EASTERN CARIBBEAN SUPREME COURT
GRENADA

IN THE HIGH COURT OF JUSTICE
(CIVIL)

CLAIM NO. GDAHCV 2025/0434

IN THE MATTER OF AN APPLICATION FOR PRODUCTION AND PRESERVATION ORDERS

AND

IN THE MATTER OF THE COMPANIES ACT, CHAPTER 58A OF THE LAWS OF GRENADA

BETWEEN:

NICKOLAS STEELE

Claimant

and

[1] MARK FRANCOIS
[2] OSBERT HOOD
[3] VIDA LOCA HOLDINGS LIMITED
[4] COTTON TRADERS LIMITED

Defendants

Before:
The Hon. Mde. Justice Agnes Actie High Court Judge

Appearances:
Mr. Gregory Delzin SC, Ms. Ariel Agostini and Ms. Daniella Gabriel for the Claimant
Mr. Kadeem Strachan for the First and Second Defendants

2025: December 8th, 15th;
2026: June 3rd (Submissions), 22nd.

JUDGMENT

[1] **ACTIE, J.:** The court must determine three applications: whether to discharge the interim injunction, whether to continue it, and whether to restrain counsel from acting for the claimant. On 8th December 2025, the court directed the parties to attempt an amicable resolution of the dispute. The parties failed to settle.

Brief History

[2] The claimant, Mr. Steele, and the first and second defendants, Mr. Francois and Mr. Hood (together, "the defendants"), are shareholders and directors of Vida Loca Holdings Limited ("Vida Loca") and Cotton Traders Limited ("Cotton Traders") (together, "the Companies"). Mr Steele is also a personal guarantor in respect of certain indebtedness incurred by the Companies. The relationship between Mr. Steele and the defendants has since broken down, giving rise to disputes concerning the management, governance and financial affairs of the Companies.

[3] Mr. Steele alleges that, since September 2022, he has been systematically excluded from the management of the Companies after the defendants accused him of impropriety. He says those allegations arose after he instructed the Companies' accountant to defer recording certain invoices because they may have included his personal expenses.

[4] Mr. Steele further alleges that meetings were held and decisions made without him, effectively excluding him from the Companies' affairs. He also says he has been denied access to operational decisions and corporate records, including financial statements, banking records, minutes, contracts and related accounting documents.

[5] On 23rd October 2025, notices were issued convening meetings of directors and shareholders of the Companies for 3rd November 2025. The stated business of those meetings included:

(1) The removal of Mr. Steele as a director of the Companies;
(2) The authorisation of initiation of legal proceedings against Mr. Steele;
(3) The appointment of new Attorneys-at-Law and a company secretary for the Companies;

(4) An update on Cotton Traders' attempts to retrieve the QuickBooks password from Mr. Steele;

(5) An update on Cotton Traders' attempts to recover outstanding receivables from Mr. Steele; and

(6) Demands made on Cotton Traders to settle company account with a local business.

[6] On 28th October 2025, Mr. Steele filed a without notice application with a certificate of urgency seeking injunctive relief. On 30th October 2025, this court granted the interim injunctive relief in the following terms (hereafter referred to as "the Order"):

> "... IT IS HEREBY ORDERED that:
>
> 1. The Respondents, whether by themselves, their directors, officers, employees, agents, or any person acting on their instructions, are forthwith restrained from holding or proceeding with:
>
> a. The Meeting of Directors of VIDA LOCA HOLDINGS LIMITED scheduled for Monday 3rd November, 2025, at 1:00 p.m.;
> b. The Special Meeting of Shareholders of VIDA LOCA HOLDINGS LIMITED scheduled for Monday 3rd November, 2025, at 1:30 p.m.;
> c. The Meeting of Directors of COTTON TRADERS LIMITED scheduled for Monday 3rd November, 2025, at 2:00 p.m.;
> d. The Special Meeting of Shareholders of COTTON TRADERS LIMITED scheduled for Monday 3rd November, 2025, at 3:00 p.m. respectively;
> e. Any other meeting, whether of directors or shareholders of the Third and Fourth Respondents, the purpose of which is to remove the Applicant as a Director or to authorize or institute a High Court Claim against the Applicant, pending the return date of this Order or further Order of the Court.
>
> 2. The Respondents shall not take any steps or actions to diminish or extinguish the Applicant's powers, rights, or duties as a Director of the Third and Fourth Respondents, or to interfere with his office, pending the return date of this Order.
>
> 3. The Respondents, whether by themselves, their directors, officers, employees, agents, servants, or any person acting on their instructions, are prohibited from removing, concealing, damaging, destroying, altering, disposing of, or otherwise tampering with any and all books, records, documents, and financial information (in physical or electronic form) of VIDA LOCA HOLDINGS LIMITED and COTTON TRADERS LIMITED (the "Companies"), including but not limited to the following:

a. Financial Statements and Reports: All audited and unaudited financial statements, management accounts, profit and loss accounts, balance sheets, cash flow statements and financial forecasts.
b. Bank Records: Bank statements, passbooks, cheque books, copies of all cheques issued and received, deposit slips, bank transfer confirmations, and electronic banking records for all company accounts, held at any financial institution.
c. Accounting Records: General ledgers, sales ledgers, purchase ledgers, accounts payable and accounts receivable reports, journals, payroll records and inventory records.
d. Transaction Documents: All invoices, receipts, vouchers, credit notes, purchase orders, and delivery/shipping records.
e. Tax Records: All VAT, Inland Revenue, and other tax returns, filings, and related correspondence.
f. Corporate Records: The Register of Members (Shareholders), Register of Directors, Register of Charges, Registers of Beneficial Owners and all minutes and resolutions of meetings of directors and shareholders.
g. Contracts and Commitments: All contracts, agreements, leases, commitments, and guarantees entered into by the Company.
h. Related-Party Transaction Records: All documents relating to any transaction between the Company and the Respondents, their family members, or any entities affiliated with them.

4. The Respondents, whether by themselves, their officers, servants, or agents, do on or before 14 days of service of this Order, produce to the Applicant's Attorneys-at-Law for inspection and copying, the documents listed in 1 above for the period 1 January 2022 to the date of this Order.

5. The Respondents, whether by themselves, their servants, agents, or howsoever, are restrained from disposing of, dealing with, encumbering, or diminishing the value of any assets of the Companies except in the ordinary and proper course of business..."

Discharge of the Injunction

[7] The defendants seek to discharge the injunction. They contend that, although they hold two-thirds of the Companies' shares, the Order prevents them from determining whether Mr. Steele should remain a director despite their loss of confidence in him. They further assert that the Order preserves his directorship and protects him from proceedings arising from his alleged impropriety.

[8] The defendants further contend that Mr. Steele was duly notified of the meetings concerning the consideration of his removal as director and was fully capable of attending those meetings to oppose or dissent from any proposed resolutions.

They argue moreover that the Order is excessive in circumstances where Mr. Steele has recourse under the Companies Act to challenge any removal from office.

[9] The defendants also argue that Mr. Steele would suffer no irreparable harm if removed as a director, as he would retain his rights as a shareholder. They further submit that his obligations as personal guarantor of the Companies' indebtedness would continue regardless of his directorship and therefore do not justify maintaining the injunction.

[10] The defendants further allege that Mr. Steele engaged in improper conduct in relation to the affairs of the Companies. In particular, they allege that he:

a. utilised company property as a parliamentary office;
b. obtained credit facilities in the names of the Companies for personal use;
c. converted company equipment to his own use;
d. removed financial records belonging to the Companies after physically vacating the office in 2022; and
e. restricted access to the Companies' QuickBooks financial records for periods preceding 2022.

[11] The defendants dispute that there exists any risk of destruction or concealment of company records, and further state that the alleged actions of Mr. Steele resulted in proceedings being initiated against the Companies[1] and necessitated increased involvement by the defendants in the management of the Companies.

[12] They oppose the continuation of the injunction on the basis that it interferes with ordinary corporate governance and limits both their ability, and that of the Companies, to pursue claims or counterclaims against Mr. Steele and to retain counsel for that purpose.

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[13] Mr. Steele opposes the discharge application and seeks continuation of the injunction. He maintains that the Order does not prevent the Companies from holding meetings or conducting ordinary business. He further alleges that, since the Order was made, the defendants have continued to exclude him from the Companies' affairs and deny him access to financial information and corporate records.

[14] Mr. Steele denies the allegations of impropriety advanced by the defendants, though he admits that he withheld administrative passwords out of concern that he would otherwise be entirely excluded from access to the Companies' financial information.

[15] In his affidavit of 3rd December 2025, Mr. Steele states that he was asked to step away from the business in or around November 2022, though in his original application he stated it to be September 2022. He further states that since 2022 he has neither been informed of the identity of the persons managing the Companies nor of the persons added as signatories to its bank accounts.

[16] Mr. Steele contends that his removal as director would further diminish his ability to protect his interests in circumstances where he remains an equal shareholder and guarantor of the Companies' indebtedness.

The defendants' submissions

[17] The defendants contend that Mr. Steele failed to disclose several material facts in support of his ex parte application, thereby breaching his duty of full and frank disclosure to the court, justifying the discharge of the injunction. In particular, the defendants identify the following alleged non-disclosure, among others:

(1) The existence of a conflict of interest relative to the acting of Veritas Legal;

(2) The fact that Mr. Steele and his Attorneys-at-Law were already in possession of a number of the corporate documents sought to be produced under the Order;

(3) The alleged intermingling by Mr. Steele of his personal affairs with those of the Companies during his tenure as director;

(4) The fact that Mr. Steele allegedly voluntarily recused himself from the day to day management of the Companies as opposed to having been removed from management; and

(5) The existence of statutory remedies available to Mr. Steele under the Companies Act to challenge any removal from office as director.

[18] Reliance is placed on the Court of Appeal decision in **Multibank Fx International Corporation v Von Der Heydt Invest S.A.**[2] which outlined the principles relating to an application for injunctive relief as:

> "(1) The applicant is required to make a full and fair disclosure of all material facts;
> (2) The material facts are those which it is material for the Judge to know in determining the application, and materiality is to be determined by the Court [not counsel];
> (3) The applicant must make proper enquiries before making the application;
> (4) An applicant who has obtained an order on the basis of material non-disclosure will generally be deprived of the benefit of that order (though not every non-disclosure will result in the discharge of the injunction); and
> (5) Whether a non-disclosure is material depends on the importance of the fact to the issues to be decided by the judge on the ex parte application."

[19] The defendants submit that the effect of the injunction is to shield Mr. Steele from the consequences of alleged misconduct in the management of the Companies, while simultaneously preventing the defendants and the Companies from taking steps concerning his continued directorship or pursing claims against him arising from the affairs of the Companies.

Mr. Steele's submissions

[20] Mr. Steele relies on the decision of **Ansa McAL (Barbados) Ltd v Banks Holdings Ltd and Anor**[3] where it was held:

[2] BVIHCVAP2021/0009 para 103
[3] (2016) 89 WIR 133

"(1) The general test which governed the grant or discharge of an interim injunction was accepted in the courts of Barbados to be the American Cyanamid test as interpreted in Toojays Ltd v Westhaven Ltd [2012] 2 LRC 65. That test had two limbs: (i) whether there was a serious issue, in the sense of not being frivolous or vexatious, to be tried; and (ii) whether the balance of justice was in favour of granting or refusing interlocutory relief..."

And at paragraph 105:

"Thus, in assessing whether there is a serious matter to be tried in a claim for an interim injunction in an oppression action, three questions must be addressed. These are: (1) Does the affidavit evidence establish a serious claim that the claimant is a 'complainant'? (2) Does the affidavit evidence support a serious claim in respect of the protected 'interests' asserted by the claimant to have been infringed? And, (3) Does the affidavit evidence establish a serious claim that the asserted 'interests' were violated by conduct falling within the terms 'unfair prejudice' or 'unfair disregard'?"

[21] Mr. Steele submits that there remains a serious issue to be tried concerning the alleged oppressive and unfairly prejudicial conduct by the defendants, including his exclusion from participation in the management of the Companies and denial of access to financial information and corporate records.

[22] Mr. Steele further argues that there has been no material change in circumstances sufficient to justify discharge of the injunction and that the balance of convenience continues to favour preservation of the status quo pending trial.

[23] Mr. Steele additionally submits that there exists a continuing risk of concealment, destruction or withholding of company records and that the continuation of the injunction remains necessary to preserve transparency concerning the affairs of the Companies. He submits that the injunction does not prevent the Companies from continuing their ordinary business operations.

The Court's Findings

[24] The House of Lords in **American Cyanamid Co vs Ethicon Ltd[4]**, set guidelines to be applied in determining whether to grant or to discharge an interlocutory order, which guidelines were re-affirmed by the Court of Appeal in England in

[4] [1975] 1 All ER 504

Pringle et al v Callard[5]. In that case, by letter dated 29th June 2007, the Pringles' solicitors informed Mr. Callard's solicitors that an extraordinary general meeting would be held on Monday 23rd July 2007, at which a resolution would be proposed to remove Mrs. Callard as a director. In refusing to grant the injunction, the Court held:

> "[33] ... In essence it is contrary to principle to impose a director on a company. It is highly impractical so to do in any event where there are disputes between the directors or indeed, as here, allegations of improper conduct. Accordingly, the court would have to be extraordinarily cautious before imposing a director on a company by way of an interim remedy, but as I have said it is not necessary to decide that point."

[25] This court directed the parties to file further submissions on the application of the principles espoused in the **Pringle** case.

[26] Mr. Kadeem Strachan, counsel for the defendants, submits that the facts in **Pringle** closely resemble those in the present matter and provide useful guidance on whether the interim injunction should be discharged or continued. He argues that, as in **Pringle**, the extant claims concern allegations of unfairly prejudicial conduct in relation to companies in which the parties are shareholders; attempts to prevent the removal of a director by the remaining directors; interim relief requiring disclosure and restraining removal from office; and substantive relief seeking the purchase of shares in the relevant companies. He further submits that, in both matters, the defendants alleged malfeasance and impropriety by the claimant, including financial misconduct and the use of corporate assets for personal purposes.

[27] Counsel argues that the **Pringle** case, when applied to the instant factual circumstances, weigh heavily in favour of the defendants' application to discharge the injunction. Counsel argues that the principal remedy sought by Mr. Steele, "at the end of the day", is a buyout of his shares in, or alternatively the winding up of, the Companies. Counsel contends that the remaining reliefs such as indemnification in respect of liabilities of the companies personally guaranteed by Mr. Steele are largely ancillary to, or in furtherance of, that primary remedy. He

[5] [2007] EWCA Civ 1075

states that the requested audit is plainly intended to assist with valuation in the event of a court-ordered buyout. Similarly, the declaratory relief and compensation sought for alleged past unfair conduct may be relevant factors in any such court-ordered buyout and depend on which party is required to effect that buyout. Counsel argues that Mr. Steele has not demonstrated that a risk exists that without the continued operation of the injunction, the remedy of a buyout of the Companies' shares would be extinguished and unavailable to him.

[28] Mr. Strachan argues, as in **Pringle**, the interim relief granted by the injunction in this matter can be adequately addressed by simple undertakings from the defendants, to keep Mr. Steele informed of any extraordinary business concerning the companies and to comply with their disclosure obligations throughout these proceedings. Like the claimant in **Pringle**, Mr. Steele has shown no substantive or exceptional basis for remaining a director, beyond his asserted need to be informed of special business or transactions affecting those companies. This is particularly so given his admitted and voluntary withdrawal from the management of the Companies for several years. Accordingly, there is no justifiable basis for continuing the interim injunction.

[29] Senior Counsel, Mr. Gregory Delzin, for Mr. Steele argues that the **Pringle** case relies on UK company law whereas the Companies Act of Grenada is in Para-Materia with Canadian Companies Act, which was in interpreted and applied in the **Ansa McAL (Barbados) Ltd.** case. The **Ansa McAl's** claim sought an oppression remedy pursuant to section 228 of the Barbados Companies Act which is similar to the provisions in Grenada. The Court of the Appeal in refusing to discharge an interim injunction held that in deciding whether there is a serious issue to be tried in such an action, it is imperative that, as a first step, the elements of the oppression remedy be identified. **Ansa McAl's** claim of oppression was that, in entering into sale agreement without obtaining the approval of shareholders, the directors exercised their directorial powers in a manner which was unfairly prejudicial to, and which unfairly disregarded the interests of Ansa and the other shareholders and effected unfair prejudice and unfair disregard.

[30] The Court of Appeal held that what must be proved by such a complainant to establish entitlement to an oppression remedy under section 228 was addressed in **Commonwealth Caribbean Company Law**[6] by Andrew Burgess as follows:

> "The kernel of the oppression remedy provisions is that the conduct complained of must be actionable conduct, in the sense that is 'oppressive or unfairly prejudicial, or that unfairly disregards the interests of a shareholder or debenture-holder, creditor, director or officer of the company'. Therefore, the two central foci in determining entitlement to the remedy are the 'interests' of the protected category and the conduct that is 'oppressive', 'unfairly prejudicial' or 'unfairly disregards' in light of these 'interests'."

[31] The Court of Appeal held that, in making its assessment, the court must always have as its ultimate focus the justice and equity of the case before it. It reminded itself, en passant, that, in making its assessment of these questions at that interim stage, the court must avoid conducting a trial on affidavits.

[32] The court accepts Senior Counsel's argument that the decision of the Barbados Court of Appeal in **Ansa McAl**, although not binding, provides useful guidance in the determination of whether the injunction should be maintained or discharged given the claim of "oppressive conduct" "unfairly prejudicial conduct" and conduct which "unfairly disregards" the interests of Mr Steele.

[33] In Steele's affidavit, he stated that since about September 2022, the defendants have made baseless and defamatory allegations of impropriety against him which he denied. He states,

> "Although I was confident in my conduct, I temporarily stepped back from day-to-day operations, at their request, as a gesture of good faith to de-escalate tensions, not because I admitted to any wrongdoing. Shortly thereafter, the [defendants] requested that I remove my personal effects from the office, which I did."[7]

[34] Mr. Steele further asserts that should he be removed as a director, it would be on the basis of allegations that he has been systematically prevented from

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[6] (Routledge: 2013) at p 337

[7] Affidavit of Mr. Steele filed 28th October 2025, paragraph 8

investigating or challenging. However, Mr. Steele, has not given evidence as to how he has been prevented from challenging the accusations.

[35] The **Ansa McAl** case which Senior Counsel relies on clearly articulates that the evidence in support of the application for the extension of the injunction must not be frivolous. The court is of the view that Mr. Steele's affidavit contains bald statements that his ability to discharge his fiduciary duties and to protect his interests as a shareholder and guarantor will be permanently extinguished if he is removed as a director of the Companies.

[36] The court is of the view that Mr. Steele's interests as a shareholder are distinct from, and not dependent upon, his continued office as a director. While directors are entrusted with the management and control of a company's day-to-day operations, and owe statutory and fiduciary duties to the company, shareholders possess separate rights and remedies under the Companies Act. Directors must further avoid conflicts of interest between their duties to the company and their personal interests. It is Mr. Steele's own evidence in the fixed date claim filed after the grant of the injunction that he removed himself from the day-to-day operations of the companies from 2022. There is therefore no evidence that he was removed from office as a director. Rather, the proposed meeting is the first overt action toward considering his removal as a director; a position he had voluntarily removed himself "to de-escalate tension" among the other directors.

[37] The court is satisfied that there remains a serious issue to be tried. As indicated before, the proceedings concern allegations of oppressive or unfairly prejudicial conduct within closely held Companies, including allegations that Mr. Steele has been excluded from management, denied access to financial information and corporate records, and threatened with removal as director notwithstanding his continuing interests. The defendants as majority shareholders have likewise advanced serious allegations concerning Mr. Steele's conduct in relation to the affairs of the Companies, including allegations concerning financial administration, corporate governance and company property.

[38] It is a well-established policy that a director is not entitled as of right to remain a director, and such relief is contrary to the Court's general position that a director should not be imposed on a company except in extraordinary circumstances[8].

[39] The court notes that by the fixed date claim filed on 27th November 2025, Mr Steele seeks declarations of oppression and breach of fiduciary and statutory duties; a permanent injunction restraining his removal from office; an independent audit; an order requiring the purchase of his shares or, alternatively, the winding up of the Companies; together with damages and indemnification. These substantive remedies are capable of adequately compensating the claimant should he ultimately succeed at trial. The court also bears in mind that, even where an arguable case is established, interim injunctive relief may be refused if the petitioner can be adequately compensated by appropriate adjustments to the valuation of his shares under a buy-out order[9].

[40] Lord Diplock in **American Cyanamid[10]** said:

> "It is where there is doubt as to the adequacy of the respective remedies in damages available to either party or to both, that the question of balance of convenience arises..."

[41] In considering the balance of convenience the court must find which course would be "likely to cause the least irremediable prejudice to one party or the other"[11]. The authorities establish that it is a relevant consideration that parties whose relationship has irretrievably broken down should not ordinarily be compelled by interim relief to continue managing a company together pending trial. Such an arrangement is likely to generate further conflict rather than preserve the effective management of the company[12].

[42] In the present case, the evidence demonstrates that the relationship between the parties has deteriorated to the point where mutual trust and confidence has

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[8] Re Sticky Fingers [1992] BCLC 84
[9] "Minority Shareholders: Law, Practice and Procedure", Victor Joffe QC, David Drake, Giles Richardson, Daniel Lightman, Oxford, (6th edition) at 8.73
[10] [1975] 1 All ER 504
[11] National Commercial Bank Jamaica Ltd v Olint Corp Ltd [2009] 1 WLR 1405
[12] Re R-Squared Holdco Ltd (Company No. 1078321) Brown and another v MML Capital Europe VI Equity II SA and others [2020] EWHC 23 (Ch)

broken down. As indicated earlier, Mr. Steele's by his own evidence voluntarily removed himself from the day-to-day management of the companies to deescalate the existing tension between the parties. The allegations made by each side concern the management and control of the Companies and reveal a fundamental disagreement as to the conduct of its affairs. In those circumstances, compelling the parties to continue serving together in the management of the Companies pending trial would not preserve the status quo, but would risk further disruption to the Companies operations.

[43] However, the court does not consider that the injunction, insofar as it concerns the preservation of records and access to information, would materially impede the Companies' continued operations. The court further considers relevant that Mr. Steele remains both a shareholder and personal guarantor in relation to liabilities incurred by the Companies. While the defendants correctly submit that those obligations continue irrespective of his status as director, the existence of those obligations nevertheless lend weight to the significance of Mr. Steele's request for reasonable access to information concerning the Companies' affairs.

[44] The court considers the evidence relating to compliance with the disclosure aspects of the Order. The affidavit of Mr. Keshon Crowe filed 2nd December 2026 indicates that following service of the Order, a quantity of corporate and financial documentation was produced to counsel for Mr. Steele, including incorporation documents, financial reports, shareholder resolutions, cheque reports and accounting materials. Mr. Crowe further states that additional documents, including cheque books, receipts and ledgers were subsequently delivered for inspection and copying.

[45] While the defendants contend that Mr. Steele already possessed certain corporate documents, nevertheless, the evidence demonstrates that the disputes concerning access to corporate and financial records remain live between the parties, particularly in relation to operational and financial records generated following Mr. Steele's absence from day-to-day management in or about 2022. The court considers this significant in assessing both the balance of convenience and the risk of injustice. In those circumstances, the court is not satisfied that the

disclosure aspects of the Order were unnecessary or improperly obtained. The court therefore considers that the preservation of access to information and protection against the destruction, concealment or alteration of records remains an appropriate and proportionate form of interim protection.

[46] The court has considered the defendants' allegations of material non-disclosure but is not satisfied that they were sufficiently material to justify discharging the injunction in its entirety. Having balanced the parties' respective cases, the court finds that the balance of justice favours refusing the continuation of the entirety of injunctive relief in respect of paragraphs 1,2,4,6,7 & 8 of the order.

[47] Accordingly, the court will vary the Order by discharging those provisions restraining the exercise of corporate governance powers. The Companies and parties shall however remain restrained from destroying, concealing altering or tampering with any corporate records, accounting materials, financial records, electronic financial systems, passwords, or other documents relevant to the issues in dispute pending trial or further order of the court. The court will further direct that reasonable access shall continue to be afforded to Mr. Steele in respect of corporate and financial records relevant to his pleaded claims and interests.

Whether the Firm ought to be restrained from acting for Mr. Steele

[1] The defendants applied for an order restraining the law firm of Veritas Legal (hereafter referred to as "the Firm"), from acting for and on behalf of Mr. Steele in the extant proceedings on the following grounds, namely:

i. Mrs. Michelle Emmanuel Steele is the wife of Mr. Steele and formerly served as a director of Cotton Traders between 2017 and 2019.
ii. The Firm previously acted jointly for the parties in relation to the incorporation of the Companies, the preparation of corporate documents, the acquisition of property and the provision of general corporate legal advice.
iii. The Firm continues to maintain a connection with the Companies in that it retains corporate records belonging to the Companies, employs the

Companies' corporate secretary in the person of Ms. Ermin Francois, and utilises its post office box as the mailing address for Vida Loca.

iv. The Firm now acts solely in the interests of Mr. Steele in proceedings which directly concern the management and operations of the Companies.

v. The Firm has thereby placed itself in a position of conflict and is improperly preferring the interests of Mr. Steele over those of the Companies and remaining directors.

[2] Mr. Steele, in opposition to the application, contends that the Firm's retainer related principally to the incorporation and establishment of the Companies which was completed by 2022. Mr. Steele denies that the Firm presently acts as the corporate attorney for the Companies. He further states that Mrs. Michelle Emmanuel Steele is not acting on behalf of any party in these proceedings and that Ms. Ermin Francois, corporate secretary employed by the Firm, resigned from the Companies prior to the institution of the proceedings.

[3] Mr. Steele further states that while the post office box of the Firm was previously used as the mailing address of Vida Loca, the Companies have since established their own mailing addresses.

[4] The parties were directed to fled skeleton arguments in contemplation of the Court of Appeal's ruling in **Augustine Pascall v Public Service Commission**[13].

The defendants' submissions

[5] The defendants submit that the court, pursuant to its inherent jurisdiction, may restrain counsel from acting where it is necessary to protect the integrity of the administration of justice. Reliance is placed on **Honourable Guy Joseph v The Constituency Boundaries Commission et al**[14] for the proposition that the

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[13] GDAHCVAP2021/0024
[14] SLUHCVAP2015/0013

applicable test is whether a reasonable person would conclude that counsel ought to be restrained from acting in the interests of the proper administration of justice.

[6] The defendants further referenced the decision of the Court of Appeal in **Augustine Pascall**[15] in which Ellis JA states:

> "In my view it matters not whether the office which the legal practitioner held could be said to be a 'public office' or a 'constitutional office' or whether he was in 'public employment'. In practical terms, when deciding whether a conflict exists that precludes representation in a matter **a court must first examine whether the legal practitioner was personally or substantially involved in the same matter while he was an office holder**. The court must next examine whether, as a former office holder, the legal practitioner learned **confidential information that could be used to damage a person in the matter**. If the answer to all these inquiries is 'no,' the legal practitioner likely is free to represent the client. If however, the answer is yes, then the court should exercise its power to restrain the legal practitioner from acting in that litigation." [Emphasis mine]

[7] These considerations do not differ whether the assertion is made in respect of an existing client or former client[16].

[8] The defendants submit that the Firm was personally and substantially involved in matters directly connected to the extant proceedings by reason that:

a. The proceedings concern the propriety of acting of the directors of the Companies and the operations of the Companies generally;
b. The principal of the Firm formerly served as a director of Cotton Traders and would thereby have had access to confidential information concerning the Companies;
c. Ms. Ermin Francois, an employee of the Firm, acted as secretary of the Companies;
d. The Firm acted for the Companies;
e. The Firm was responsible for the incorporation of the Companies, the distribution of shares, the acquisition of property and general corporate

[15] GDAHCVAP2021/0024 para 33
[16] GDAHCVAP2021/0024 Paragraph 40

legal advice, and holds the original incorporation documents of the Companies; and

f. The Firm's post office box was utilised as the mailing address of Vida Loca.

[9] The defendants further submit that there exists a real risk that confidential information obtained by the Firm could be used to their detriment in these proceedings. They contend that the Firm has failed to demonstrate that any adequate measures have been implemented to avoid misuse of confidential information, relying in this regard on **Prince Jefri Bolkiah v KPMG (a firm)**[17].

Mr. Steele's submissions

[10] Mr. Gregory Delzin, Senior Counsel, for Mr Steele submits that **Augustine Pascall**[18] establishes that restraint of counsel is principally concerned with the protection of confidential information entrusted to an attorney. Reliance is also placed on **Russell McVeagh McKenzie Bartleet & Co v Tower Corp**[19]**.**

[11] Senior Counsel argues that the only information identified as being within the possession of the Firm consists of the original corporate documents of the Companies, which are not held pursuant to any ongoing retainer arrangement or role as corporate attorney. He argues that the defendants have failed to identify any specific information that is at risk of misuse, or to establish any real risk of prejudice arising from the Firm's continued involvement.

[12] Senior Counsel additionally submits that the principal of the Firm is not involved in these proceedings. He further contends that there are presently no ongoing matters in which the Firm acts for any of the parties to the extant proceedings, which are being conducted by himself, instructed by Ms. Ariel Agostini. He further contends that any confidential information relevant to the allegations of oppressive conduct is presently within the possession of the law practice of Ramdhani & Associates and not the Firm.

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[17] [1999] 1 All ER 517
[18] Claim No. GDAHCVAP2021/0024
[19] [1999] 3 LRC 523

The Court's Findings

[13] The court's jurisdiction to restrain counsel from acting is derived from its inherent supervisory jurisdiction over the administration of justice. That jurisdiction however is one which must be exercised cautiously and only where the interests of justice clearly require intervention.

[14] Case law has repeatedly emphasised the exceptional nature of this power and the need for the court to exercise restraint when asked to deprive a litigant of counsel of his choosing. In **Premier Capital (China) Ltd v Sandhurst Trustees Ltd**[20], Pagone J observed:

> "Care must be taken to ensure that applications for removal of practitioners do not become a means by which opposing parties obtain forensic advantages which detract from, rather than advance, the policy for which the jurisdiction is properly to be exercised. It is, therefore, essential that an injunction to restrain a practitioner from acting on behalf of a client be firmly based upon the need for that to occur in the administration of justice."

[15] In **Augustine Pascall**[21], the Court of Appeal affirmed that the applicable test for the recusal of counsel is an objective one, namely whether a fair-minded and reasonably informed member of the public would conclude that the proper administration of justice requires that the attorney be restrained from acting. Ellis JA stated:

> "... the power of the court will be exercised where a fair-minded and reasonably informed member of the public would conclude that the proper administration of justice requires that the attorney be prevented from acting for a client. The test is an objective one based on what the general public could expect of the administration of justice. As the determination of whether or not an attorney should be restrained involves an exercise of judicial discretion, an appellate court would not intervene unless the trial judge's decision exceeded the general ambit within which reasonable disagreement is possible and may therefore be said to be clearly or blatantly wrong."

[20] [2012] VSC 611 at para 2
[21] Claim No. GDAHCVAP2021/0024

[16] The Court of Appeal further observed that an attorney owes a continuing duty of confidentiality not only to clients, but also to persons who have imparted information in circumstances giving rise to a relationship of trust and confidence. In paragraph 4 of the headnote, the court explained that:

> "It is well-established that an attorney owes a duty of confidentiality to his clients and ought to avoid situations which conflict with this duty. The principle of avoiding this conflict of duty is broader than the attorney-client relationship and protects quasi-clients or indeed any person who gave information to an attorney which was capable of being used to the giver's detriment. Once a relationship of trust and confidence is established an attorney can be restrained so as to protect confidential information given in trust..."

[17] The Court of Appeal further held that it is a necessary precursor to invoking the so-called **Bolkiah**[22] jurisdiction that the applicant identifies the confidential information alleged to be at risk and establish, on a balance of probabilities, that the attorney was in possession of such information in circumstances importing confidence. Once established, the burden shifts to the attorney to demonstrate that effective measures have been implemented to eliminate any real risk of disclosure or misuse.

[18] Ellis JA in **Augustine Pascall** surmised the applicable principles as follows:

> "[77] In summary therefore a court will restrain a lawyer from continuing to act for a party to litigation or a transaction if: (1) a 'reasonable observer', informed of the facts, might reasonably anticipate a danger of misuse of confidential information of a client; and (2) there is a 'real and sensible possibility' that the interest of the lawyer in advancing the case in the litigation or transaction might conflict with the lawyer's duty to keep that information confidential and to refrain from using it to the detriment of the client.
>
> [78] It is however clear that while the risk need not be substantial, it must be a real one, and not merely fanciful or theoretical."

[19] In **Prince Jefri Bolkiah v KPMG**[23] the House of Lords similarly affirmed that professional advisers owe a continuing and unqualified duty to preserve

[22] [1999] 1 All ER 517
[23] [1999] 1 All ER 517

confidential information imparted during the course of a former retainer. Their Lordships held that where confidential information may be relevant to a subsequent adverse retainer, the court may intervene unless the professional adviser demonstrates, by clear and convincing evidence that effective measures exist to prevent any disclosure or misuse of that information.

[20] The **Section 58** of the **Companies Act**[24] establishes that directors are responsible for exercising the powers of the company, directly or indirectly through the company's employees and agents; and for directing the management of the business and affairs of the company. Directors additionally owe duties of care and confidence pursuant to **Section 97** of the **Companies Act CAP 58A**, which restricts the disclosure of information concerning the business and affairs of the company except in limited circumstances.

[21] As it relates to the office of company secretary, **Halsbury's Laws of England**[25] states that the secretary stands in the same position as any other agent of a company, and may regularly make representations on behalf of the company, and enter into contracts connected with the day to day administration of the company's affairs. The secretary's functions therefore extend beyond purely ministerial acts.

[22] The court considers instructive the observations of Lord Millett in **Prince Jefri Bolkiah**[26] where he stated:

> "It is of overriding importance to the proper administration of justice that a client should be able to have complete confidence that what he tells his lawyer will remain secret. This is a matter of perception as well as substance. It is of the highest importance to the administration of justice that a solicitor or other person in possession of confidential and privileged information should not act in any way that might appear to put that information at risk by coming into the hands of someone with an adverse interest."

[23] In the present matter, the evidence establishes that the principal of the Firm, Mrs. Michelle Steele, wife of Mr Steele, formerly served as a director of Cotton Traders between 2017 and 2019, while an employee of the Firm has acted as company

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[24] CAP 58A
[25] Volume 14A(2023) para 674
[26] [1999] 1 All ER 517 at page 236

secretary for the Companies up to recently. The court further notes that the Firm was responsible for the incorporation of the Companies, the preparation of the Companies' by-laws, shareholding arrangements, acquisition of property and provision of legal advice over several years. The Firm also served as the mailing address for Vida Loca and remains in possession of the original corporate records belonging to the Companies.

[24] The court additionally notes that in separate proceedings commenced against Vida Loca in respect of monies due and owing, documents exhibited to those proceedings include an application for a credit account executed by Ms. Ermin Francois on behalf of Vida Loca. The existence and administration of that credit facility forms part of the disputes raised by the defendants concerning Mr. Steele's management of the Companies' affairs. The document therefore further illustrates the extent to which representatives or employees of the Firm were involved in matters now connected to issues arising in the present proceedings.

[25] The cumulative effect of these circumstances demonstrates that the Firm's involvement in the affairs of the Companies was substantial and not merely incidental or administrative in nature. In the court's judgment, a fair-minded and reasonably informed observer would conclude that there exists a real and sensible possibility that confidential information obtained by the Firm during the course of its involvement with the Companies may be relevant to the present proceedings and could be used to the detriment of the defendants and the Companies.

[26] Although Mr. Steele contends that the Firm no longer acts as corporate counsel for the Companies, the court notes that the original corporate documents of the Companies admittedly remain in the possession of the Firm, and no satisfactory explanation has been provided as to why those documents continue to be retained. Further, while Mr. Steele states that Ms. Ermin Francois resigned as company secretary prior to the commencement of these proceedings, no documentary evidence of such resignation has been exhibited before the court. The records before the court indicate that Ms. Francois was appointed secretary of Vida Loca on 2nd December 2013 and of Cotton Traders on 4th April 2019. Mr. Steele also states that the Firm's post office box was formerly used as the mailing

address of the Companies and that the Companies have since established separate mailing addresses. However, no evidence of any updated mailing address following incorporation has been produced.

[27] The court also considers significant that the present proceedings directly concern the internal governance, management, financial and operational affairs of the Companies, being matters in respect of which the Firm, or members of the Firm, were previously engaged. The court cannot ignore that the principal of the Firm, Mrs Michelle Emmanuel-Steele, also formerly served as a director of Cotton Traders, and would necessarily have been privy to confidential corporate information extending beyond documents publicly available through the Companies Registry.

[28] A law firm engaged over a prolonged period in the affairs of a closely held company may acquire institutional knowledge concerning the company's governance structure, financial affairs and decision-making processes. In proceedings such as the present, involving allegations of oppressive conduct, exclusion from management, misuse of company assets and disputes concerning control of corporate records, such information may be relevant to issues arising before the court. The court considers that this prior involvement materially heightens the risk that confidential information relevant to the present proceedings resides within the institutional knowledge of the Firm.

[29] In the court's judgment, the evidence concerning the Firm's longstanding involvement in the incorporation, governance, administration and legal affairs of the Companies, together with the former directorship and secretarial involvement connected to the Firm, is sufficient to support the inference that confidential information relevant to the present dispute resides within the Firm.

[30] The court further considers that the Firm's continuing involvement in the Companies' affairs creates a realistic possibility that members of the Firm may be required to give evidence on matters in dispute in these proceedings. The court is also not persuaded by the submission that the matter is being conducted by other counsel, particularly in light of Mrs. Michelle Emmanuel-Steele's continuing

involvement in the proceedings. The e-litigation portal shows that Mrs. Michelle Emmanuel-Steele's account was used to file the fixed date claim form and statement of claim. Also, Senior Counsel, Gregory Delzin, on record for Mr. Steele, is reflected on the letter head of the Firm as consultant, and even his representation at the hearing is accompanied by Ariel Agostini, junior counsel at the Firm.

[31] The court is mindful that an order restraining counsel from acting is an exceptional remedy. However, the court is satisfied that a fair minded and reasonably informed observer would apprehend a real risk that confidential information acquired by the Firm, including through its longstanding involvement in the affairs of the Companies and the role of its employee as corporate secretary, could be used to the detriment of the Companies and opposing directors in proceedings directly concerning the Companies' corporate affairs. The court is therefore satisfied that the proper administration of justice requires that the law firm of Veritas Legal be restrained from continuing to act for Mr. Steele in these proceedings.

[32] It is therefore ordered and directed as follows:

(1) The interim injunction granted 30th October 2025 is extended until the completion of the trial but is varied to the following extent:

(a) Paragraphs 1,2,4,6,7 & 8 of the Order dated 30th October 2025 are discharged.

(b) Pending trial or further order of the Court, the parties, whether by themselves, their officers, servants, or agents are restrained from removing, concealing, damaging, destroying, altering, disposing of, or otherwise tampering with any and all books, records, documents, and financial information (in physical or electronic form) including the following:

(1) For Vida Loca Holdings Limited only:

i. Financial Statements and Reports: All audited and unaudited financial statements, management accounts, profit and loss accounts, balance sheets, cash flow statements and financial forecasts.

(2) For Vida Loca Holdings Limited and Cotton Traders Limited:

i. Bank Records: Bank statements, passbooks, cheque books, copies of all cheques issued and received, deposit slips, bank transfer confirmations, and electronic banking records for all company accounts, held at any financial institution.

ii. Accounting Records: General ledgers, sales ledgers, purchase ledgers, accounts payable and accounts receivable reports, journals, payroll records and inventory records.

iii. Transaction Documents: All invoices, receipts, vouchers, credit notes, purchase orders, and delivery/shipping records.

iv. Tax Records: All VAT, Inland Revenue, and other tax returns, filings, and related correspondence.

v. Contracts and Commitments: All contracts, agreements, leases, commitments, and guarantees entered into by the Company.

vi. Related-Party Transaction Records: All documents relating to any transaction between the Company and the Respondents, their family members, or any entities affiliated with them.

(2) The defendants shall provide Mr. Steele with reasonable access upon reasonable notice to inspect and copy corporate and financial records listed from the period 1st November 2022 to the date of this Order relevant to the issues raised in the proceedings on or before 28 days of the date of delivery of this Order.

(3) The defendants undertake to keep Mr. Steele informed of the business of the Companies and to comply with their disclosure obligations throughout these proceedings.

(4) Each party having some measure of success on the injunction application shall bear their own costs.

(5) The application for the Law Firm of Veritas Legal to be recused as legal practitioners for Mr. Steele is granted.

(6) The Law Firm of Veritas Legal, whether by its principals, associates, employees or agents, is hereby restrained from acting and is hereby

removed from the record as the Legal Practitioners for Mr. Steele in these proceedings.

(7) The matter shall be listed for further hearing on the 8th October 2026 to enable Mr. Steele to retain new counsel.

(8) The parties are further encouraged to engage in settlement discussions and to inform the court if the matter is settled prior to the adjourned date.

Agnes Actie
High Court Judge

By the Court

Registrar