of email and website services**, a result of their own inaction. There is no evidence that the First Defendant intentionally disrupted or restricted access to any digital service.

3.6.5 As supported by related correspondence, the hosting provider for the salon's domain notified the account holder (originally the First Defendant) that the subscription would lapse soon.[23] This information was conveyed to the Claimants, who failed to renew the services under their own credentials. The First Defendant had no obligation to maintain third-party services post-transfer, and no such obligation was imposed under the SPA.

3.6.6 The salon's point-of-sale (POS) system, **Fresha**, remained accessible to the Claimants both during the transition period and following the formal transfer of control. User access logs confirm that the Claimants actively utilized the system post-transfer. There is no evidence of any denial of access or interference by the First Defendant.

3.6.7 The legal burden rests with the Claimants to prove that the Defendants either actively prevented access or wrongfully retained administrative control. No such evidence has been presented. As held in **Al Buhaira National Insurance Co. v Horizon Energy LLC [CFI-029-2021]**, speculative assertions unsupported by contemporaneous records or formal access requests are inadmissible.

3.6.8 The DIFC Contract Law recognizes the principle of post-transfer autonomy: upon completion of a share sale and operational handover, the new owner assumes all management obligations, including digital system administration. The SPA does not impose continuing IT support or administrative maintenance duties on the seller, and the Claimants cannot now seek to rewrite the agreement retroactively.

3.6.9 To the extent that the Claimants allege temporary overlap of access, this occurred only during the defined **transition window** and was exercised by the First Defendant exclusively for the benefit of the Claimants and to assist in operational continuity. All such access ceased once the Claimants had assumed formal control and failed to assume responsibility for renewal and reconfiguration.

3.6.10 Accordingly, the Defendants respectfully submit that the allegation of retained control over the domain, emails, and POS systems is false, legally unsustainable, and evidentially lacking. The Claimants alone bear responsibility for the administrative failure to secure continuity of digital systems.

3.7 Alleged Interference with Business Reputation and Staff

3.7.1 The First Defendant denies, in the strongest possible terms, the allegation that the First Defendant interfered with the Second Claimant's business reputation, or that he actively solicited staff members or clients following the sale. These allegations are not only unsubstantiated by any credible evidence, but they are also contrary to the Defendants' documented conduct during and after the transition of control.

3.7.2 The First Defendant has consistently acted with integrity and professionalism throughout the course of the transaction. Following the execution of the SPA and the formal handover of operations on **1 April 2024**, he did not interfere with the day-to-day running of the salon, did not communicate with staff in a manner intended to disrupt, and did not solicit employees to resign or join the Second Defendant.

3.7.2 The First Defendant expressly denies any solicitation or recruitment of the Second Claimant's employees following the share transfer.

3.7.3 In the absence of any contractual non-solicitation or restrictive covenant in the **SPA or MOU**, such conduct, even if it had occurred, which is denied, would not give rise to a cause of action under DIFC law. The **DIFC Court** has consistently held that, if an express contractual restriction is absent, post-sale recruitment does not constitute unlawful interference. In **Gulf Navigation Holding PJSC v DGS Marine Group [CFI-015-2017]**, the Court confirmed that "the right to operate a competing business or to hire employees in the absence of a contractual restriction is not an actionable interference."

3.7.4 No such restrictive clause exists in the SPA or the MOU. There is no non-solicitation provision prohibiting the Defendants from hiring former employees of the Second Claimant. There is also no evidence of any improper inducement, financial or otherwise, offered to staff members to depart from the Second Claimant.

3.7.5 As to the allegation of reputational harm, the Claimants have failed to identify any specific defamatory statement made by the Defendants to clients, suppliers, or the public. No emails, social media posts, or customer-facing communications have been submitted that demonstrate disparagement or malicious interference.

3.7.6 The First Defendant's continued use of "Hair by Salah" does not amount to reputational interference. As established above, "Hair by Salah" is his own professional identity, pre-dating the Second Claimant, and not a corporate asset transferred under the SPA. Clients who follow the First Defendant as an individual professional do so by choice, and such independent patronage is neither prohibited by law nor indicative of unfair competition.

3.7.7 The burden of proof lies with the Claimants to demonstrate:

(i) a clear act of interference;

(ii) an intention to harm; and

(iii) resulting damage. None of these elements are satisfied.

3.8 Additional Defenses and Clarifications

3.8.1 Without prejudice to the detailed responses above, the First Defendant provides the following additional clarifications to assist the Court in understanding the full context of this dispute and to address any residual or implied claims raised in the Claimants' pleadings.

3.8.2 The Share Sale was a Sale of a Going Concern:

The parties expressly agreed in the **Memorandum of Understanding (MOU)** and subsequently in the **Share Transfer Agreement (SPA)** that the transaction involved the sale of shares in the Second Claimant "as a going concern." There was no representation that the company was free of liabilities, nor was there any indemnity clause guaranteeing protection against debts incurred in the ordinary course of business. Under DIFC contract law, this structure imposes on the purchaser the duty to investigate the business, assess risk, and determine suitability.

3.8.3 Failure to Exercise Due Diligence or Probation Termination Rights:

The Claimants had 30-day probationary period within which they had full access to company records, staff, digital systems, and bank information. The SPA did not restrict the Claimants from terminating the agreement during this period, yet they chose to proceed with full execution, submit the second instalment of AED 750,000, on 1 May 2024, and request the registration of the share transfer with the DIFC Registrar. Their decision to move forward despite alleged constitutes an express affirmation of the contract, extinguishing any post-closing right of rescission.

3.8.4 Waiver and Acquiescence:

It is well established in DIFC law that a party who, with knowledge of a breach or alleged misrepresentation, affirms the contract by continuing to perform or by accepting benefits under the agreement, waives the right to later rescind or challenge it. The Claimants' conduct, including accessing business systems, assuming operational control, receiving revenues, and submitting filings to the DIFC Registrar, amounts to full performance and ratification of the SPA. This principle was upheld in **Brookfield Multiplex v DIFC Investments [CA-003-2012]** and further reinforced in **Transfield ER Ltd v Ariston [CFI-004-2020]**.

3.8.5 No Evidence of Causation or Loss:

The Claimants have failed to substantiate any direct financial loss arising from the alleged conduct of the Defendants. No audited financials, loss of profit calculations, or expert reports have been submitted to quantify alleged damages. In the absence of demonstrable loss and a causal connection to the Defendants' conduct, the claim fails under any valid legal ground.

3.8.6 The First Defendant Has Acted in Good Faith Throughout the transaction:

The First Defendant, despite having no post-closing obligations, continued to:

- Assist the Claimants in managing operations;
- Remit loan instalments from his own resources;

- Respond to client queries;
- Provide technical guidance regarding the domain and email services.

His good faith conduct is documented extensively in the annexures submitted with this defense.

3.8.7 No Basis for Rescission or Restitution:

There exists no legal basis for the Claimants' attempt to reverse the share sale, recover consideration paid, or pursue damages. The transaction was negotiated at arm's length, supported by a formal written agreement, and executed without duress, mistake, or fraud. Under **Articles 67–70 of the DIFC Law of Obligations**, rescission is only available where a vitiating factor (fraud, misrepresentation, mistake) can be proven. No such factor is present here.

3.8.8 The First Defendant respectfully submit that the Claimants' action constitutes an opportunistic attempt to reframe a commercial purchase, entered voluntarily and executed with full knowledge, as a wrongful transaction, solely due to their dissatisfaction with post-sale business performance.

3.8.9 The First Defendant reserves the right to supplement this Defense should additional allegations be introduced or clarified by the Claimants in subsequent pleadings or witness evidence.

3.9 Failed Negotiations, Rejected Offer, and the Claimants' Improper Motive

3.9.1 It is also relevant to note that shortly after the initial transaction of AED 650,000, and prior to execution of the Share Transfer Agreement, the First Defendant extended a genuine proposal to the First Claimant and her husband to retain a **10% minority stake** in the Second Claimant and to invest **AED 200,000** in return. The intention behind this proposal was to facilitate ongoing cooperation between the parties, particularly to allow the First Defendant to conduct **hairstyling and training workshops** under Hair by Salah, while preserving goodwill for the salon.

3.9.2 The Claimants, however, rejected this proposal and made a counter-offer whereby the First Defendant would be permitted to retain **10% equity** only in exchange for a significantly **higher investment amount**. This counter-offer was commercially unviable and was ultimately declined by the First Defendant.

3.9.3 The breakdown of this negotiation underscores that the parties considered and expressly rejected any ongoing collaboration post-sale. More importantly, the Claimants' rejection of the proposal, and their insistence on materially different investment terms, demonstrates that they voluntarily chose a clean sale and separation of involvement.

3.9.4 The First Defendant respectfully submits that the present proceedings are not a bona fide attempt to seek redress for any actual wrong, but rather an opportunistic effort to reverse a commercial decision that the Claimants may be regretting for reasons best known to them. Having declined to collaborate, and having assumed full control, they now find the operational realities of running a business more challenging than expected and seek to hold the Defendants responsible for their own mismanagement.

3.9.5 The improper motive behind the suit becomes all the more evident when seen in light of the Claimants’ silence and inaction during the 30-day probation period and their continued reliance on the First Defendant’s goodwill and guidance during transition, followed suddenly by the initiation of legal proceedings months after completion.

4. COUNTERCLAIM

4.1 The First Defendant, Mr. Salah Mohamed Adel Al Masri, respectfully brings this counterclaim in his personal capacity against the Claimants, arising from payments he made toward a loan liability that had been fully disclosed to the Claimants prior to the execution of the Share Transfer Agreement (SPA) dated 20 March 2024.

A. Basis of the Counterclaim

4.2 As set out in Section 3 above, the First Claimant and her representatives were informed prior to and during the transaction that the Second Claimant (Hair Creators Salon Ltd) was subject to a loan facility with RAKBANK in the amount of approximately **AED 1,382,352**, which had been used to finance the business operations and working capital.

4.3 Despite full disclosure of this liability and the fact that it was factored into the reduced purchase price of AED 1.5 million, the Claimants failed to assume responsibility for the RAKBANK loan repayments as per the loan Agreement dated December 29, 2023,[24] following the share transfer and operational handover.

4.4 In order to prevent the company from defaulting on its loan obligations, which would have had severe financial and reputational consequences for the Second Claimant, the First Defendant, though no longer a shareholder or director is **personally paying the monthly loan installments** on the Second Claimant's behalf, totaling **AED 398,000**, till date, as reflected in the attached RAKBANK payment confirmations.[24]

4.5 These payments were made between **April 2024 and till date, subsequent to the transfer of ownership and control to the Claimants.** The payments were made voluntarily but under commercial and reputational compulsion, given the Claimants' inaction and the First Defendant's personal guarantee previously issued to RAKBANK.

4.6 The First Defendant has repeatedly requested reimbursement from the Claimants, but no repayment or acknowledgement has been forthcoming.

4.7 The First Defendant respectfully requests the Honorable Court to order the Claimants to:

(i) assume full and continuing legal responsibility for the remaining balance of the RAKBANK loan, and

(ii) replace the security cheque held by RAKBANK in the name of the First Defendant with a new instrument issued by the Claimants, thereby releasing the First Defendant from any personal exposure related to the loan facility.

B. Legal Basis

4.8 Under **Article 122(1) of the DIFC Law of Obligations (Law No. 5 of 2005)**, "a person who lawfully, voluntarily, and reasonably provides another with a benefit in circumstances where restitution is appropriate may recover the reasonable value of the benefit conferred." Here, the First Defendant conferred a direct monetary benefit by satisfying the company's loan instalments post-transfer.

4.9 The First Defendant is entitled to recover such amounts under the doctrine of **unjust enrichment**, recognized under DIFC law, which requires:

- That the Defendant (Claimants) have been enriched;
- That the enrichment was at the expense of the Claimant (First Defendant);
- That there is no legal justification for the enrichment.

All three criteria are satisfied in the present case.

C. Relief Sought in the Counterclaim

4.10 The First Defendant therefore respectfully requests judgment against the Claimants, jointly and severally, for the following:

(a) **AED 398,000**, being the aggregate amount of loan instalments paid post-transfer on behalf of the Second Claimant till date;

(b) An order directing RAKBANK to produce the updated bank statements relating to the loan account held in the name of the Second Claimant, for the period from January 2023 to the present date, as the said account is no longer accessible to the First Defendant due to its closure following the First Claimant's failure to update KYC documentation;

(c) **Interest** at the DIFC Courts' standard commercial rate from the date of each payment until full reimbursement;

(d) A declaration that the Claimants are solely responsible for the outstanding balance of the RAKBANK loan, including all future instalments;

(e) An order directing the Claimants to procure the release of the First Defendant's personal security cheque held by RAKBANK and to provide substitute security in their own name;

(f) Costs associated with bringing the counterclaim; and

(g) Any other relief the Court deems just and appropriate in the circumstances.

5. CONCLUSION AND RELIEF SOUGHT

5.1 For the reasons set out in this Amended Statement of Defense, the Defendants respectfully submit that the Claimants' claims are factually unfounded, legally misconceived, and unsupported by clear evidence. The Claimants, having freely negotiated and entered into the Share Transfer Agreement with full access to company operations, records, and loan liability, cannot now seek to reverse or avoid their commercial obligations on the basis of post-sale dissatisfaction or operational difficulties.

5.2 The Claimants' assertions of misrepresentation, concealment, brand misuse, client list diversion, breach of non-compete, interference with staff, and financial impropriety have each been refuted with specific, documented responses supported by annexures, statutory provisions, and binding DIFC case law.

5.3 The Defendants respectfully submit that this dispute arises not from any wrongdoing on their part, but from the Claimants' own:

- Failure to conduct adequate due diligence during the agreed probation period;
- Mismanagement of the business following takeover;
- Inability to retain clients, or operational systems; and

- Failure to comply with basic administrative tasks such as bank updates, domain renewals, and contractual follow-through.

5.4 Furthermore, the First Defendant has demonstrated good faith by continuing to support the business during transition, including by personally making loan repayments on behalf of the Second Claimant to prevent default, despite no contractual obligation to do so.

Accordingly, the Defendants respectfully seek the following orders:

(A) That the Claimants' claims be **dismissed in full** with costs;

(B) That judgment be entered in favor of the First Defendant on his **Counterclaim**, awarding:

- AED 398,000 as reimbursement of post-transfer RAKBANK loan installments paid by him;
- An order directing RAKBANK to produce the updated bank statements relating to the loan account held in the name of the Second Claimant, for the period from January 2023 to the present date, as the said account is no longer accessible to the First Defendant due to its closure following the First Claimant's failure to update KYC documentation;
- Interest on the above sum at the DIFC Courts' standard commercial rate from the date of each payment until the date of full repayment;
- Legal costs incurred in connection with the Counterclaim;

(C) That the Defendants be awarded their **costs of these proceedings**, on the indemnity basis; and

(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 Amendment to the Statement of Defense are true.

____

Ms. Harjeet Bhatia

Senior Consultant

Lutfi & Co. Advocates and Legal Consultant

EVN-2335970725-9112

Application notice

Application Number : CFI-066-2024/5

Issued Date : 29-Jul-2025

Case Information

Case Number	:	CFI-066-2024
Case Title	:	Klesta Eshja vs Salah Masri a.k.a Salah Mohamed Adel Al Masri and others
I'm making this application under	:	Part 18.2 - 18.3
Description	:	Application for permission to file and rely upon the Amended Statement of Defence and Counterclaim in accordance with RDC Part 18. The amendments include further factual clarifications, updated relief sought, and correction of clerical errors. The amended pleading is attached herewith for the Court’s consideration.
Party Type	:	Defendant
Defendant(s)	:	Salah Masri a.k.a Salah Mohamed Adel Al Masri, The Hair Crafters Company LTD (Trading Name The Grove Salons) a.k.a Hair by Salah

Application Details

How do you wish to have your application dealt with?	:	Without a hearing
Court fee (USD)	:	300.00
Court fee (AED)	:	1,101.75
Is this agreed by all parties?	:	No
Serving parties	:	Klesta Eshja

Part A, B and C

Part A

The applicant intends to apply for an order that

1. The Defendants be granted permission to file and rely upon the Amended Statement of Defence and Counterclaim in the form attached to this Application Notice;
2. The Amended Statement of Defence and Counterclaim be deemed properly filed and served; and
3. The Claimants be directed to file any Reply, if so advised, within 14 days from the date of service of the amended pleading.

because

The proposed amendments are necessary to clarify certain factual matters, include updated relief sought in the Counterclaim, and correct clerical or drafting inconsistencies in the original Statement of Defence. The amendments do not introduce any entirely new causes of action and are being submitted promptly and in good faith to ensure that the Court has the most accurate and complete record before it for determination of the dispute.

Part B

The applicant wishes to rely on the attached	:	Statement Of Case

Statement of Truth

Full Name	:	Harjeet Bhatia
Signature	:	Harjeet Bhatia

Once your claim form has been submitted successfully you will receive a confirmation and an invoice to be settled before your claim can be accepted and progressed. If your submission is unsuccessful you will receive a message explaining the error and how to rectify it.

If you have any problems filling out the form or need further assistance please contact us on + 97144273333 or by email on registry@difccourts.ae.

The DIFC Courts are open between 8.00am and 4.00pm, Monday to Friday. Please address all correspondence with the court to the Registry (registry@difccourts.ae) and quote the case number if you don't have a case number yet.

THE DUBAI INTERNATIONAL FINANCIAL CENTRE COURTS

THE COURT OF FIRST INSTANCE

CFI-066-2024

BETWEEN:

KLESTA ESHJA

(The "First 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")

(Collectively "The Defendants")

AMENDMENT TO THE STATEMENT OF DEFENSE FOR THE THIRD DEFENDANT

JULY 27, 2025

REPRESENTED BY LUTFI & CO. ADVOCATES AND LEGAL CONSULTANTS

1201 & 1205, API TRIO OFFICE TOWER, AL BARSHA 1, DUBAI, UAE

1. INTRODUCTION

1.1 This Amended Statement of Defense is submitted on behalf of the Third Defendant, Ms. Luliia Valiullina ("Third Defendant"), pursuant to Rules 4.2 and 16.9 of the Rules of the DIFC Courts. The Third Defendant respectfully submits that the claims brought against her are wholly unsubstantiated in fact, misconceived in law, and constitute an abuse of the Court's process. Accordingly, she seeks dismissal of all claims against her in their entirety, together with indemnity costs.

1.2 The Third Defendant is a highly experienced professional in the hairstyling industry, having worked in the UAE for over ten (10) years. Over the course of her career, she has independently built a reputable clientele, goodwill, and standing in the beauty services sector, entirely separate from any commercial interests or arrangements involving the Claimants.

1.3 From 14 October 2022 until 28 June 2024, the Third Defendant was employed by the Second Claimant in a purely professional capacity as a hairstylist. She was neither a shareholder, director, nor manager of the Second Claimant. Her role was strictly confined to that of a salaried employee, and she had no authority or involvement in any managerial, financial, or operational decisions of the company.

1.4 The Third Defendant is married to the First Defendant. However, under well-established principles of DIFC law and contract law, mere familial or marital relationships do not give rise to legal liability. The Third Defendant had no role in, nor did she derive any benefit from, the Share Transfer Agreement ("SPA") dated 20 March 2024, or the Memorandum of Understanding dated 14 February 2024.

1.5 Following her resignation from the Second Claimant in June 2024, the Third Defendant pursued her own independent business objectives. In August 2024, she lawfully acquired 100% of the shareholding in a separate DIFC-registered company, Hair Crafters Company Ltd., operating under the trade name "The Grove Salon," from its then-owner, Ms. Ruchika Singhal. The acquisition was carried out following proper legal due diligence and with no connection to the earlier dispute between the First and Second Claimants and the First Defendant.

1.6 Following her lawful acquisition of Hair Crafters Company Ltd., the Third Defendant assumed full ownership and management of the company in her personal capacity. In the course of her operations, she engaged the First Defendant solely in a professional capacity as a trainer for hairstylists. The First Defendant does not hold any ownership interest in Hair Crafters Company Ltd. The operations of Hair Crafters Company Ltd. are independent of the Claimants and have no nexus to the disputed transaction or alleged misconduct pleaded in these proceedings.

1.7 To the extent the Claimants rely on isolated bank transfers made during the Third Defendant's employment with the Second Claimant, such payments were made by her husband (the First Defendant) in the ordinary course of their marital relationship and for family savings purposes. These transactions were private in nature, predated the SPA, and do not give rise to any actionable claim.

1.8 The Third Defendant further submits that she was not a party to, nor involved in, any negotiations, execution, or performance of the SPA, MOU, or any related commercial arrangements between the Claimants and the First Defendant. Under Article 20 of the DIFC Contract Law (DIFC Law No. 6 of 2004), a person who is not a party to a contract cannot be subject to rights or obligations under it. The Third Defendant accordingly bears no contractual or legal liability for the matters raised in this claim. This principle was affirmed in *Al Khorafi v Bank Sarasin-Alpen (ME) Ltd* [CA-003-2014], where the DIFC Court of Appeal held that liability cannot be imposed on a party absent contractual privity or clear statutory grounds.

1.9 The present proceedings seek to inappropriately impose liability on the Third Defendant by virtue of her relationship with the First Defendant and her lawful acquisition of a separate business entity. Such an approach is contrary to the principles of corporate personality and independent legal liability. No facts have been pleaded, and no evidence has been presented, that would justify lifting the corporate veil, imposing liability, or sustaining a cause of action against the Third Defendant.

2. BACKGROUND AND ROLE OF THE THIRD DEFENDANT

2.1 The Third Defendant, Ms. Luliia Valiullina, is a seasoned professional in the hairstyling industry with more than ten (10) years of experience in the United Arab Emirates. Through years of dedicated work and client service, she has built an independent professional reputation, established significant goodwill, and built a loyal clientele within the UAE market.

2.2 The Third Defendant was employed as a hairstylist by the Second Claimant, Hair Creators Salon LLC[31], from 14 October 2022 until 28 June 2024. Her duties were strictly limited to providing professional hairstyling services in her capacity as a salaried employee[32]. At no time during her employment did she hold any ownership interest, nor was she appointed as a shareholder or director of the Second Claimant. She had no involvement in, nor authority over, the Second Claimant's financial, managerial, operational, or strategic affairs.

2.3 The Third Defendant is married to the First Defendant[33]. However, this personal relationship is of no legal relevance to the issues before the Court. The DIFC Courts have consistently upheld the legal separation of individuals, including spouses, particularly in the absence of shared legal obligations or participation in relevant contractual arrangements. The Third Defendant had no involvement whatsoever in the negotiation, conclusion, or performance of the Share Transfer Agreement dated 20 March 2024 or the Memorandum of Understanding dated 14 February 2024. She was not a party, signatory, or participant in either Agreements. In *Investors Group Limited v Joseph Ghossoub Media International Ltd* [ARB-017-2019], the DIFC Court reaffirmed that personal relationships, including familial ones, do not override the principle of separate legal personality or give rise to presumptions of joint liability.

2.4 Following her resignation from the Second Claimant on 28 June 2024[34], the Third Defendant sought to continue her professional career independently within the personal care and beauty industry. Around the same time, she was presented with an opportunity to acquire the entire shareholding in Hair Crafters Company Ltd., a DIFC-registered company operating under the trade name "The Grove Salon." Following commercial negotiations and the completion of requisite legal and regulatory due diligence, the Third Defendant entered into a share transfer agreement with Ms. Ruchika Singhal and lawfully acquired 100% of the shares in Hair Crafters Company Ltd. in August 2024[35].

2.5 Pursuant to the share transfer, the Third Defendant became the sole legal and beneficial owner of Hair Crafters Company Ltd. She currently serves as the sole shareholder of the company and exercises full control over its operations. The business is conducted entirely independently and bears no legal, financial, or operational connection to the Second Claimant or to the Claimants in these proceedings.

2.6 In the course of managing her newly acquired business, the Third Defendant engaged the First Defendant in his professional capacity as a trainer for hairstyling staff at The Grove Salon. His engagement was strictly based on his prior industry experience. The First Defendant holds no ownership interest or decision-making role in Hair Crafters Company Ltd., and his involvement as an employee in Hair Crafters Company Ltd. bears no relevance to the contractual dispute between the Claimants and the First Defendant.

2.7 The Third Defendant's acquisition and operation of Hair Crafters Company Ltd. was a standalone commercial transaction undertaken in her personal capacity, independent of any prior employment relationship with the Second Claimant or the First Defendant's dealings with the Claimants. Her decision to purchase and operate the Hair Crafters Company Ltd. (the Second Defendant) was driven solely by her professional background and lawful business opportunity that she was presented with and was neither influenced by nor connected to the Share Transfer Agreement or the dispute in this case.

2.8 During her period of employment with the Second Claimant, the Third Defendant received occasional bank transfers from the First Defendant for personal and family-related expenses. These transfers were made within the context of their spousal relationship and occurred at a time when the First Defendant was the legal owner and operator of the Second Claimant. The transactions predated the execution of the Share Transfer Agreement and are unrelated to the subject matter of this dispute. There is no evidence that the transfers were unlawful or that the Third Defendant had any knowledge of, or involvement in, any alleged impropriety. These personal transactions do not give rise to any cause of action against the Third Defendant.

3. RESPONSE TO CLAIMS AGAINST THE THIRD DEFENDANT

3.1 The Third Defendant denies all allegations raised by the Claimants to the extent that they are directed at her or seek to assign to her any legal responsibility, wrongdoing, or liability. At all times, the Third Defendant acted lawfully, independently, and without any involvement in the contractual dealings, commercial arrangements, or representations forming the basis of the present claim.

3.2 The Third Defendant had no role whatsoever in the negotiation, execution, or performance of the Share Transfer Agreement dated 20 March 2024 or the Memorandum of Understanding dated 14 February 2024. She was not a party, signatory, beneficiary, or participant in the formation or implementation of either agreement, and no obligations or rights under those agreements can be attributed to her. Under Article 20 of the DIFC Contract Law (DIFC Law No. 6 of 2004), a contract does not create rights or obligations for a person who is not a party to it. Accordingly, the Third Defendant cannot be held liable under agreements to which she had no legal or contractual connection.

3.3 During her employment with the Second Claimant, the Third Defendant was engaged solely as a hairstylist and had no managerial, operational, or financial authority. She was not involved in any of the transactions, negotiations, or representations that form the subject of the Claimants' claims. Her employment with the Second Claimant ended on 28 June 2024, and she had no involvement in any events relating to the Share Transfer Agreement at any stage.

3.4 The Third Defendant's acquisition of Hair Crafters Company Ltd. (the Second Defendant) in August 2024 was a lawful and independent commercial transaction undertaken in her personal capacity. It was conducted following appropriate legal and regulatory due diligence and had no connection, direct or indirect, with the Claimants, the Memorandum of Understanding, or the Share Transfer Agreement. The acquisition was a separate business opportunity that did not involve any transfer of obligations, liabilities, or interests arising from the dispute between the Claimants and the First Defendant.

3.5 The Claimants' allegation that the Third Defendant conspired with the First Defendant to divert clients, staff, or goodwill from the Second Claimant is wholly without merit. The Claimants have failed to produce any credible evidence to support this claim, nor have they identified any specific act by the Third Defendant that would give rise to a cause of action in conspiracy or unlawful interference. The Third Defendant denies that she engaged in any coordinated or improper conduct and maintains that her actions were entirely lawful and independent.

3.6 The DIFC Courts have consistently held that liability for contractual breach, conspiracy, or inducement cannot be imposed on individuals who are not parties to the relevant agreements and who have not actively participated in any alleged wrongdoing. In *Panini SpA v Ocean View Investments Ltd* [CFI-014-2017], the Court reaffirmed that third parties who neither sign nor benefit from a contract cannot be held liable under it absent clear evidence of collusion or bad faith. The Third Defendant is not a party to the Share Transfer Agreement or any related arrangement, and there is no factual or legal basis for holding her responsible for any of the alleged acts giving rise to this dispute.

3.7 Similarly, in *Nest Investments Holding Lebanon S.A.L. v Deloitte & Touche (M.E.)* [CA-011-2020], the DIFC Court of Appeal reaffirmed that, in the absence of direct involvement in the alleged misconduct or clear evidence of knowing assistance or inducement, liability cannot be imposed on a third party for economic torts such as unlawful means conspiracy. The Third Defendant did not participate in any of the contractual dealings between the parties, nor was she involved in any alleged wrongdoing. No such evidence has been pleaded or produced by the Claimants in this case.

3.8 The Claimants' reliance on certain personal bank transfers[36] made to the Third Defendant during her employment with the Second Claimant is entirely misplaced. These transfers were private in nature, occurred within the context of her marital relationship with the First Defendant, and predate the disputed Share Transfer Agreement. The Claimants have produced no evidence to demonstrate that the funds were unlawfully sourced, misused, or that the Third Defendant had any knowledge of or involvement in any alleged impropriety. These personal transactions do not establish any legal basis for a claim against the Third Defendant.

3.9 The Claimants have also failed to establish any causal link between the Third Defendant's conduct and the alleged harm suffered. Under the DIFC Law of Obligations (Law No. 5 of 2005), a party seeking to establish civil liability must demonstrate that their loss was a direct and legally attributable result of the defendant's actions. No such causal connection exists here, and no evidence has been presented that the Third Defendant's conduct resulted in any damage to the Claimants.

3.10 The Court's guidance in *Gulf Navigation Holding PJSC v DNB Bank ASA* [CFI-026-2015] confirms that a claim which lacks a proper legal foundation, or is brought against a party with no arguable connection to the facts or causes of action, may be struck out as an abuse of process pursuant to Rules 4.2 and 18.4 of the Rules of the DIFC Courts. The claims against the Third Defendant fall squarely within this category, as they are speculative, unsupported by evidence, and improperly seek to impose liability on a party who was not involved in the matters in dispute.

4. CONCLUSION

4.1 The Third Defendant respectfully submits that she has no legal or factual connection to the claims filed by the Claimants in these proceedings. She was neither a party to the contractual Agreements in the dispute nor involved in any of the alleged representations, transactions, or conduct giving rise to the claims. Her actions have been lawful, independent, and commercially justified at all times.

4.2 The Claimants have failed to plead any credible cause of action or present any supporting evidence capable of sustaining a claim against the Third Defendant. Her inclusion in these proceedings is without legal basis and has caused her to incur unnecessary costs in defending herself against speculative and unsubstantiated allegations.

4.3 The Third Defendant therefore seeks the dismissal of all claims brought against her, together with an order for costs and any further relief the Court deems appropriate.

5. PRAYER FOR RELIEF

In light of the above, the Third Defendant respectfully requests that this Honorable Court be pleased to:

5.1. Dismiss the Claimants' claims against the Third Defendant in their entirety;

5.2. Order that the Claimants bear the costs of these proceedings as against the Third Defendant; and

5.3. Grant such further or other relief as the Court deems just and appropriate in the circumstances.

STATEMENT OF TRUTH

The Defendants believe that the facts stated in this Amendment to the Statement of Defense are true.

P.O.Box:8812
DUBAI - UAE
LUTFI & COMPANY ADVOCATES & LEGAL CONSULTANTS

____

Ms. Harjeet Bhatia

Senior Consultant

Lutfi & Co. Advocates and Legal Consultant

DIFC COURTS

EVN-4803450725-9113

Application notice

Application Number : CFI-066-2024/4

Issued Date : 29-Jul-2025

Case Information

Case Number	:	CFI-066-2024
Case Title	:	Klesta Eshja vs Salah Masri a.k.a Salah Mohamed Adel Al Masri and others
I'm making this application under	:	Part 28
Description	:	The Defendant applies for permission to file the witness statement of the First, Second and Third Defendants out of time, in support of the amended defence, pursuant to RDC 23.19 and the overriding objective under RDC 4.2
Party Type	:	Defendant
Defendant(s)	:	Salah Masri a.k.a Salah Mohamed Adel Al Masri, The Hair Crafters Company LTD (Trading Name The Grove Salons) a.k.a Hair by Salah

Application Details

How do you wish to have your application dealt with?	:	Without a hearing
Court fee (USD)	:	300.00
Court fee (AED)	:	1,101.75
Is this agreed by all parties?	:	No
Serving parties	:	Klesta Eshja

Part A, B and C

Part A

The applicant intends to apply for an order that

The applicant intends to apply for an order that the witness statement of the Defendants be accepted and filed out of time, in support of the further amended statement of defence because

the said witness statement sets out material facts within the personal knowledge of the Defendants relevant to the matters in dispute, and is necessary for the fair and just resolution of the case. The filing of this statement is also in accordance with the case management directions and to ensure a complete and accurate evidentiary record.

Part B

The applicant wishes to rely on the attached	:	Witness Statement

Statement of Truth

Full Name	:	Harjeet Bhatia
Signature	:	Harjeet Bhatia

Once your claim form has been submitted successfully you will receive a confirmation and an invoice to be settled before your claim can be accepted and progressed. If your submission is unsuccessful you will receive a message explaining the error and how to rectify it.

If you have any problems filling out the form or need further assistance please contact us on + 97144273333 or by email on registry@difccourts.ae.

The DIFC Courts are open between 8.00am and 4.00pm, Monday to Friday. Please address all correspondence with the court to the Registry (registry@difccourts.ae) and quote the case number if you don't have a case number yet.