Claim No: CFI 064/2026

THE DUBAI INTERNATIONAL FINANCIAL CENTRE COURTS

IN THE COURT OF FIRST INSTANCE

BETWEEN:

MAURO LACI

Claimant

and

(1) SOYAB DALESH

(2) HASSAN ALBEER

Defendants

ORDER WITH REASONS OF H.E. JUSTICE MAHA AL MHEIRI

UPON the Claimant's Part 7 Claim dated 5 June 2026 (the "Claim")

AND UPON the Default Judgment of H.E. Justice Maha Al Mheiri dated 7 September 2026 (the "Default Judgment")

AND UPON the Defendants' Application No. CFI-064-20206/1 dated 11 September 2026 seeking to set aside the Default Judgment (the "Set Aside Application")

AND UPON review of the Claimant's evidence in answer to the Set Aside Application dated 16 September 2026

AND UPON review of the Defendants' evidence in reply to the Set Aside Application dated 21 September 2026

AND PURSUANT TO the Rules of the DIFC Courts ("RDC")

IT IS HEREBY ORDERED THAT:

1. The Set Aside Application is granted.

2. The Default Judgment is set aside.

3. The Defendants shall file and serve their Defence within 14 days of the date of this Order.

4. The Claimant may file and serve any Reply to Defence within 21 days of service of the Defence, if so advised.

5. The costs of the Set Aside Application shall be costs in the case.

Issued by:
Hayley Norton
Assistant Registrar
Date of issue: 25 September 2026
At: 2pm

SCHEDULE OF REASONS

1. The Claimant's Claim arises out of a dispute between the parties concerning a Share Sale and Purchase Agreement dated 28 July 2025 (the "Agreement") relating to Arabeska Elite Restaurant LLC (the "Company"). The Defendants' position is that they have a substantive defence to the Claimant's Claim arising, amongst other matters, from the parties' respective contractual obligations concerning payment, the transfer of shares, the provision of a Power of Attorney ("POA"), cooperation with the relevant authorities, and the completion and handover of the business.

2. The Claim Form was issued and served upon the Defendants. The Defendants thereafter filed an Acknowledgement of Service on 24 June 2026, expressly indicating their intention to defend the Claim. The Claimant's Particulars of Claim were subsequently filed on 15 July 2026.

3. The Defendants failed to file a Defence within the prescribed period. The Claimant accordingly applied for Default Judgment on 24 August 2026.

4. On 7 September 2026, Default Judgment was issued against the Defendants pursuant to RDC 13.5 on the basis that the Defendants had filed an Acknowledgement of Service but had failed to file a Defence within the prescribed period.

5. On 11 September 2026, the Defendants filed the present Set Aside Application. The Set Aside Application was supported by the First Witness Statement of Soyab Dhalesh dated 9 September 2026 and the documents exhibited thereto.

6. The Claimant filed its evidence in answer to the Set Aside Application on 16 September 2026, opposing the Application. The Claimant submits

that the Defendants have failed to satisfy the requirements of RDC 14.2 and that the Court should not exercise its discretion to set aside the Default Judgment.

7. The Claimant further submits that the Defendants' failure to file a Defence was deliberate and tactical, relying, in particular, on the fact that the Defendants had filed an Acknowledgement of Service expressly indicating an intention to defend the Claim, but thereafter took no procedural step until Default Judgment was entered.

8. The Defendants filed their evidence in reply on 21 September 2026. The Defendants deny that their failure to file a Defence was deliberate or tactical and rely upon the circumstances surrounding the underlying dispute, including the continuing proceedings between the parties before the Dubai Courts.

9. Having considered the Set Aside Application, the evidence filed in support, the Claimant's evidence in answer and Defendants' evidence in reply, I am satisfied that the Application is suitable for determination on the papers.

The Defendants' Application

10. Upon reviewing the Defendants' Set Aside Application and the evidence filed in support, the Defendants acknowledge that a Defence was not filed within the prescribed period. The Defendants state that the failure to file the Defence was a procedural matter and was not an admission of the Claimant's allegations or an indication that the Defendants had no defence to the Claim.

11. The Defendants deny that the failure was deliberate or tactical. They refer to the continuing and substantial disputes between the parties arising from the same commercial relationship, including execution proceedings before the Dubai Courts during the relevant period.

12. The Defendants rely, in particular, upon a number of execution proceedings concerning dishonoured cheques and unpaid sums, including orders for the arrest and production of the Claimant. They submit that this provides relevant context to the circumstances in which the procedural default occurred, while not contending that the existence of those proceedings automatically excuses the failure to file a Defence.

13. The Defendants further rely upon the payment arrangements under the Agreement, the post-dated cheques issued by the Claimant and subsequently returned unpaid, the Claimant's alleged failure to provide the required POA and cooperate with the share-transfer process, and the steps taken by the Defendants concerning the handover and completion of the transaction.

14. The Defendants rely upon the legal notice dated 18 March 2026, the Claimant's notice dated 24 March 2026, the Defendants' response dated 1 April 2026, the Notice of Termination dated 14 May 2026, and the documents relating to the proceedings before the Dubai Courts.

15. The Defendants submit that these matters demonstrate that there is a genuine and substantial dispute between the parties and that they have a substantive defence which should be determined on its merits.

Finding

16. The test for whether the Court ought to set aside a Default Judgment under RDC 14.2 requires the Court to consider, amongst other matters, whether the Defendants have a real prospect of successfully defending the Claim and whether there is some other good reason why the Default Judgment should be set aside or the Defendants should be permitted to defend the Claim.

17. The Court must also have regard to whether the Set Aside Application was made promptly. In the present case, the Default Judgment was entered on 7 September 2026 and the Set Aside Application was filed on 11 September 2026.

18. I accept that the Defendants failed to comply with the prescribed time for filing their Defence. The fact that the Defendants were legally represented and had filed an Acknowledgement of Service indicating an intention to defend the claim does not, of itself, establish that the failure to file a Defence amounted to an admission of the Claimant's case or that the Defendants have no real prospect of defending the Claim.

19. In considering whether to exercise the Court's discretion under RDC 14.2, the Court must strike a balance between the prejudice that may be suffered by the Defendants if the Default Judgment is maintained and the prejudice that may be suffered by the Claimant if the Default Judgment is set aside.

20. In reviewing the evidence before the Court, I find that the Defendants have identified a substantive dispute concerning the Agreement and the parties' respective contractual obligations. The evidence refers to the payment arrangements, returned cheques, the provision of the POA, the share-transfer process, the parties' correspondence and notices, and the steps taken concerning the handover and completion of the transaction.

21. There is also a substantive dispute concerning the initial transfer of 30 shares and the payment of AED 3.7 million, including the basis upon which that payment was made and the respective obligations of the parties in relation to the transfer of the shares and the provision of the POA.

22. The Defendants also dispute the Claimant's Claim for repayment of AED 3.7 million and submit that the sums paid, the recipients of those sums, and the contractual and legal basis for any alleged repayment require determination.

23. I am satisfied that these matters disclose issues which require determination and that the Defendants have demonstrated a real prospect of successfully defending the Claim. The Court is not, at this stage, required to determine the merits of those allegations. Those matters are properly to be determined following the exchange of pleadings and evidence.

24. I further consider that there is good reason for the Default Judgment to be set aside. The underlying dispute concerns contractual obligations which are disputed by the parties and which, on the evidence presently before the Court, should be determined on their merits rather than by reason of the Defendants' procedural default.

25. I have also considered the Claimant's submission that the Defendants' failure to take any procedural step following the filing of the

Acknowledgement of Service was deliberate and amounted to a tactical decision. However, on the evidence before me, including the circumstances of the ongoing disputes and the related Dubai Court proceedings, I am not satisfied that the circumstances justify refusing to exercise the Court's discretion where the Defendants promptly sought to set aside the Default Judgment and have demonstrated a substantive defence to the claim.

26. The promptness of the Defendants' response is also relevant. The Default Judgment was entered on 7 September 2026 and the Set Aside Application was filed on 11 September 2026. The Defendants thereafter responded to the Claimant's evidence in answer by filing their evidence in reply on 21 September 2026. This conduct is consistent with an intention to pursue a substantive defence rather than to abandon the proceedings.

27. The Court must also consider the overriding objective and ensure that the parties are afforded a fair opportunity to present their respective cases. Whilst the Defendants' failure to file a Defence within the prescribed period is a matter which the Court takes seriously, the promptness of the present Application and the existence of a substantive dispute weigh in favour of permitting the Defendants to defend the Claim.

28. The Court must strive to achieve a balance between the efficient conduct of proceedings and the determination of disputes on their merits. In the circumstances of this case, I consider that the interests of justice are better served by allowing the Defendants an opportunity to file a Defence and for the parties' respective positions to be determined through the ordinary course of the proceedings.

29. The Claimant will not be deprived of the opportunity to advance its case or to respond to the Defendants' Defence. Any procedural prejudice arising from the delay can be addressed through appropriate case management directions.

30. In the circumstances, I am satisfied that the Defendants have demonstrated a real prospect of successfully defending the Claim and that there is good reason for the Default Judgment to be set aside.

31. Accordingly, the Defendants' Set Aside Application is allowed and the Default Judgment is set aside.

32. The Defendants shall file and serve their Defence within 14 days of the date of this Order.

33. Costs shall be in the case.