

Azher Shareef court case and liquidations

Azher was humiliated in court and lost on all accounts. Shareef & Co was fully vindicated.

It is regrettable that Azher persevered and pursued his ill-informed actions knowing full well it was all without merit whatever the cost to him and his family. No doubt you will have all heard his version of events, but the truth always comes out in the end. It always does, eventually. The Court saw the truth from the nonsense as it was only interested in the facts and evidence rather than insults and malicious words, something Azher was accustomed to during feeble and insincere attempts of reconciliation. Sadly in his perverse desire for success he found it 'a stroll in the park' to still appear as an unimpressive witness and it was hard to get straight answers from him, sadly while on oath, swearing on the Holy Quran, were he suffered irrefutable harm without any success. Not of course for the first time either. His appalling history and track record speaks for itself.

The real facts were kept a secret from you all, only known by the two parties but yet Shareef & Co had the heart to offer him very generous settlement terms on numerous occasions to avoid a long and expensive legal battle. He would agree to them for a day or so but was not a man of his word. He couldn't be trusted. Only a fool would decline such lucrative settlements especially knowing his case was based solely on his phony 'imagination'. Sadly, the only remaining course of action was the courts.

To say he lost at court would be an understatement. It was utter humiliation. To bring a case against Shareef & Co for £4.9M was shocking, completely baseless and without merit, but apparently not to those close to him, where astonishingly they thought it was a strong case – so much so they were already counting their speculative winnings. They were all warned about their reckless actions to no avail. But their only source of information was extremely questionable to say the least. Other actions against Shareef & Co, unsurprisingly also dwindled away, as expected.

The 'Coventry' case of £89,000 was so outrageous it is worthy of mention. This was nothing more than a smoke screen to attempt to offset genuine fees that Azher had previously agreed were payable. Nothing more and he knew it. It was comical to see even his solicitor and barrister being confused on what their case was supposed to be all about. Hardly surprising when you make it up as you go along. Her Honour Judge Watson eloquently summarised, "Azher's explanation as to the amount said to be Naeem's liability has **repeatedly changed and developed** and contains numerous inconsistencies, including **numerous inconsistencies in his own evidence even in the witness box. It is simply not credible**". The judge was unimpressed. The facts clearly showed his company spent £74,000 but received £80,000 but wanted more and more. In fact originally £140,000 more. Appalling. We all now know how ridiculous his case was from reality. To say this was a complete farce is simply an understatement.

All this to avoid £80,000. Absurdity of the highest order.

As expected, a Court Order was issued in favour of Shareef & Co for £81,711 fees and costs on account of £150,000 (from costs of £230,000) within 2 weeks, due on 02 October 2018. This amount as expected wasn't paid, not that it matters, as Shareef & Co have been completely vindicated and exonerated. That was our motive. But everyone probably already knew this.

He is in the process of liquidating all 8 of his companies at a cost of around £50,000 and has planned an IVA (Individual Voluntary Arrangement – similar to a personal bankruptcy) which will probably cost another £20,000 in an attempt to avoid paying his debts above. A thoughtless plan as this debt will remain with him in the “Arkara”, but he won’t lose any sleep over this. It’s just not his nature. He will still be pursued for the debts above and will incur further legal costs. An ill-conceived plot planning his own downfall. Must have spent around £250,000 (including the above) moving assets around, GRG, defending the legal case and puttering with his counterclaims. It is pitiful that someone would spend close to half a million (after paying costs) in a feeble attempt to avoid paying £80,000 fees and in the process risk everything he owns. To make matters worse Grant Thornton are also considering taking action against him for another botched liquidation for just under £800,000.

How he sleeps at night is a mystery.

Attached is a Court Order dated 18 September 2018 and a **full** transcript of the Judgement covering 21 pages. Enjoy the reading and learn the truth. It will probably be the first time you all have had the opportunity to learn the truth rather than Azher’s perverse version.

Here are some of the highlights from the Judgement before Her Honour Judge Watson (numbers represent paragraphs from the Transcript);

To download the summary <http://www.trialverdict.co.uk/wp-content/uploads/2018/12/Summary-of-Azher-court-case.pdf>

To download the Court Order <http://www.trialverdict.co.uk/wp-content/uploads/2018/12/Court-Order-180918.pdf>

To download the full Court Transcript <http://www.trialverdict.co.uk/wp-content/uploads/2018/12/Shareef-Co-v-Fast-Track-Inv-transcript-of-judgment.pdf>

Summary of transcript

Shareef & Co fees

- 7 A single joint expert accountant valued the work done on a reasonable fee for work done. Helpfully in this case, the claimant (NS) limits its claim to the amounts assessed by the expert to be reasonable. All parties accept those figures for the purposes of the proceedings.
- 13 I am going to say a few words about the general impression I have of the witnesses and the way they gave their evidence.
- 14 **Mr Naeem Shareef struck me as a coherent and careful witness. He gave evidence that was internally consistent and consistent with his case. He answered questions clearly. He did not seek to avoid answering questions that were put to him. He did not seek to argue his case. He made appropriate concessions, was subjected to a lengthy cross-examination and was not shaken in his evidence. He struck me as a reliable and honest witness.**
- 15 **Mr Panesar was, in my judgment, an unimpressive witness.**
- 16 **Overall, I have the impression that Mr Panesar’s objective was to assist his friend, Mr Azher Shareef, rather than to answer the questions put to him to the best of his recollection. I therefore place very little weight on his evidence.**

- 17 Mr Azher Shareef was also an **unimpressive witness**. It was **hard** to get a **straight answer** from him. He was **extremely reluctant to answer any question with a simple yes or no**. He was **very reluctant to agree anything put to him**, even if it was, on its face, uncontentious. As he himself said early in his evidence, when he was failing to answer a question with a simple answer, he was thinking about where the question was going. Throughout his evidence, it was my impression that that was exactly what he was doing. **He was thinking about what he wanted to say to assist his case, rather than answering the questions put to him**. He clearly had things that he wanted to say that had not been included in his witness statement. My impression was that, whatever he was asked, he was trying to answer by reference to what he wanted to say to assist his case.
- 18 At one point in his evidence, it became clear he was referring to a note. When I asked him what it was, he said it was a note he had jotted down in the witness box while giving his evidence and he had not taken it into the witness box with him. I required him to hand it to his solicitors. Later, Mr Mitchell noticed that he appeared again to be writing, and he said he was **doodling** as it helped him concentrate.
- 19 **I had to remind him repeatedly to listen to the question and answer it and not to argue his case. In addition, his evidence was frequently vague and inconsistent with what he had either previously said or the defendants' pleaded case.**
55. I have no information as to how Mr Azher Shareef arrived at his figures. I assume that, given how close they are to Mr Naeem Shareef's figures, he also used a breakdown of the debt and pro-rated according to debt, possibly at a slightly different date, because the figures are so close to Mr Naeem Shareef's figures. In any event, the difference is *de minimis*. I note that others, including the businesses in which the Messrs Panesar had an interest, paid on the basis of Mr Naeem Shareef's allocation. **I find that Mr Naeem Shareef's allocation is more likely to be accurate *pro rata* to the debt. He was the accountant and his evidence was that he allocated *pro rata* to the debt at the time. I find that his allocation is a fair apportionment of the fees and the company is entitled to the apportionment as claimed by the claimant against the various defendants for this work.**
- 56 I turn now to the HMRC work. Mr Azher Shareef was the subject of a "Code 9" process, which I understand is a process that is used where **HMRC suspects that a taxpayer may be guilty of fraud** and gives the taxpayer an opportunity to explain any discrepancies or irregularities.
- 57 It was put to him: "Your case against HMRC is that there was no agreement that Shareef & Co should help you with the HMRC fraud enquiry". The answer was: "I did ask him to help of course". The next question was: "But you do not want to pay for it because ...". The answer was: "No one is talking about non-payment but reasonableness, that is what we are talking about here". He was then asked: "Is it your position that you would be prepared to pay what the expert says?" The answer was: "I say it is a question of reasonableness". Question was put to him again: "Are you saying that you would pay what the expert says is reasonable or not?" He answered: "Yes, but ...". Again, the question was put: "Are you saying that you will pay what the expert says is reasonable?" The answer was: "We have to look at the retainer". The next question was: "So the answer is in the retainer?" The answer was: "The expert cannot comment on the retainer as he had not got it". The next question was: "But you want to pay what is reasonable but you say ..." and the answer was: "I am a layman. I attended a meeting because Mr Naeem failed to provide the information. No one is quarrelling about the quantum of the work but you need to look at it in more depth".
- 58 I then intervened in an attempt to get an answer to this question. I asked: "Did you expect to pay?" Answer: "No, because we just sat in a meeting".

59 Therefore, at various times, even within that short space of time, Mr Azher Shareef was arguing that:

- a. the work should have been done without charge because there was no retainer;
- b. no one is talking about non-payment;
- c. it is a question of reasonableness; and
- d. the expert's quantification was accepted as reasonable (that was accepted by Mr Azher Shareef's solicitors in correspondence) but that he did not have to pay because "we were just in a meeting".

His evidence made no logical sense. He appeared to me to be floundering for reasons why he should not pay.

60 **I also find that the sums assessed by the expert as reasonable are a reasonable fee for the work done and that Mr Azher Shareef is liable to pay the claimant for the sums assessed by the expert for this work.**

62 ... Given that there had been no advance notice that this specific area of work would be the subject of a dispute, I do not consider that Mr Naeem Shareef can be criticised for not giving more details on this issue in his witness statement. His evidence was that it had been agreed that the registered office would be charged for, that it had been paid for without query or objection for many years and there was no real issue here.

63 Mr Azher Shareef's evidence was that these payments had slipped through the net and that he had not noticed that his companies were being charged for this service. Had he done so, he would have done something about it.

64 I **prefer the evidence of Mr Naeem Shareef** on this point. I consider it highly unlikely that Mr Azher Shareef, who dealt with the finances of the companies, would pay for registered office services if he had not agreed to do so. I find that it was part of the work that the parties had agreed the claimant would provide and for which a reasonable fee would be paid and that the claimant is entitled to the sums found to be reasonable by the expert.

65 In relation to all of the areas of contention on the uninvoiced work and in relation to all of those categories, I wish to add that my findings are supported by the fact that there is a complete lack of any contemporaneous objection to these invoices. Indeed, it was not until Mr Cutler's skeleton argument was received that these objections were understood. There was no contemporaneous document raising any query about this work. **However, it goes further than that, because Mr Azher Shareef had expressly agreed some of the fees that he disputed at trial. There was an email trail between the parties. On 15 March, Shaz, who is the PA to Mr Azher Shareef, asked the claimant for an up to date breakdown of fees because they had received sanction from the bank to pay them up to date if possible from the proceeds of Montgomery Street. Mr Naeem Shareef sent the schedule. "Here is a schedule of fees in PDF and Excel if you want to play with the numbers".**

66 On 17 March 2011, Shaz emailed Mr Naeem Shareef:

"Thanks, Mr Naeem. I will get the figures across to Saira and hopefully get the £52,000 reserved and get you paid up to date".

67 Later that day:

"Can you please provide me with the invoices again so that we can claim the VAT? In the past I have prepared cheques for the invoices but, due to insufficient funds, they were never sent out and Azher has put them somewhere".

68 I pause there, because it is **clear from that evidence that at least some of the invoices that are the subject of this claim had been previously approved for payment**, that Mr Azher Shareef had personally seen the invoices and that a cheque or cheques to pay them had previously been prepared.

70 On 30 March 2011, Mr Azher Shareef emailed Mr Naeem Shareef in the following terms:

*“Saira is exchanging contracts on Thursday and everything has been sanctioned. **Therefore, your payment is safe and ready to be paid.....”***

71 Then:

*“**I am not disputing your payment.....***

72 **By that email, Mr Azher Shareef expressly agreed the fees. At least some of the invoices had been approved for payment previously and Mr Azher Shareef had expressly confirmed that there was no issue about them. There was no query about these invoices until the parties fell out.**

Azher’s claim for Coventry fees of £79,000

77 There is some **factual complexity** to the seventh defendant’s case on this issue and it is probably easier for me to start with Mr Naeem Shareef’s position in relation to this claim. His position is that he accepts that he agreed to fund Key 2, which was jointly owned by each of the four directors, to enable Key 2 to pay the costs of the works to the site at Coventry. **He accepts that the agreement was that he would fund the works equally with his brother, Mr Azher Shareef, so that they would each personally fund Key 2 to the extent of half the costs that Key 2 incurred in doing work. He does not dispute that he would be liable to put Key 2 in funds to enable it to discharge half the costs it had actually incurred by getting the work done to convert the Coventry site to self-storage, provided that Key 2 has actually incurred those costs, and provided Mr Azher Shareef does the same.** He does dispute that he is directly liable to the seventh defendant, on the basis that he had no agreement directly with the seventh defendant.

78 **He also disputes the amount claimed, as he has not had sight of evidence supporting the quantum of the claim.** He says he has **not seen evidence of expenditure on the work** amounting to £150,000 plus VAT, which would need the level of expenditure if his liability is £75,000 plus VAT. **He also says that Mr Azher Shareef has not personally paid an equivalent amount to D7, and therefore he would not be liable in any event. Further, his case is that the seventh defendant has in fact been paid more than it spent on the Coventry site by taking money from Key 1 and Key 2 in the total sum of £80,000** so that, even if he had had any liability to the seventh defendant, that liability has effectively been discharged by Key 1 and Key 2.

82 Although the allegation is that the original shareholders’ agreement was in 2010, that is clearly an error. It was earlier than that. The pleading (of Azher Shareef) is in other respects confusing. A Part 18 request for further information was raised to clarify particularly what was meant by the words *“PLSL duly carried out work on the instruction of Mr Azher Shareef and the first defendant to counterclaim”*. The answer made clear that, contrary to the original pleading that Mr Azher Shareef and Mr Naeem Shareef had instructed the seventh defendant to do the work, **it was not actually alleged that Mr Naeem Shareef ever instructed the seventh defendant to do any work. Instead, it was alleged that the instructions were given orally by Mr Azher Shareef instructing the persons who undertook the work. It thereby became clear that it was not part of the seventh defendant’s case that Mr Naeem Shareef had initially contracted directly with the seventh defendant, or**

that he instructed the works. One wonders, in that case, why it was originally pleaded that the seventh defendant had demanded payment from Mr Naeem Shareef when the first phase of the work had been completed and before the settlement agreement had been reached. Why would the seventh defendant demand payment from someone who had not contracted with it?

94 In his oral evidence, contrary to the pleaded case (which was that there was an agreement to share costs equally) Mr Azher Shareef gave evidence that he and Mr Naeem Shareef had agreed that the seventh defendant would charge the amount set out in a quotation that the seventh defendant had provided to Key 2 at the outset of this project, being £280,000 plus VAT. He confirmed at that point that he was not alleging that the seventh defendant had incurred a cost of £280,000, but that Mr Naeem Shareef and Mr Azher Shareef had agreed that the seventh defendant would charge a price of £280,000, as set out in the quotation it had given to Key 2 at the outset.

97 In summary, the case has progressed, and as oral evidence has been given in chief, in cross-examination and re-examination, Mr Azher Shareef has said at various times that:

- a. the agreement was to pay half the costs and that Mr Azher Shareef had not agreed the figure of £280,000, and that they had negotiated;
- b. that Mr Naeem Shareef had agreed the seventh defendant's quotation of £280,000 plus VAT;
- c. that the works that the seventh defendant carried out did in fact cost £280,000, being the sums that the seventh defendant had spent and a further £200,000 that is somewhere in the salaries and repair costs in the accounts of Fast Track, and that the seventh defendant owes Fast Track £200,000;
- d. that it is the value of the work, rather than the cost of the work, that is relevant and the work was worth more than it actually cost;
- e. that the figure of £500,000 (which was put in Mr Azher Shareef's CV in the last five years or so as being the development cost of the project) was a retail value rather than wholesale cost and £280,000 was in fact the wholesale cost of the work; and
- f. that Mr Azher Shareef's contribution was partly the time he spent on the work and his expertise, and his contribution to the costs should take that into account (which suggests that he did accept he was liable to make an equal financial contribution to the cost).

98 **In short, Mr Azher Shareef's explanation as to the amount said to be Mr Naeem Shareef's liability has repeatedly changed and developed and contains numerous inconsistencies, including numerous inconsistencies in his own evidence even in the witness box. It is simply not credible.**

99 **There is no evidence to enable me to find that Mr Naeem Shareef's liability to fund Key 2 exceeded the sums that the seventh defendant had incurred** and which were shown in its accounts. According to its accounts, the seventh defendant incurred costs of around £74,000 plus VAT.

100 **With this background, it is difficult to understand why Mr Naeem Shareef, who was the company's accountant, would agree to pay £90,000 inclusive of VAT as his half share of those costs, if the accounts showed total costs of about £74,000. The factual background to the alleged settlement agreement makes it unlikely that such an agreement was entered into, because the agreement does not appear to make commercial sense.**

- 110 **Mr Naeem Shareef's evidence, which I accept**, is that he had agreed to pay £1,000 on account of a liability he knew he had. **He knew costs had been incurred. He knew that he was liable for a considerable sum of money and that he should be paying on account. It is also apparent from the email of 2 June that he made very clear that the invoice should be addressed to Coventry. By "Coventry", he obviously meant Key 2. He explained, as is no doubt correct, that "Coventry" or Key 2 would reclaim the VAT and "you", which I understand to mean the seventh defendant, would have to pay VAT to HMRC.** Invoicing and accounting for VAT in this way is exactly what one would expect if Mr Naeem Shareef was to put Key 2 in funds to pay the seventh defendant's costs. It is inconsistent with Mr Naeem Shareef being substituted for Key 2 as the party who was liable to pay the seventh defendant's invoices.
- 114 From this correspondence, it is clear to me that Mr Naeem Shareef was at all times expecting that the seventh defendant would invoice Key 2 £150,000 plus VAT, that the seventh defendant would pay the VAT, that Key 2 would recover the VAT and that his contribution would be half the net amount that Key 2 would have paid the seventh defendant, after Key 2 recovered the VAT. **Mr Naeem Shareef also believed that Mr Azher Shareef had paid £75,000 to his company and that he expected £75,000 to be half the total amount which Key 2 would pay the seventh defendant. All of that is entirely consistent with what Mr Naeem Shareef has maintained at all times was the original agreement. It is not evidence that he has accepted he should be substituted as the paying party in place of Key 2 or that he has rendered himself directly liable to Key 2.**
- 121 **In conclusion, I find that, at all times, Mr Naeem Shareef made clear that he expected the seventh defendant to invoice Key 2 and his liability was always to Key 2.** There was no settlement agreement between Mr Naeem Shareef, the seventh defendant and/or Mr Azher Shareef under which Mr Naeem Shareef agreed to become directly liable to the seventh defendant. It follows that he is under no liability for the seventh defendant's Part 20 claim and the seventh defendant has no cause of action against him. The Part 20 claim is dismissed.