Neutral Citation Number: [2026] EWHC 1433 (Ch)

Case No: CR-2026-000891

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST

Rolls Building
Fetter Lane
London EC4A 1NL

Date: 11 June 2026

Before :

Richard Farnhill
(sitting as a Deputy Judge of the Chancery Division)

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Between:

(1) SOFIA ZHEVAGO

(2) IVAN ZHEVAGO

(3) KONSTIANTYN ZHEVAGO

Claimants

- and -

(1) FRANCOMBE VENTURES LIMITED
(2) OSNOVA GLOBAL LLP
(3) OSNOVA UK LLP
(4) S.S. CLEVER ASSETS HOLDING LTD
(5) YELYZAVETA STEPCHENKO
(6) DANYLO RODIVILOV
(7) STANISLAV STEPCHENKO
(8) SERHII BEREZOVENKO
(9) OLEKSANDR KUZNETSOV
(10) THE REGISTRAR OF COMPANIES

Defendants

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Caley Wright (instructed by **Enyo Law LLP**) for the Claimants
Andrew Child, James Taylor and Harrison Shaylor (instructed by **Candey Limited**) for the Fifth and Seventh Defendants

Hearing dates: 5-8 May 2026

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JUDGMENT

Richard Farnhill (sitting as a Deputy High Court Judge of the Chancery Division):

1. This case concerns the ownership and control of the First to Third Defendants. In particular, it relates to filings made at Companies House in November and December 2025 (the **Contested Filings**) by the Seventh Defendant (**Mr Stepchenko**) that changed the registered shareholder and director of the First Defendant (**FVL**) and the registered members of the Second and Third Defendants (**Osnova Global** and **Osnova UK**, together the **Osnova Entities**).

2. In summary, the Claimants' case is that the Third Claimant (**Mr Zhevago**) was the original beneficial owner of FVL and the Osnova Entities. Legal title to those entities and the management of them was in the hands of nominees, but at all times under the direction and control of Mr Zhevago. At the time of the Contested Filings the Fourth Defendant (**Clever**) was the nominee shareholder of FVL and the Fifth Defendant (**Mrs Stepchenko**) was its nominee director. The Eighth and Ninth Defendants (**Mr Berezovenko** and **Mr Kuznetsov**) were the nominee members of the Osnova Entities. By the time of the Contested Filings, the Claimants say Mr Zhevago had transferred the beneficial interest in FVL to his daughter, the First Claimant (**Sofia Zhevago**) and had transferred the beneficial interest in the Osnova Entities to his son, the Second Claimant (**Ivan Zhevago**). Following the commencement of these proceedings, in which issues with the original transfers have been raised, Mr Zhevago executed further transfers (the **February 2026 Transfers**) of FVL to Sofia Zhevago and of the Osnova Entities to Ivan Zhevago.

3. In summarising the Defendants' case it is important to be clear by whom it was advanced. The First to Third Defendants are the entities whose ownership is contested in this dispute, FVL and the Osnova Entities. The registered members of the Osnova Entities are FVL and Mrs Stepchenko; the registered director and shareholder of FVL is Mr Rodivilov. The evidence of both Mr and Mrs Stepchenko is that she simply follows her husband's instructions. The end result is that FVL and the Osnova Entities are controlled by some combination of Mr and Mrs Stepchenko and Mr Rodivilov but for whatever reason none of Mr Rodivilov, FVL or the Osnova Entities have played any active part in proceedings. Clever is owned and controlled by Mr Stepchenko. It also has not advanced an independent position. Mr and Mrs Stepchenko have actively contested the claim. Both gave witness statements, although only Mr Stepchenko made himself available for cross examination. Mr Rodivilov, Mr Berezovenko and Mr Kuznetsov have all indicated that they opposed the claim, or at least aspects of it, and Mr Berezovenko and Mr Kuzntesov have given witness statements. None of them filed Defences, however, and they are now debarred from defending the claim. None of them appeared before me to give evidence. The final Defendant is the Registrar of Companies. They set out their position in a letter dated 30 April 2026. The Registrar highlighted the need to comply with obligations under the Companies Act 2006 as to identification of shareholders and members but emphasised that they were neutral as to the question of ownership of FVL and the Osnova Entities.

4. Reference to the Defendants' case is therefore to the case advanced by Mr and Mrs Stepchenko supported by witness statements from them, Mr Berezovenko and Mr Kuznetsov and the live evidence of Mr Stepchenko. Their case is that

Mr Zhevago cannot show he ever had a beneficial interest in FVL or the Osnova Entities. They further assert that the transfers of FVL to Clever and of the Osnova Entities to FVL and Mrs Stepchenko were not part of a nominee structure; they were transfers by the owners of the assets who in each case held absolute title.

5. Moreover, the Defendants assert that to the extent that Mr Zhevago had a beneficial interest in FVL he transferred it to Mr Stepchenko pursuant to an oral agreement made in online discussions held via Google Meet in September and October 2022 (the **Contested FVL Agreement**). In exchange Mr Stepchenko agreed to refrain from enforcing debts against other entities owned or controlled by Mr Zhevago.

6. In either event the Defendants contend that the February 2026 Transfers were ineffective because Mr Zhevago had nothing to transfer at that time: either he never had a beneficial interest in any of the relevant assets or, if he did, he had transferred it to Mr Stepchenko pursuant to the Contested FVL Agreement.

7. Finally, in outlining this case, it is important to address the role of the National Bank of Ukraine (the **NBU**). The NBU has obtained a freezing injunction (the **NBU Freezing Order**) against Mr Zhevago in other English High Court proceedings, which remains in force. On the first day of the trial counsel for the NBU made submissions to address the NBU's position: it was not seeking to object to the trial proceeding but asked to see a copy of this judgment in draft, and subject to the usual embargo, before it was handed down. I agreed to provide the draft judgment to the NBU on those terms, neither party having raised an objection. I understand that the parties also provided the NBU's legal team with daily transcripts of the proceedings.

8. The NBU is not a party to this claim, nor so far as I am aware is it in privity with anyone who is. It is not bound by my judgment or the order I will make. Moreover, the validity of the February 2026 Transfers was not, of itself, contested by the Defendants. Put another way, they accept that if Mr Zhevago still had interests in FVL or the Osnova Entities (or both) when the February 2026 Transfers were executed, they were effective to transfer FVL and the Osnova Entites to Ivan Zhevago and Sofia Zhevago respectively. In light of the findings I have made it follows that this part of the case is therefore essentially common ground. I have not needed to make factual determinations in respect of it.

9. For reasons I go on to address I have found that:

    i) Mr Zhevago was the original beneficial owner of FVL and the Osnova Entities.

    ii) The original purported transfers of FVL to Sofia Zhevago and of the Osnova Entities to Ivan Zhevago were both ineffective.

    iii) The Contested FVL Agreement was never entered into.

    iv) The February 2026 Transfers were effective.

10. For the avoidance of any doubt, none of that is intended to affect the terms of the NBU Freezing Order, nor is it intended to deal with whether that order has or has not been breached. Those are separate questions to be dealt with, if at all, in other proceedings.

Evidential issues

11. In his skeleton argument Mr Wright submitted that this is largely, if not wholly, a factual dispute, and I agree that it is. Moreover, the compass of that dispute is quite limited; much about FVL and the Osnova Entities is common ground, as I will come to address. Where there is disagreement it is intense, however. It extends to the rules of evidence; there is significant disagreement between the parties as to what material I can rely on in deciding the factual issues, and the weight to be given to it.

The witnesses who appeared and gave evidence

12. There were three lines of authority that were, in my view, relevant to the witness evidence. The first was the very well-known line of cases flowing from *Gestmin SGPS SA v Credit Suisse (UK) Ltd* [2013] EWHC 3560 (Comm). Broadly, witnesses (and in particular party witnesses) will have their recollection of events impacted by the processes of civil litigation and of giving evidence. That impact involves no dishonesty on the part of the witness and is to an extent unavoidable. The second is that in assessing the reliability of witness evidence a judge may need to give themselves a *Lucas* direction (*R v Lucas* [1981] QB 720): a witness may lie for a variety of reasons, and the fact that they have lied about one matter does not mean that they have lied about everything. Finally, and set against that, is the observation of Males LJ in [2020] EWCA Civ 408 at [120]. While dishonesty is normally inherently improbable "*once other findings of dishonesty have been made against a party, or he is shown to have given dishonest evidence, the inherent improbability of his having acted dishonestly in the particular respect alleged may be much diminished and will need to be reassessed.*"

13. Ivan Zhevago gave his evidence in English. He was calm and measured, giving full answers to questions. The principal point put to him was that he did not sign certain declarations of trust relating to the Osnova Entities. He was realistic about the level of detail he could recall around the transaction as a whole and when he signed those declarations, but was clear that he did so some time in 2020. He was an honest witness, although for reasons I go on to address his evidence was peripheral.

14. Sofia Zhevago gave evidence by video-link, again in English. There were significant technical issues in the course of her evidence but I felt I had a good impression of her as a witness. Again, her cross examination was limited, focussing on her role in Arterium and her execution of a declaration of trust relating to FVL. She gave her evidence clearly and, I believe, honestly. Some of her answers were opinion, but that was because the question invited her opinion and she was open that others may have a different view.

15. Mr Zhevago also gave his evidence by video-link. For the most part he did so in Russian, although at times he expanded on or corrected what he considered to be differences in emphasis in the translation. It was obvious that his command of English was good but given that the points being put to him in cross-examination regarding ongoing civil and criminal claims against him he cannot properly be criticised for his use of a translator.

16. Mr Zhevago feels very strongly that Mr and Mrs Stepchenko have stolen FVL and the Osnova Entities from his family. That very much coloured his evidence. At times his answers were combative, he quite frequently shifted from witness to advocate.

17. He equally strongly feels that he is the victim of political persecution in Ukraine. For the purposes of this claim it does not matter whether he is right in that belief, and I wish to be clear that I make no finding in respect of the point. It was obvious from his evidence, however, that it is a view that he strongly and sincerely holds. Again, that has affected his evidence. Specifically, he was clear in his witness statement that his concern over possible persecution is what fuelled his desire to ensure his ownership of various assets was not known, and so drove him to use nominee shareholders and directors. At least in the case of FVL that cannot be true, however, because that company's principal asset was a pharmaceutical business, Arterium, and it was also Mr Zhevago's evidence that his ownership of that business was a matter of public knowledge. He exhibited copious media coverage to illustrate the fact. It would be an exercise in futility to conceal ownership of the English holding company when the ultimate beneficial ownership of the Ukrainian operating company is so widely known.

18. To be clear, I believed his answers to be honest. Put another way, while the factors raised in *Gestmin* were issues with Mr Zhevago's evidence, those raised in *Lucas* and *Bank St Petersburg* were not. It was necessary always to separate the advocacy from the evidence, but where he was addressing factual issues, with the exception I have noted above regarding Arterium, I found him to be a broadly helpful witness. In particular, on the issue of the Contested FVL Agreement I strongly preferred his evidence to that of Mr Stepchenko.

19. Mr Ryapolov was the sole director of BK Osnova (the operating company owned by the Osnova Entities) in the 17 years prior to the events in December 2025, when he was replaced by Mr Rodivilov. Mr Ryapolov gave his evidence in Russian by video link. The quality of the connection was good and I had no difficulty assessing him as a witness. His answers were thorough but precise; he addressed the question asked and did not stray into irrelevance. At no time did he seek to argue the case, nor did I consider him to be measuring or tailoring his evidence to suit the Claimants' case. On the contrary, he was aiming to give a full picture of what he knew. His evidence was of great assistance.

20. Mr Gartsylov was the senior officer in Arterium. His precise role and functions changed over time but from 2004 until mid-December 2025 he was part of its senior management. He also gave his evidence in Russian by video-link. The connection in Mr Gartsylov's case was less clear, but I still considered that I had a good impression of him as a witness. Like Mr Ryapolov he gave clear

answers and was open in accepting where he was unaware of matters. Again, in no sense did I feel that he tailored his evidence to suit the Claimants' case; on the contrary, some of his answers were inconsistent with the position the Claimants advance. He was an honest, helpful witness and, again, his evidence was of considerable assistance.

21. Mr Stepchenko was the only witness for the Defendants who was made available for cross-examination. He is a Ukrainian qualified attorney specialising in business law. He gave his evidence in Russian and by video-link. Like Mr Zhevago, it was obvious that he understood at least some of the questions before they were translated and he on occasion asked the translator to change the focus or emphasis of the translation of his answers. Again, that is in no sense a criticism of Mr Stepchenko's use of a translator; being able to follow a translation is very different to being able to translate.

22. I regret to say that I found Mr Stepchenko to be an evasive and frequently dishonest witness. He used multiple approaches to waste time, including giving answers that had nothing at all to do with the question, giving very lengthy, rambling answers to straightforward questions and quibbling over whether he had sent documents that plainly were his or came from his disclosure. His evidence on key issues such as the Contested FVL Agreement, the role of Mr Kuznetsov and Mr Berezovenko in the Osnova Entities and the role of Mrs Stepchenko in the Osnova Entities changed dramatically as he was cross-examined.

23. I had very little, if any, confidence in Mr Stepchenko's evidence where it was not firmly tied to contemporaneous documents. I accept what was said in *R v Lucas*, but as Mr Wright moved from topic to topic in his cross-examination, time after time Mr Stepchenko's answers were demonstrably self-serving and false; I was firmly of the view that they were given dishonestly. In many respects his evidence was essentially worthless.

The witnesses who gave statements but were not cross-examined

24. The Defendants, in particular, highlighted the rules on hearsay evidence. The rules themselves were not in dispute, although their application to the evidence before me was contested. In assessing the weight to be given to hearsay evidence, section 4 of the Civil Evidence Act 1995 requires particular consideration to be given to:

    i) whether it would have been reasonable and practicable for the party by whom the evidence was adduced to have produced the maker of the original statement as a witness;

    ii) whether the original statement was made contemporaneously with the occurrence or existence of the matters stated;

    iii) whether the evidence involves multiple hearsay;

    iv) whether any person involved had any motive to conceal or misrepresent matters;

v) whether the original statement was an edited account, or was made in collaboration with another or for a particular purpose;

vi) whether the circumstances in which the evidence is adduced as hearsay are such as to suggest an attempt to prevent proper evaluation of its weight.

25. Mrs Stepchenko gave two witness statements, essentially to the effect that she largely did whatever her husband told her to do. A hearsay notice was served in respect of those statements in which Mrs Stepchenko explained that she was not in a position to travel to the United Kingdom to give evidence. Only one witness appeared in person before me, so that would not have presented any issue; she could have given her evidence by video-link. She further explained that, given her evidence, she did not consider that her attendance to give oral evidence would assist the court. As Mr Wright pointed out, it is not clear why her written evidence would assist while her oral evidence would not. In any event, the question of what will assist the court is self-evidently one for the court, not the witness. Finally, she said she believed she would find the trial process would cause her substantial stress and anxiety. That is not to be downplayed, but it is true of every witness in all proceedings, civil and criminal. Had there been a specific issue peculiar to Mrs Stepchenko steps could have been taken to address it, but none was identified.

26. Mrs Stepchenko had no valid reason for not attending, therefore. Ultimately, however, her evidence was limited to the assertion that she simply did what her husband told her to do. That was reflected in Mr Stepchenko's evidence. His narrative of control was not challenged and was one of the few parts of his evidence that I believed. While Mrs Stepchenko's evidence adds very little, therefore, I largely accept the substance of it.

27. The reason given for the non-attendance of Mr Berezovenko and Mr Kuznetsov is that "*they consider the matters in issue no longer to be their responsibility.*" Again, at the risk of stating the obvious, that is not the decision of the witness. They remain responsible at law for their actions at the relevant times, even if they have subsequently sold their interests in the Osnova Entities. Moreover, in the case of Mr Berezovenko his proffered reason is inconsistent with his evidence, since one of the "*matters in issue*" is the ownership of the Osnova Entities and he claims still to be a member of them. A repeated issue with Mr Berezovenko's evidence (and, indeed, that of Mr Kuznetsov) is its apparent internal inconsistency. Mr Berezovenko's status as a member of the Osnova Entities is a case in point, since while he claims still to be a member of them he also says that the Contested Filings are accurate despite those filings recording that he has ceased to be a member. That confusion does not, in my view, justify his absence. Put simply, the reason given by Mr Berezovenko and Mr Kuznetsov for their non-attendance was not a good one; in the case of Mr Berezovenko, it was not even coherent when viewed in the context of his evidence as a whole.

28. Their statements were not made contemporaneously with the events they record. Mr Berezovenko at least claims to believe he has an ongoing financial interest in the Osnova Entities. There are very striking similarities between the evidence

of Mr Berezovenko and Mr Kuznetsov; in multiple places they are identical. Nor is that simply a matter of translation; the paragraphs are also identical in the original statements. It seems to me that both men wanted to avoid having their evidence tested. Indeed, they both stated that they wish to keep confidential the terms of their agreements with Mr Stepchenko. Those factors all go to suggest that limited weight can be placed on that evidence.

29. One of the Claimant's witnesses, Mr Kalinichenko, did not attend to give evidence. Again, a hearsay notice was served in respect of his witness statement explaining that he was serving with the Ukrainian armed forces in the current conflict. It was accompanied by a letter from his firm, FCLEX, to that effect. The point was also addressed by Mr Zhevago, who explained in his fourth witness statement given shortly before trial that he had recently spoken to Mr Kalinichenko's wife and she had confirmed that Mr Kalinichenko was on active service. The Defendants referred me to Instagram posts suggesting that Mr Kalinichenko was in fact staying at a resort. Those posts were not dated, however, and Mr Zhevago was not challenged on the contents of his fourth witness statement, which I accept. While his evidence is only of what he was told by Mr Kalinichenko's wife, I have no reason to think that she would lie or be mistaken about her husband's whereabouts. I therefore accept that there are compelling reasons for Mr Kalinichenko's unavailability.

30. That is not the end of the analysis. Mr Taylor was right to point out that many of the emails involved Mr Pinak, also of FCLEX, and no reason was suggested for why he could not have given a witness statement or given evidence before me. I am also mindful that Mr Kalinichenko's witness statement is not contemporaneous with events. I do not consider he had any reason to mis-state his evidence, however, and the circumstances in which his evidence was adduced as hearsay do not in any way suggest a desire to avoid having that evidence tested in court. In my view, Mr Kalinichenko's evidence merited much greater weight than that of the Defendants' absent witnesses, albeit I kept in mind the point that others from FCLEX might have given evidence.

The documentary evidence

31. The target of the Defendants' reference to section 4 was, in fact, the contemporaneous emails where the authors were not called to give evidence. Mr Taylor submitted that these should have been supported by witness evidence, and where that had not happened I should be cautious about relying on them.

32. At least as a blanket approach to the documentary evidence that seemed, to me, a potentially problematic one. Mr Taylor accepted that the guidance in *Gestmin* was that the oral evidence should be tested against the contemporaneous documents. Moreover, as Mr Wright observed, it would not have been practical to call the author of every email to give evidence in the context of a four-day trial. As he also observed, the rules on hearsay cannot go to the admissibility of documents in an agreed trial bundle (CPR 33.2.2, referring to *BXB v Watch Tower and Bible Tract Society of Pennsylvania* [2020] EWHC 156 (QB)). The point is one of weight. Finally, in some cases the documents were not relied on to show the truth of their contents: they went to show what different people were

being told at different times, in particular Mr Stepchenko and Mr Zhevago. In those cases they were not hearsay at all. Where they were relied on to show the truth of their contents I kept in mind the section 4 factors in considering the weight that could be placed on them.

Agreed facts

33. As I have noted, the scope of the dispute between the parties before me is in some ways limited. Much of what happened with FVL and the Osnova Entities is agreed between them; it is the rights of the various parties to do what they did which is disputed. The agreed history around FVL and the Osnova Entities forms a helpful framework to the disputes that then follow.

FVL

34. FVL is an English company incorporated in 2004. The original shareholder was Lambert Investments Ltd, based in Cyprus. The identity of the shareholder and the directors changed frequently over the years. In the period immediately leading up to this dispute the director had been Johann Müller, based in the Seychelles. Michael Waldner held both the shares.

35. In July 2022 FVL was dissolved via compulsory strike-off. Mr Müller successfully applied to restore FVL in October 2022, however. A confirmation statement and accounts were filed and the registered office was changed. Although he is not referred to in the filings, it is common ground that Mr Stepchenko was involved in this process.

36. In November 2022 Mr Waldner transferred his shares to Clever which, as I have noted, is owned and controlled by Mr Stepchenko. Mr Müller was replaced as a director by Mrs Stepchenko. It is agreed that Mr Zhevago knew what was being done, although the basis on which Mr Stepchenko was entitled to take these steps is in dispute. Mr Zhevago says Mr Stepchenko was merely his nominee; Mr Stepchenko says he had by this stage acquired any beneficial interest Mr Zhevago previously had in FVL pursuant to the Contested FVL Agreement. That is addressed below.

37. For the following three years there was little activity on the Companies House record: accounts were filed, as were confirmation statements showing no changes. In December 2025 that changed with the Contested Filings. On 3 December 2025 FVL's capital was increased, by an allotment of shares, to £1,000. On 15 December Clever was replaced as shareholder by Mr Rodivilov, the Sixth Defendant, and Mrs Stepchenko was replaced as director, again by Mr Rodivilov. It is common ground that these changes were made by Mr Stepchenko, who was the only person with the Companies House authorisation codes. It is further agreed that none of these changes were authorised by the Claimants; the Defence asserts that there was no need to do so because Mr Stepchenko was acting pursuant to the rights he had under the Contested FVL Agreement.

38. At the time relevant to this dispute FVL owned a Ukrainian company, Arterium Ltd, which in turn owned various intellectual property rights and a 94% interest

in Arterium Corporation, a Ukrainian pharmaceutical company. In his witness statement Mr Stepchenko estimated that in November 2022 Arterium Ltd was worth US$40-50 million; that figure was not challenged by the Claimants.

39. On 5 December 2025 FVL entered into a share purchase agreement for the sale of Arterium Limited to three private individuals. The sale process involved the granting of three powers of attorney (the **POAs**) on 1 December 2025, in each case signed by Mrs Stepchenko. Unusually, they were expressed to be governed by English, German and Ukrainian law. The sale completed on 15 December 2025. The legal effectiveness of the sale is strongly contested, but I think it is accepted by the Claimants that the relevant documents were created and signed at the time.

The Osnova Entities

40. Osnova Global was incorporated as a limited liability partnership on 6 March 2020, with Osnova UK incorporated three days later. In both cases Mr Berezovenko, the Eighth Defendant, and Mr Kuznetsov, the Ninth Defendant, were the members, with Mr Berezovenko designated as a person with significant control.

41. Again, not much changed for some time. Confirmation statements showing no updates and dormant company accounts were filed. On 18 November 2025 the Contested Filings were made, showing changes in both ownership and control of the Osnova Entities. In both cases:

    i) Mr Berezovenko was said to have ceased to have been a person with significant control from 5 February 2021 and ceased to have been a member from 5 November 2025.

    ii) Mr Kuznetsov is said to have ceased to be a member on 5 November 2025.

    iii) Mrs Stepchenko was said to have become a person with significant control on 5 February 2021 and a member on 5 November 2025.

    iv) FVL is said to have become a member on 5 November 2025.

42. There is nothing inconsistent with Mrs Stepchenko becoming a person with significant control before she became a member, since control could be indirect. There is no explanation in any of the evidence, however, for the failure to declare that control earlier, nor is there any explanation for why inaccurate confirmation statements were filed in 2021, 2022, 2023, 2024 and 2025. Mr Kuznetsov and Mr Berezovenko, who on the face of it are independent parties, both stated that the Contested Filings were accurate and reflected their agreement with Mr Stepchenko. They also both stated, however, that nobody other than them was involved in the Osnova Entities prior to December 2025, apparently without realising that the Contested Filings said entirely the opposite. I highlighted when addressing Mr Berezovenko's hearsay notice the theme of inconsistency in both his and Mr Kuznetsov's witness statements; this is a further example.

43. As I have noted, on 15 December 2025 Clever sold its interest in FVL (and so its indirect interest in the Osnova Entities) to Mr Rodivilov. That same agreement provided for Mr Rodiliov to manage the day-to-day real estate operations of the Osnova Entities. The legal effectiveness of those agreements is disputed, although again I did not understand the Claimants to deny that the documents had been executed.

44. The Osnova Entities between them owned BK Osnova, which owned and managed real estate assets in Ukraine, most importantly a managed office block in Kyiv. On 25 December 2025 the previous management of BK Osnova was replaced. There is a dispute over whether this involved the use of armed guards or was a lower key and more orderly transition. It is agreed that the Claimants no longer have any involvement in the management of BK Osnova. Mr Ryapolov's evidence was that the Claimants no longer have access to the hard copy books and records of BK Osnova. I did not understand that to be disputed, but in any event I accept Mr Ryapolov's evidence that they do not.

The issues in dispute

Did Mr Zhevago ever have an ownership interest in FVL or the Osnova Entities?

45. The position I have addressed above is derived largely from public records, most notably those at Companies House. Given that the Claimants' case is that the publicly registered shareholders, directors and members were mere nominees that does not help in answering the ownership question, however.

46. The position is further complicated by the fact that to the extent documents were held by Mr Zhevago's Ukrainian lawyers, FCLEX, their offices and storage facilities are in an active conflict zone. I accept the Claimants' evidence that they do not have control of the documents of FVL or the Osnova Entities. That does not relieve the Claimants of their evidential burden, of course. It does go to address the Defendants' submission that the absence of documents was unusual and largely unexplained, such that I should draw an adverse inference from it. In my view no such inference can properly be drawn. Retrieval of hard copy documents in those circumstances is far more challenging. Electronic documents would in principle be more easily available, but in this case one of FCLEX's servers has been damaged in a missile strike.

47. What seemed to me the most significant evidence of Mr Zhevago's ownership of FVL was a document titled Declaration of Trust dated 11 March 2015 and entered into between Lambert, as "the Nominee", and Mr Zhevago, as "the Beneficiary" (the **Lambert Declaration**). It will be recalled that Lambert had incorporated FVL, and at the time of the Lambert Declaration it remained the only shareholder. The recitals record Mr Zhevago's beneficial ownership in FVL. The operative part of the Lambert Declaration states: "*The Beneficiary hereby declares and directs the Nominee to hold the Shares upon the following trusts:*". There is then a list of various things the Nominee, Lambert, is required to do. "Shares" is treated as a defined term but is not, in fact, defined. In the context, however, the reference can only be to the shares in FVL.

48. Plainly, the structure of the Lambert Declaration is unusual. Typically, a declaration of trust would involve the absolute owner of an asset, the settlor, declaring that they hold the equitable interest on trust for the beneficiary or transferring the asset to a trustee to hold on trust for the beneficiary, either way creating the beneficiary's separate equitable title. The Lambert Declaration plainly assumes that an equitable interest in FVL already existed and was held by Mr Zhevago. Moreover, the "declaration" was made by the beneficiary, not by the settlor. In both senses it is not really a declaration of trust at all. Rather, it is a continuation of some earlier declaration of trust. That makes more sense when one sees that Lambert's role is of finite duration. In the case of the Lambert Declaration there is a provision for automatic renewal but that may not have been present in earlier versions or the parties may have thought it better expressly to renew the appointment. Either way, one can understand why the parties would think it necessary, or at least sensible, expressly to agree to continue the apparently pre-existing relationship.

49. What the Lambert Declaration therefore represents is an agreement executed by Lambert, as trustee, and Mr Zhevago, as beneficiary, providing that Lambert was to continue to hold FVL on trust for him. There is nothing to suggest that the equitable interest recognised and expressly continued by the Lambert Declaration was ever extinguished. For example, it is not suggested in the Defence that any of the subsequent registered shareholders of FVL acquired those shares as a bona fide purchaser for value without notice, nor was there any evidence that would have supported such a case. On the contrary, the Defence and Mr Stepchenko's evidence were both to the effect that when Clever acquired legal title to FVL Mr Zhevago expressly told Mr Stepchenko about his beneficial interest. That was said to be the subject of the Contested FVL Agreement, which I go on to address below. The point is that Mr Stepchenko plainly was on notice of any interest Mr Zhevago had in FVL.

50. Mr Taylor sought to challenge the validity and effect of the Lambert Declaration. He submitted that the Lambert Declaration is not in the form of a deed. While I accept that, as Mr Wright pointed out there is no need for a declaration of trust to have any particular form. Although the Lambert Declaration is not legally a declaration of trust creating the equitable interest, but rather an agreement that Lambert would continue as trustee, such an agreement equally has no requirements as to form.

51. Mr Taylor further submitted that the Lambert Declaration was a transfer, not a declaration of trust. For the reasons I have given I agree it is not a declaration of trust. Nor, in my view, is it intended to transfer anything. That, it seems to me, is not important: it is an agreement between the legal owner of FVL, Lambert, and Mr Zhevago providing that Lambert would continue to hold FVL on trust for Mr Zhevago. The fact that some other document or discussion created the trust does not change that.

52. Mr Zhevago's beneficial ownership of FVL is further supported by the circumstantial evidence. Aspects of this were largely unchallenged and so can be addressed reasonably shortly:

i) I accept Mr Gartsylov's evidence that he understood Mr Zhevago to be the ultimate beneficial owner of Arterium and dealt with him as such. That evidence was supported by the email exchanges between Mr Gartsylov and Mr Zhevago; where any large item of expenditure or strategic decision was required, it was discussed with Mr Zhevago, not with the registered shareholder at the time.

ii) Mr Gartsylov did not suggest that he dealt with anyone else in that way. Specifically, in the context of this dispute, he never suggested that he dealt with Mr or Mrs Stepchenko as the ultimate beneficial owners of Arterium. If Mr Zhevago was not the beneficial owner, that meant that the person or entity that was the owner was content to allow senior management of the operating companies to deal with a stranger to the relationship as if they were the owner. That is far-fetched.

iii) It was the unchallenged evidence of both Mr Gartsylov and Sofia Zhevago that Mr Zhevago discussed with each of them the possibility of gifting his ownership interest in FVL to his daughter. There is no sensible explanation for Mr Zhevago doing so unless he thought he had such an interest to transfer to her.

iv) As I have noted, Mr Stepchenko accepts that Mr Zhevago told him, in autumn 2022, that he was the beneficial owner of FVL. Again, there was no obviously good reason for him to do so if he did not believe it to be true.

53. In addressing my impression of Mr Zhevago as a witness I highlighted the tension, at least in the case of FVL, between his suggestion that he used nominee structures to conceal his ownership of assets and his statement that the ultimate beneficial ownership of Arterium was a matter of public knowledge in Ukraine and, indeed, more broadly. As I noted there, it does not seem to me that secrecy could explain the use of nominees in the context of FVL and I recognise that no satisfactory explanation was offered for why Mr Zhevago did use a nominee structure here. That does not in my view undermine the broader picture painted by the evidence, in particular the Lambert Declaration, that Mr Zhevago was the beneficial owner of FVL. The registered shareholders over time held those shares on trust for Mr Zhevago.

54. The position with the Osnova Entities is less clear, albeit in my view still shows that Mr Zhevago was the ultimate beneficial owner of them. The starting point is 2008, when BK Osnova, the operating company, was purchased by a BVI company called Univita Inc (**Univita**). It was Mr Zhevago's evidence that he owned Univita. It was put to him that a minute upon which he relied to show ownership was unsigned, which is certainly the case but does not mean that his evidence was in any way untrue. It was put to Mr Ryapolov that he had not seen evidence that Mr Zhevago owned Univita. I will come to Mr Ryapolov's evidence in more detail in due course, but the fact that the manager of an operating company did not have details of the legal structure or ownership of the holding company seems to me largely unsurprising.

55. There is some support for Mr Zhevago's evidence regarding his ownership of Univita in the later email correspondence. His Ukranian lawyers, FCLEX, sent emails dealing with the administration of a number of companies, including Univita and Frold Project Ltd (**Frold**). It is accepted by Mr and Mrs Stepchenko that Mr Zhevago was the beneficial owner of Frold; it would make sense for FCLEX to write about both companies in the same email in circumstances where they had the same beneficial owner.

56. Mr Zhevago's witness statement then addressed a corporate reorganisation, also in 2008, when Univita transferred its interest in BK Osnova to five entities: FS Trading LLC; Expert Management LLC; Logistic Solution International Ltd; Lavoy Alliance Ltd; and Link Business Solution Ltd. Again, correspondence with FCLEX in 2022 shows that Lavoy and Link were administered alongside companies that Mr and Mrs Stepchenko accept were (at least at the time those emails were sent) owned by Mr Zhevago.

57. In 2009 Lavoy sold its interest in BK Osnova to Burg Finances Ltd (**Burg**). In 2010 each of the other shareholders sold 11% of their stake in BK Osnova to Burg, meaning Burg controlled 64% of BK Osnova and the remaining shareholders controlled 9% each. Mr Zhevago was not challenged on his evidence around the reorganisations in 2008 and 2009.

58. Significantly, for the Claimants' case, on 17 May 2013 Keystone Investments, the shareholders in Burg, executed a declaration of trust in respect of their shares in Burg in favour of Mr Zhevago (the **Burg Declaration**). Unlike the Lambert Declaration that I addressed above the language of the Burg Declaration is forward looking – it states, broadly, that Burg will hold its shares on trust for Mr Zhevago.

59. The authenticity of the Burg Declaration was not challenged. It is therefore clear evidence that Mr Zhevago was the beneficial owner of the 64% shareholder of BK Osnova. It was put to Mr Zhevago that no similar documents existed in respect of the remaining 36% and he accepted that was the case, referencing the situation in Ukraine for his inability to locate such evidence. As I have noted, that is only a partial answer; the reason such material was not before me does not alter the burden of proof. I accept that at this point in the chronology Mr and Mrs Stepchenko are right to say that there is a gap in the documentary record.

60. Moreover, the Burg Declaration relates to a different level of the corporate structure. The Claimants' case is that at this time Mr Zhevago was the beneficial owner of BK Osnova itself. The Burg Declaration shows that he was the beneficial owner of the majority shareholder in BK Osnova. That, obviously, is a different interest. One can contrast that with the Lambert Declaration. There, the trust is over the asset itself. Any transferee of the shares in FVL would therefore take subject to Mr Zhevago's beneficial interest unless that transferee were a bona fide purchaser for value without notice. If Mr Zhevago's equitable interest in respect of BK Osnova remained at the Burg level, a transferee could take free of it without needing to satisfy any of the requirements of a bona fide purchaser for value without notice.

61. BK Osnova was acquired by the Osnova Entities shortly after their incorporation in March 2020. Mr Zhevago's evidence was that this was intended to simplify the earlier structure, which he found to be cumbersome. He says that he chose Mr Kuznetsov and Mr Berezovenko to be nominees on the advice of Mr Kalinichenko. Mr Kalinichenko's evidence also described Mr Berezovenko and Mr Kuznetsov as nominees but added very little detail. He said they were recommended to him as candidates; Mr Berezovenko is Mr Kalinichenko's cousin and Mr Kuznetsov is an acquaintance of one of Mr Kalinichenko's colleagues at FCLEX. He confirmed that no signed agreements with either Mr Kuznetsov or Mr Berezovenko existed.

62. The evidence of Mr Kuznetsov and Mr Berezovenko is entirely different. They both say that they were business partners and decided to acquire BK Osnova. They further decided to incorporate English LLPs, the Osnova Entities, for that purpose. They say that no other individual had an interest in the Osnova Entities until the time of the Contested Filings. While they do not specifically address whether any entity had an interest in BK Osnova, they both say that they only know of Mr Zhevago through news coverage and deny that they were acting as nominees for Mr Zhevago or any member of his family.

63. There are significant evidential gaps in the narratives of both sides. Mr Wright observed that neither Mr Berezovenko nor Mr Kuznetsov suggested that they bought BK Osnova from Mr Zhevago (more properly from FS Trading, Expert Management, Logistic Solution International, Burg and Link Business Solution, in all of which Mr Zhevago claims to have held the beneficial interest). I accept that: they say nothing about the sellers or about the price paid (if any). The same is true of Mr Zhevago, however: there are no documents evidencing the transfer and while in the case of earlier transactions involving of BK Osnova he specified that there was a sale, he simply describes the 2020 transaction as a transfer.

64. On balance, I accept the evidence of Mr Zhevago and reject that of Mr Kuznetsov and Mr Berezovenko. I do so for a number of reasons:

    i) The evidence of Mr Kuznetsov and Mr Berezovenko as to ownership and control is internally inconsistent and so must, in at least some respect, be wrong. Specifically, they both say that the Contested Filings were accurate but that no other party had an interest in the Osnova Entities prior to December 2025; the Contested Filings record that Mrs Stepchenko was a person with significant control of the Osnova Entities from 5 February 2021. Mr Berezovenko says that he remained a member of the Osnova Entities; the Contested Filings, which he confirms are accurate, say he did not.

    ii) While there are gaps in his evidence, Mr Zhevago gave a detailed explanation of the changes in the ownership of BK Osnova over time, at least in large part supported by contemporaneous documentary evidence. There is no obvious reason why he would know so much about BK Osnova or have access to those documents if he had no interest in it. By contrast, the evidence of both Mr Kuznetsov and Mr Berezovenko is brief and lacking in any detail. Obvious questions such as the identity

of the seller, whether a price was paid and if so what or the size of their respective interests are simply not addressed.

iii) Mr Berezovenko and Mr Kuznetsov make no effort to explain why two Ukrainian investors would structure their purchase of a Ukrainian property company through two English LLPs. That is in contrast to Mr Zhevago, who explained in detail his reasons for holding his assets in the way that he did. As I noted, that did not seem to me realistic in the case of FVL but it was a sensible explanation in the context of BK Osnova.

iv) Like Mr Gartsylov in the context of FVL, Mr Ryapolov treated Mr Zhevago as the ultimate beneficial owner of the business he managed. His evidence, supported by the contemporaneous documents, was that he consulted with him on all strategic decisions and did not deal with anyone else as if they were the owner. Why would experienced investors like Mr Kuznetsov and Mr Berezovenko permit that to happen if they were the beneficial owners? Their evidence does not say. The position becomes all the more acute because they both stated that they do not know Mr Zhevago, other than from news coverage. It is simply implausible that they would allow a total stranger effectively to run their business while they were frozen out. While it was put to Mr Ryapolov that his understanding as to the ownership of the Osnova Entities was mistaken, he was not challenged on the fact that was his understanding.

v) The evidence of Mr Zhevago is consistent with the documentary evidence following the acquisition of BK Osnova by the Osnova Entities. The evidence of Mr Kuznetsov and Mr Berezovenko is not. Significantly, in February 2022 Mr Stepchenko sent to Ms Labunska of FCLEX a diagram showing the structure of the Osnova Entities along with a list of charges for corporate services. Mr Kuznetsov and Mr Berezovenko are shown as the members of the Osnova Entities. One of the charges listed is: "*Nominee service Salary of 2 founders and directors in 2 companies 2600 euros*". The only entities to which that can possibly refer are the Osnova Entities. As Mr Wright put the point, the diagram is a summary of the Claimants' case in pictorial form. This document was prepared by Mr Stepchenko, and I will address his explanation of it below, but it is unclear why he would have been talking about charging for the services of Mr Kuznetsov and Mr Berezovenko as nominees if they were, in fact, the beneficial owners of the Osnova Entities.

vi) As the emails make clear, Mr Zhevago was being asked to pay for corporate services in respect of the Osnova Entities. Again, those services expressly included a charge for two "founders and directors", which appears to be a translation of members. And again, these were Mr Stepchenko's documents and I recognise that they were not copied to Mr Berezovenko or Mr Kuznetsov. On their face they are clear, however: Mr Zhevago was being charged thousands of Euros for corporate services, including nominee services, in respect of the Osnova Entities. That is wholly consistent with his evidence that he believed he

owned them. There is no explanation for that in the evidence of Mr Berezovenko or Mr Kuznetsov.

65. Of course, none of these points could be put to Mr Berezovenko or Mr Kuznetsov – they did not attend trial. In my view that very much reduces the weight I can place on their evidence. These were significant inconsistencies within their evidence and between their evidence and the documentary record for which their witness statements offered no explanation.

66. In saying this I recognise that there are documents suggesting the contrary. Specifically, in Mr Ryapolov's dealings with the police and the banks he identified Mr Kuznetsov and Mr Berezovenko as the "ultimate beneficial owners". Mr Ryapolov explained that he did so because they had been approved by Mr Zhevago. His answer was quite brief but he was not asked to elaborate on it. In particular, he was not asked what he understood by the term ultimate beneficial owner. His reference to Mr Zhevago approving the owner is, however, much more consistent with the idea of a nominee registered owner. Had Mr Kuznetsov and Mr Berezovenko been true beneficial owners they would not have needed approval from Mr Zhevago. While this part of Mr Ryapolov's evidence was, through no fault of his, somewhat unclear, what I took him to be saying was that control of the Osnova Entities ultimately rested with Mr Zhevago.

67. As I have noted, many of the documents addressing the role of Mr Berezovenko and Mr Kuztnetsov were exchanges with Mr Stepchenko; often, he was the author. Those documents were put to him and his explanation of them, if such it can properly be called, was remarkable.

68. Taking first the structure chart, Mr Stepchenko suggested that this was prepared at a time when Mr Kuznetsov had cancer and so needed to be removed because if he were to die it might be impossible to transfer the Osnova Entities. Mr Stepchenko said that in the case of Mr Berezovenko there was a concern over those entities being arrested, apparently because Mr Berezovenko is the cousin of Mr Kalinichenko (which as I have noted is true) and Mr Kalinichenko is a business associate of Mr Zhevago.

69. That evidence was all plainly made up, I think as Mr Stepchenko was giving it. There is nothing even remotely resembling it in the witness statements of Mr Stepchenko, Mr Kuznetsov or Mr Berezovenko. There was no reason at all why Mr Kuznetsov developing cancer would require him to be removed from the Osnova Entities and no obvious means by which he could be removed simply for developing a potentially terminal condition. Similarly, there was no evidence in the witness statement of Mr Berezovenko, or anywhere else, that either Mr Berezovenko or the Osnova Entities were under investigation, less still a suggestion that they faced "arrest". Being the cousin of the lawyer of someone who faces investigation is not, of itself, typically a basis on which to arrest assets. In any event, divesting himself of the Osnova Entities would not somehow stop Mr Berezovenko from being the cousin of Mr Zhevago's lawyer, so it is wholly unclear what good it would have done him.

70. Perhaps more to the point for current purposes, there was no reason at all why Ms Labunska and Mr Stepchenko should be running the process of removing Mr Kuznetsov or Mr Berezovenko if those two men were, as they claimed to be, the absolute owners of the Osnova Entities. Mr Stepchenko did not even attempt to explain why he was involved; less still did he explain why he and Ms Labunska should be acting without any apparent involvement or input from Mr Kuznetsov and Mr Berezovenko.

71. The fact is that the February 2022 structure chart is precisely what it appears to be – a price list for services, including nominee services, for the Osnova Entities. Moreover, those services were obviously being provided because three months later Mr Stepchenko chased Ms Labunska for payment of the relevant amount.

72. That leads to the further issue of the emails showing Mr Zhevago paying those fees, and other fees in respect of the Osnova Entities. Mr Stepchenko sought to explain those exchanges as being related to lawyers' fees in respect of reporting requirements. Once again, that answer made no sense and seemed to me to be made up. Mr Stepchenko suggested this was the money he would pay to the lawyers because he was not an accountant. That answer, too, obviously makes no sense: there is no reason why Mr Stepchenko's lack of an accountancy qualification should require him to engage lawyers who most likely would also lack accountancy qualifications. He then suggested that it could not represent the charge for a nominee because in the EU nominees would charge much higher rates. When it was pointed out to him that Mr Berezovenko and Mr Kuznetsov were not in the EU he stated, without authority and yet again for the first time in his evidence, that nominee services were banned in Ukraine.

73. Ultimately, his answers all amounted to the same thing: denying the plain language of the contemporaneous record. Again, I have no reservation in discarding his evidence and accepting that those emails mean what they say: Mr Zhevago was paying for corporate services, including nominee services in respect of the Osnova Entities. There is no reason for me to doubt the authenticity of those emails, nor is there any good reason to question their accuracy in recording that such payments were sought and made. The only possible nominees are Mr Kuznetsov and Mr Berezovenko.

74. It was put to Mr Stepchenko that Mrs Stepchenko was named as the member of the Osnova Entities to keep Mr Stepchenko's name off the public record, but that she was nothing more than his nominee. Mr Stepchenko seemed to accept that Mrs Stepchenko was a mere nominee but said she held her interest for Mr Berezovenko (50%), Mr Stepchenko (25%) and FVL. As with so much of Mr Stepchenko's evidence it was wholly new, had no support in any other evidence and indeed was contradicted by other evidence (in this case the witness statement of Mr Berezovenko). Also as with much of Mr Stepchenko's evidence I believed it was fabricated to suit what he perceived to be his interests at the time he gave it.

75. I recognise that the evidence from all sides as to the ownership of the Osnova Entities and their acquisition of BK Osnova is incomplete. I also recognise that the evidential burden on this point rests on the Claimants. It is not enough for

them to show that other versions of events are improbable; they must establish their own version of events on the balance of probabilities (see *The Popi M* [1985] 1 WLR 948 *per* Lord Brandon at 955G-956D). In my view they have done this. Mr Zhevago's evidence was strong on this point and I accept it. The lack of any signed declarations of trust over BK Osnova, agreements for the acquisition of BK Osnova by the Osnova Entities or appointments of Mr Berezovenko and Mr Kuznetsov as nominees is plainly significant. However, in the circumstances currently prevailing in Ukraine that absence is more readily understandable and the adverse inference to be drawn from it is therefore very limited. The contemporaneous evidence that does exist strongly points to Mr Berezovenko and Mr Kuznetsov holding their interests in the Osnova Entities as nominees for Mr Zhevago. In my view, that documentary evidence accurately reflects the legal position. It is supported by the evidence of Mr Ryapolov, in whom I had very considerable confidence as a witness, that he treated Mr Zhevago and only Mr Zhevago as the ultimate beneficial owner of BK Osnova throughout the relevant period.

Did Mr Zhevago transfer his beneficial interest in FVL to Mr Stepchenko?

76. Mr and Mrs Stepchenko allege that in around October 2022 Mr Stepchenko and Mr Zhevago entered into the Contested FVL Agreement pursuant to which Mr Zhevago agreed to transfer to Mr Stepchenko his interest in FVL, in return for which Mr Stepchenko agreed to "refrain" (the term used in the Defence and in Mr Stepchenko's evidence) from enforcing certain debts owed by companies owned to Mr Zhevago (Frold and Collaton Limited (**Collaton**)) to an entity that Mr Stepchenko said he owned, Financial Benefit LLC (**Financial Benefit**).

77. It is important to note that Mr and Mrs Stepchenko do not offer any alternative case under which Mr Stepchenko might have been entitled to make the Contested Filings. It is not said, for example, that as the registered, legal owner of the shares he had the power of control and Mr Zhevago was entitled only to the economic interest. It is an all or nothing defence – Mr Stepchenko says he could do as he wished in respect of FVL because he owned the company absolutely.

78. There were very considerable issues with this aspect of Mr Stepchenko's evidence, and so with the Defence.

79. The Contested FVL Agreement is said to have been wholly oral. Mr Stepchenko's description of those terms did not so much shift as transform in the course of trial. During opening submissions I asked Mr Taylor what was meant by "refrain": how long was Mr Stepchenko agreeing to hold off from enforcing? I noted that this could give rise to a technical issue of consideration because if enforcement remained entirely in Mr Stepchenko's discretion that would not amount to consideration. There was also a plausibility point: even if the requirements of consideration were satisfied, it was inherently unlikely that Mr Zhevago would give up his indirect interest in Arterium, a company that Mr Stepchenko considered to be worth US$40-50 million, for a few days' grace. Neither the Defence nor Mr Stepchenko's witness statements offered any assistance.

80. When Mr Stepchenko gave evidence before me he had an answer. There was a two-year moratorium on enforcement that could be extended by a further year; repayments were to follow a schedule. That shift in evidence was itself a cause for concern. It begged the question of why these seemingly critical terms had never been referred to in Mr Stepchenko's evidence before.

81. Even if one accepted that evidence, which I did not, it raised further questions. What did the schedules, which were also apparently oral, provide? Who could trigger the extra year and on what basis? What would happen if Mr Zhevago repaid within that period? The latter question was, in fairness, very briefly touched on in Mr Stepchenko's witness statement. There he simply said that the right of Mr Zhevago somehow to recover FVL was the subject of a separate agreement. The terms of that further agreement were also significantly amplified in Mr Stepchenko's oral evidence, but again the amplification simply made the whole narrative less believable. I am being asked to accept that in the course of oral discussions in autumn 2022, Mr Zhevago and Mr Stepchenko were sufficiently concerned about formalities to want two entirely separate agreements but sufficiently relaxed about them not to make any written record of their agreement(s). Mr Stepchenko said he was unconcerned about having a written agreement because he held the shares. That is wrong: his evidence is that the Contested FVL Agreement was entered into in September or October 2022, and the shares were only transferred by Mr Waldner in November. I accept Mr Taylor's submission that once agreement was reached a vendor-purchaser constructive trust could arise over Mr Zhevago's interest but the point is not one of law, it is one of evidence: if Mr Stepchenko wanted to enforce Mr Zhevago's alleged promise it would be far easier to do so with a written agreement. Equally to the point, however, Mr Zhevago would not have that comfort when it came to his right to repurchase FVL.

82. Added to that, the alleged agreements were obviously complex. As I have noted, on Mr Stepchenko's own evidence there needed to be separate agreements and schedules detailing repayment terms. The legal title to the shares in FVL had been held by Mr Waldner. If Clever acquired both the legal and beneficial interests the two would fuse. Given that Mr Zhevago had held FVL through nominees up to that point it is unlikely that he would want to buy back the shares without some nominee structure in place. Given the potential complexity it seems implausible to suggest he would just leave it to chance or would be happy with vague generalities. There would have been obvious benefits to both parties to have the certainty that written agreements would offer. As a qualified lawyer specialising in business law, Mr Stepchenko would have understood that, yet his evidence said nothing about why they had been thought unnecessary. On the contrary, his case required me to ignore these issues altogether.

83. Mr Wright noted that Mr Zhevago continued to pay Mr Stepchenko for corporate services provided by Mr Stepchenko to FVL after the supposed transfer of FVL to Mr Stepchenko. He put it to Mr Stepchenko that this was an implausible scenario. Mr Stepchenko's answer was to assert that this, too, was a term of the oral agreement or agreements they had entered into. Again, that term of the agreement(s) had not featured in the Defence or his various witness

statements. Mr Stepchenko did not attempt to explain how the alleged term had come about – whether he had asked for it or Mr Zhevago had proposed it, for example. The point was never put to Mr Zhevago. That is no criticism of Mr Shaylor, who cross-examined Mr Zhevago; it is hard to see how these points could have been raised with Mr Zhevago when they emerged for the first time during Mr Stepchenko's oral evidence.

84. Finally, it will be recalled that under the Contested FVL Agreement, Mr Zhevago was to receive time for two of his other companies, Frold and Collaton, to pay their debts to Financial Benefit. There was a dispute over who owned Financial Benefit, whether it was Mr Stepchenko or Mr Zhevago. Obviously, if it were Mr Zhevago that would be a further issue for Mr Stepchenko's version of events, because there is no apparent reason why Mr Zhevago would give up a US$50 million asset to stop a company he controlled suing other companies he controlled.

85. The evidence on the ownership of Financial Benefit was, as with the ownership of almost every company in this case, not especially clear. What is very clear, however, is that it was working with the two companies it was supposedly suing in order to accelerate the obtaining of judgment against them. By way of example, Mr Stepchenko (supposedly on one side of the dispute) prepared powers of attorney for Frold and Collaton (on the other side of the same dispute). In late November 2021 Mr Stepchenko was sharing with Ms Labunska a draft response in which Frold admitted the claim in part. As I have noted, Ms Labunska was a partner at FCLEX, Mr Zhevago's Ukrainian lawyers. There is no obvious reason why Mr Stepchenko would have a draft prepared by the other side to the dispute. Even if one were able to accept that, if this were a genuinely adversarial claim against Frold and Collaton there is no obvious reason why he would send the draft, without comment, to Mr Zhevago's lawyers.

86. It is clear from the terms of Frold's draft response that the dispute was at an early stage. If Mr Zhevago and his companies were playing for time in order to pay, which is what Mr Stepchenko said Mr Zhevago was seeking under the Contested FVL Agreement, one might expect Frold and Collaton to move matters forward quite slowly. In fact an agreement to arbitrate was entered into on 21 December 2021 and provided for a final hearing within a month. Even that aggressive timetable was conservative – on 6 January 2022 a draft award was produced.

87. There is obvious difficulty in accepting that a genuinely contested proceeding could be conducted in its entirety in little more than two weeks over the Christmas and new year holiday period. That is simply compounded when one looks at the draft award. The section setting out the positions of the parties is limited to headings. Yet despite the arbitrator being either unable or unwilling to say what those positions were, they were able to make a determination on them. The draft award was somehow obtained by Mr Stepchenko. In itself it is unusual for an arbitrator to send a draft award to only one party, and Mr Stepchenko's evidence does not address why they did. He then sent it to Ms Labunska, who as I have noted acted for Mr Zhevago. Again, he offers no explanation in his evidence for why he would do that in contested proceedings.

88. If there were a genuine dispute between Frold and Collaton, on the one hand, and Financial Benefit, on the other, none of this makes sense. If, for whatever reason, they were working collaboratively to obtain an award it is much easier to explain. The common purpose towards which they were working is unclear from the evidence, but in my view there must have been one. That in itself makes the Contested FVL Agreement difficult to accept because the reason I am told Mr Zhevago entered into it – an alleged concern about the enforcement of debts against Frold and Collaton – did not in fact seem to be a concern for him at all. On the contrary, he and his lawyers were cooperating in moving the enforcement process forward. In circumstances where he apparently did not need or want the time to pay, it makes no sense at all for him to surrender an asset that all parties before me agree was worth at least US$40-50 million to secure that time.

89. The Contested FVL Agreement is part of the Defence, and so it is for Mr and Mrs Stepchenko to establish its existence on the balance of probabilities. The remarkable weakness of this aspect of the Defence is readily apparent if one looks at what I am asked to believe in order for it to be true:

    i) Mr Zhevago agreed to give up a company worth US$50m in return either for a vague promise that Mr Stepchenko would refrain from enforcing debts or a very detailed promise with schedules of repayments and options to extend, all of which was to be kept entirely unwritten;

    ii) Mr Zhevago had a buy-back right whose structure, including the trigger for exercising the right and the buyback price, were unclear and, again, unrecorded;

    iii) Mr Zhevago would pay fees to Mr Stepchenko, the new owner of FVL, for services Mr Stepchenko provided to FVL; and

    iv) Mr Zhevago wanted to enter into the Contested FVL Agreement to secure more time for Frold and Collaton to pay their debts, but at the same time Frold and Collaton were working with the creditor in the context of supposedly adversarial proceedings so as to accelerate that creditor's ability to enforce debts against them.

90. Not only do I regard such a scenario as improbable; I view it as wholly implausible. I believe that Mr Stepchenko made the whole thing up, and when he was challenged on the gaps in his narrative he made up further terms to try to plug those gaps.

91. For the avoidance of any possible doubt, I am not saying that Mr Stepchenko was mistaken or that he has a confused recollection. I am saying that he lied about the whole thing: the Contested FVL Agreement is a fabrication. No such agreement was ever entered into or even suggested, and nor does Mr Stepchenko believe that it was.

Was FVL transferred to Sofia Zhevago in November 2022?

92. The Claimants' case is that Mr Zhevago transferred his interest in FVL to Sofia Zhevago in late 2022. The evidence said to show this was a declaration of trust (the **FVL Declaration**) executed by Sofia Zhevago on 21 November 2022 and witnessed by Mr Zhevago. It names Mrs Stepchenko as the Nominee but is not executed by her.

93. Sofia Zhevago's evidence was that she executed the FVL Declaration by confirming her agreement to it to Mr Zhevago in a conversation with him. He then arranged for an electronic copy of her signature to be applied to the document. Mr Zhevago gave similar evidence. Although nobody was clear in their evidence as to who took the actual step of applying the signature I consider that in both cases it was honestly given and I accept it.

94. It was also Sofia Zhevago's evidence that she had earlier discussions with Mr Zhevago about him transferring Arterium to her at some stage, agreement had been reached in general terms and the FVL Declaration was the document intended to achieve that. Again, I accept that evidence.

95. It remains my view, however, that the FVL Declaration did not transfer any interest in FVL to Sofia Zhevago. I say that for four reasons:

    i) It appears to have been intended to be executed by the nominee, named as Mrs Stepchenko. There is no evidence that it ever was, so the document is not complete.

    ii) It cannot be a transfer from Mr Zhevago because he is not a party to the FVL Declaration. He signed it, but only as a witness to Sofia Zhevago's signature.

    iii) In any event, it does not purport to transfer his interest in FVL; it operates on the basis that the transfer has already happened.

    iv) I have referred above to the circumstantial evidence being consistent with Mr Zhevago being the ultimate beneficial owner of Arterium, a factor which, while far from decisive in itself, seems to me to have some weight. The evidence of Mr Gartsylov was that he continued to regard Mr Zhevago as the beneficial owner, well after November 2022 when the transfer to Sofia Zhevago is said to have happened. That, too, is not decisive but also carries equivalent weight.

96. Those points, themselves, deal with the issue: there was no legally effective transfer of Mr Zhevago's interest in FVL to Ms Zhevago in November 2022. However, Mr and Mrs Stepchenko also advanced a case that the FVL Declaration was created long after the event, in the course of this dispute, and so I should dismiss it as a forgery. This allegation is based on a recording of a conversation between Ms Labunska, Mr Kalinichenko and Mr Zhevago in December 2025, apparently made by Ms Labunska and provided to Mr Stepchenko in April this year. The authenticity of this recording is disputed and there is a further dispute about the translation. On at least one reading, however,

it appears to show the voice identified as Mr Zhevago asking about the falsification of evidence to support the Claimants' case on transfer. Given the seriousness of the allegation it is important that I address it.

97. In short, whatever may have been discussed in December last year and between whom, I do not believe that the FVL Declaration before me was a forgery or otherwise falsified. There are multiple reasons for this conclusion. Sofia Zhevago would have to have been complicit in the fraud. I wholly reject that. She was an honest witness and I believe her evidence that she executed the FVL Declaration in November 2022 in the way that she said. Moreover, the alleged fraud would have been wholly inept. The FVL Declaration is not executed by Mrs Stepchenko, so is on its face incomplete; Mrs Stepchenko never had title to the shares in FVL, so could not be the trustee in any event; the FVL Declaration does not purport on its face to transfer ownership of anything to Sofia Zhevago; Mr Zhevago, the supposed transferor, is not even a party, he is merely a witness to his daughter's signature. The allegation is that Mr Zhevago sought the assistance of his lawyers in perpetrating this fraud. That scenario is, itself, remarkable enough to be inherently implausible, but the idea that the lawyers would lend their assistance and then make so many basic mistakes is fanciful. Finally, the recording itself seems to be an excerpt of a conversation, not the record of the whole. Clients do test possible scenarios with their lawyers. Some are more aggressive in what they propose than others. That does not mean that what they propose is ultimately executed, however.

98. As I have noted, the FVL Declaration did not transfer ownership of Mr Zhevago's interest in FVL to Sofia Zhevago. This part of the Claimants' case fails. But nor is it a forgery, and in that sense the Defendants, too, have been unsuccessful.

Were the Osnova Entities transferred to Ivan Zhevago in March 2020?

99. This is in many ways the mirror image of the situation with FVL: Ivan Zhevago's evidence was that he executed a declaration of trust (the **Osnova Declaration**) in respect of the Osnova Entities in or around March 2020 and this is said to show that the Osnova Entities were transferred to him.

100. It also mirrors the same weaknesses as the situation with FVL. Specifically, the Osnova Declaration does not evidence transfer, it is premised on the named nominees, Mr Kuznetsov and Mr Berezovenko, already being nominees and Ivan Zhevago already being the beneficiary. Indeed, in some ways it is even further from evidencing transfer in that the copies in evidence were not executed by anyone and Mr Zhevago, who would be the transferor, does not even sign as a witness. Again, the circumstantial evidence, this time from Mr Ryapolov, suggests that he continued to deal with Mr Zhevago, and only Mr Zhevago, as ultimate beneficial owner of BK Osnova. In my view that was the case: the transfer was intended, steps were taken in furtherance of it but they were not perfected.

101. Finally, the Defendants' response also mirrors their response to the FVL Declaration: they submit it is forged. This case, too, is if anything weaker than for the FVL Declaration. I accept Ivan Zhevago's evidence that he executed a

copy of the Osnova Declaration and that it has subsequently gone missing. For the forgery case to be correct Mr Zhevago and FCLEX would have had to make all the mistakes I listed in connection with the FVL Declaration. In the case of the Osnova Declaration the nominee is correctly identified, but it is unsigned meaning that Mr Zhevago and FCLEX would have to have forgotten or otherwise overlooked the need to have Ivan Zhevago execute the forged document. I simply do not consider the forgery case to be realistic.

Did Mr Zhevago transfer his interest in the Osnova Entities to Ivan Zhevago and in FVL to Sofia Zhevago in February 2026?

102. The legal efficacy of the February 2026 Transfers was not disputed during trial by the Defendants; they accepted that if Mr Zhevago had a beneficial interest in either or both of FVL and the Osnova Entities, the February 2026 Transfers operated to vest those interests in Sofia Zhevago and Ivan Zhevago. Mr Wright submitted that the freezing injunction obtained by the NBU did not create any proprietary interest or priority in favour of the NBU and so while it might have been used to prevent the transfer before the event, it did not operate to invalidate a transfer after it had happened. He referred me to *Phoenix Group Foundation v Cochrane* [2017] EWHC 418 (Comm) at [21]-[22].

103. *Phoenix Group* deals with an innocent recipient. I asked Mr Wright what that meant and he submitted that it referred to a party that was unaware of the terms of the freezing injunction. He further submitted that at the time of the February 2026 Transfers, neither Sofia Zhevago nor Ivan Zhevago were aware of the terms of the NBU Freezing Injunction. Neither Sofia Zhevago nor Ivan Zhevago were present in court at the time that submission was made. Following the trial, and while I was considering this judgment, I received a letter from Enyo, copied to the other parties, explaining that in fact Ivan Zhevago was aware of the terms of the NBU Freezing Injunction at the time of the February 2026 Transfers. The letter apologised for the error in Mr Wright's submissions, which I accept was inadvertent, and referred me to paragraph 20-042 of Gee on Commercial Injunctions (7th Ed). That suggests that where a party receives property transferred in breach of a freezing injunction knowing of the terms of the injunction one of the available remedies may be to reverse the transfer under section 423 of the Insolvency Act 1986. The point made by Enyo was that for a transfer to be reversed, it must have been a transfer in the first place.

104. I accept the logic of that submission. I am also conscious, however, that I did not receive submissions on the point from any of the Defendants in this case, nor have I heard from the NBU. The point, therefore, has not been tested in any way. Based on the evidence before me, and given that the point was not in any event contested, I accept that the February 2026 Transfers were effective to transfer Mr Zhevago's interest in FVL to Sofia Zhevago and his interest in the Osnova Entities to Ivan Zhevago.

Relief

105. The Claimants seek various heads of relief.

Declarations

106. The Claimants seek the following declarations:

i) Sofia Zhevago is the beneficial owner of FVL.

ii) Ivan Zhevago is the beneficial owner of the Osnova Entities.

iii) The Contested Filings were made without authority and are of no effect.

iv) In the alternative to (i) and (ii), Mr Zhevago is the beneficial owner of FVL and the Osnova Entities.

v) The POAs are invalid, void and of no legal effect.

107. The fourth declaration is straightforward. For the reasons I have given, Mr Zhevago divested himself of his ownership in FVL and the Osnova Entities in February 2026. He is therefore not their beneficial owner and the declaration sought is refused.

108. The other declarations would flow logically from the findings I have made above. However, Mr Taylor submitted that I should still not make those declarations because they would affect the rights of parties who had not presented their case before me. He referred me, in particular, to what was said by Marcus Smith J in *Bank of New York Mellon v Essar Steel India Ltd* [2018] EWHC 3177 (Ch). In that case, default judgment was sought against the sole defendant, Essar. At paragraphs [21]-[22], Marcus Smith J addressed whether a declaration should be made in such a case:

> "[21(5)]. The court must be satisfied that all sides of the argument will be fully and properly put. It must, therefore, ensure that all those affected are either before it or will have their arguments put before the court. For this reason, the court ought not to make declarations without trial. In *Wallersteiner v. Moir* [1974] 1 WLR 991 at 1029 Buckley LJ said this:
>
> > 'It has always been my experience and I believe it to be a practice of very long standing, that the court does not make declarations of right either on admissions or in default of pleading. A statement on this subject of respectable antiquity is to be found in *Williams v. Powell* [1894] WN 141, where Kekewich J, whose views on the practice of the Chancery Division have always been regarded with much respect, said that a declaration by the court was a judicial act, and ought not to be made on admissions of the parties or on consent, but only if the court was satisfied by evidence. If declarations ought not to be made on admissions or by consent, a fortiori they should not be made in default of defence, and a fortissimo, if I may be allowed the expression, not where the declaration is that the defendant in default of defence has acted fraudulently…'
>
> …

> [22]. I turn, then, to the question of whether the declarations sought by the Claimant should be made. I have come to the conclusion that they should not be. This is for the following reasons:
>
> *Both sides of the argument will not be put*. This is the trial of a Part 8 claim, where I have found the Defendant to be properly before the court. The Defendant has chosen not to engage with these proceedings, although properly served (as I have found). The consequence is that the Defendant's contentions regarding the declarations sought by the Claimant will not be heard by the court. That, I fully accept, is not the Claimant's fault. I also accept that it would be invidious and wrong to allow a defendant's non-participation to prevent the making of declarations. That is particularly so where, as here, the claim is a Part 8 claim, not turning on substantial disputes of fact.
>
> Nevertheless, where the defendant is absent, even if that absence is not the fault of the claimant and might be said to be the fault of the defendant, it is incumbent on the court to approach the factors set out in paragraph 21 above with great care and with something of a conservative mindset against the granting of a declaration, bearing in mind the propositions summarised in paragraph 21(5) above."

109. Mr Wright referred me to *Rolls Royce plc v Unite the Union* [2009] EWCA Civ 387 but the same point is made there at [120(6)]:

> "However, the court must be satisfied that all sides of the argument will be fully and properly put. It must therefore ensure that all those affected are either before it or will have their arguments put before the court."

110. *Rolls Royce* was referred to extensively by Marcus Smith J in *Essar Steel* and I do not believe there to be any difference in principle between what is said in those two decisions.

111. Mr Taylor submitted that this was a very similar case to *Essar Steel*. Only two Defendants were before the court; the others might have different positions that needed to be considered. I noted to Mr Taylor that *Essar Steel* involved only one defendant, against whom default judgment was sought. Put simply, no defence was advanced to the claim. Here, a defence had been advanced. I then put to him a hypothetical: if there were 100 defendants, and only one did not advance a defence, would it still be inappropriate to grant declaratory relief? Mr Taylor suggested it would depend on whether the one had separate and independent grounds for contesting the claim. That seems to me right in principle. It is also entirely consistent with the reference to *Williams v Powell* that judicial decisions should be made on the basis of evidence, not simply admissions.

112. This returns to a point that I made above, that the Defence was actively advanced by Mr and Mrs Stepchenko and not the other Defendants. It is therefore important to consider what case those other Defendants might have advanced.

113. Taking first those parties who do not have an active or independent role in these proceedings, the Osnova Entities are defendants because they must be bound by the court's order. They have no position distinct from the parties who contest their ownership.

114. Clever is wholly owned by Mr Stepchenko. It acquired its interest in FVL as a consequence of, and only of, his actions. Moreover, he was not simply its sole shareholder. He controlled Clever; it has no position independent of him. Applying normal principles of attribution of knowledge to a company, its knowledge is identical to his both because he was the individual with responsibility for this transaction and, in any event, he was its directing mind and will (see *El Ajou v Dollar Land Holdings plc* [1994] 2 All ER 685 at 695). To paraphrase what Hoffmann LJ (as he then was) said there, Mr Stepchenko's mind was Clever's mind, his intention its intention, his knowledge its knowledge. Mr Stepchenko has fully presented his defence; there is no reason at all to think that Clever had anything more to say.

115. The Registrar of Companies adopted an expressly neutral position on the question of who owned FVL and the Osnova Entities. Again, that does not seem to me to in any way preclude the making of declarations.

116. The position is more complex as regards the other parties. Mr Rodivilov acquired his shares in FVL from Clever. For the reasons I have addressed, Clever was simply the vehicle of Mr Stepchenko. Since Mr Stepchenko did not act in good faith in this transaction, Clever could not have acted in good faith. In any event, as even Mr Stepchenko accepted in his evidence, he was told by Mr Zhevago of the latter's interest in FVL. As such, he (and so Clever) were on notice of that interest. By contrast, in principle Mr Rodivilov could have acquired the shares in FVL as a bona fide purchaser for value without notice, in which case he would not be bound by any equitable interests in respect of those shares (see, for example, *Byers v Saudi National Bank* [2023] UKSC 51 at [2], [18] and [156]). I had no evidence on the state of Mr Rodivilov's knowledge at the time he acquired FVL. The sale agreement for FVL does show some consideration, and while it was remarkably low (£1,000), whether that represented valuable consideration given the position of FVL at the time would turn on evidence not before me.

117. I recognise that when I raised with Mr Taylor the independent arguments that Mr Rodivilov might put he did not address this, but nor was he required to: Mr Rodivilov is not his client, and Mr Taylor was not presenting Mr Rodivilov's case before me. That is precisely the issue: nobody was. Mr Wright pointed me to early correspondence with Mr Rodivilov in which he said he intended to seek legal advice and contest the grant of an interim injunction against him. Mr Wright submitted that Mr Rodivilov was aware of the claim and had his chance to fight it. I accept all that, but the same was just as true of the defendant in *Essar Steel*, and yet Marcus Smith J refused to make declarations there. In this case Mr Rodivilov is debarred from defending the claim, but it was not suggested on behalf of the Claimants that this was a ground for distinguishing *Essar Steel*.

118. Mr Berezovenko and Mr Kuznetsov have put in evidence around the incorporation and ownership of the Osnova Entities, much of which I have rejected, but did not otherwise advance a defence. In the case of Mr Kuznetsov his evidence is that he is no longer a member of the Osnova Entities. As I have repeatedly observed, Mr Berezovenko's evidence is contradictory: he says he remains a member of the Osnova Entites but at the same time says the filings at Companies house, which show he is no longer a member, are accurate.

119. The thrust of Mr Berezovenko's and Mr Kuznetsov's evidence was that they bought BK Osnova unaware of any interest Mr Zhevago may have had in it. Presumably that would have been the substance of their defence had they advanced one. In legal terms, they claim to be bona fide purchasers of BK Osnova for value without notice of Mr Zhevago's interests, such that they were not bound by that interest.

120. If they could establish that they would have over-ridden Mr Zhevago's interests. Even if Mr Berezovenko and Mr Kuznetsov subsequently became aware of that interest or sold to someone who was always aware of the breach of trust, the equitable interest by that stage would have been extinguished and the subsequent transferee would take free of it (*Byers* at [3], [20], [23] and [167]-[170]). That is significant on the facts of this case because it could mean that FVL would take free of Mr Zhevago's interests in the Osnova Entities, even where it was aware of those interests having existed previously. In his judgment in *Byers*, Lord Briggs labelled these rules "Basic Principles of Equity". They are fundamental points that could have been taken, and indeed in the witness statements were taken, albeit in brief and summary form. In the context of this claim there would be questions of corporate knowledge (and potentially corporate dishonesty) that may be complex to resolve, but in principle the arguments would be open to Mr Kuznetsov, Mr Berezovenko and FVL in its capacity as transferee.

121. Even if one leaves aside the issue of bona fide purchaser, there are significant gaps in the Claimants' evidence regarding the ownership of the Osnova Entities, as I have noted. Most obviously, the Burg Declaration gave Mr Zhevago an equitable interest in Burg, not in BK Osnova. For the reasons I have given above, on the balance of probabilities I believe that he also had such an equitable interest at the BK Osnova level, but that turns heavily on circumstantial evidence, especially the view of Mr Ryapolov that Mr Zhevago was the ultimate beneficial owner of BK Osnova and the fact that neither Mr Kuznetsov nor Mr Berezovenko suggested otherwise. Mr Kuznetsov and Mr Berezovenko may be able to explain that. If Mr Zhevago's interest was limited to the Burg level of the structure, Mr Berezovenko and Mr Kuznetsov could have bought BK Osnova free from that interest even had they been aware of it.

122. I am required to approach the specific question of declaratory relief "*with great care and with something of a conservative mindset against the granting of a declaration*" (*Essar* at [22]). Those affected by the declaration must be before the court or have had their arguments advanced (*Rolls Royce* at [120(6)]). Given the gaps in the documentary evidence and the absence of key witnesses, in the form of Mr Kuznetsov and Mr Berezovenko, I am not properly in a position to make a declaration regarding their ownership of the Osnova Entities.

123. FVL is on one level in the same position as the Osnova Entities: its ownership is contested. However, FVL also played an active role in the transactions both in granting the POAs that were part of the sale of Arterium and by becoming a member of the Osnova Entities. Mr Rodivilov is the registered shareholder and director of FVL, and so it is ostensibly independent from Mr and Mrs Stepchenko. In the context of what declarations I can or should make that raises the question of whether it, too, could run defences not open to Mr and Mrs Stepchenko, such that it should be considered to have interests different to those of the defendants before me.

124. In respect of the POAs the question is one of timing. They were granted on 1 December 2025. At that time Mrs Stepchenko was the director of FVL and either she or Mr Stepchenko (in accordance with whose instructions both she and Mr Stepchenko say she acted) managed and controlled FVL. Their mind was FVL's mind; their intention its intention; their knowledge its knowledge. The validity of the POAs cannot change through the subsequent acquisition of FVL by Mr Rodivilov. To suggest that Mr Rodivilov's subsequent acquisition of FVL would somehow wipe the slate clean would be to ignore the doctrine of corporate personality – the rights of a company or the validity of its previous acts do not somehow improve just because the shareholder or director have changed. The question is assessed at the time they were granted.

125. The only argument advanced by Mrs Stepchenko, FVL's director at the time, in respect of the POAs is that FVL was entitled to grant them because Clever was the absolute owner of FVL and Mr Zhevago had no interest in the company. I have rejected that case: Mr Zhevago was the beneficial owner of FVL and, to the extent it is relevant, Mrs Stepchenko knew that. She, and through her FVL, further knew that Mr Zhevago had not authorised the POAs and that he would have needed to do so for her to have actual authority. I therefore reject Mr and Mrs Stepchenko's case on the POAs, and I cannot see a way in which FVL could advance a different case.

126. By contrast, when it comes to ownership of the Osnova Entities there are obvious legal routes by which FVL could take free of Mr Zhevago's equitable interest, as I have addressed in more detail above. If that interest was limited to the Burg level it would simply be irrelevant to BK Osnova post-sale. Even if it existed at the BK Osnova level, if Mr Berezovenko and Mr Kuznetsov were bona fide purchasers for value without notice then the equitable interest would be extinguished and FVL could take free of it. Again, therefore, it seems to me that I am not able to make a declaration in respect of FVL's ownership interest in the Osnova Entities in circumstances where FVL was not before me.

127. In short, I accept that *Essar Steel* prevents me from making declarations in respect of the interests that are or may be held (or have been held) by FVL, Mr Rodivilov, Mr Berezovenko and Mr Kuznetsov. In the context of the relief sought it means that I am not able to make the first, second and third declarations. Mr Wright submitted that this would result in an undesirable outcome. I agree that it does, but Marcus Smith J recognised that the result could be "*invidious and wrong*" yet still required the principle to be applied. That is equally true here. There were arguments open to Mr Rodivilov, Mr Kuznetsov and Mr Berezovenko that were not open to the parties before me and

that were not advanced. Their full cases have not been heard. Declarations should not be made in respect of them.

128. Mr Taylor also drew my attention to what Marcus Smith J went on to say about the impact of any declaration on foreign process or proceedings. I accept that point in principle. Mr Taylor did not identify with any specificity how any ongoing proceedings could be impacted by any declaration I might make, but at the time he could not have known of the points I address above in respect of the February 2026 Transfers and Ivan Zhevago's knowledge of the NBU Freezing Injunction at the relevant time. In light of what I now understand regarding the NBU Freezing Injunction it seems to me that at least as regards the Osnova Entities this would be a separate ground on which to refuse to make declarations as to their ownership.

129. I will therefore make the declaration that the POAs were invalid and of no effect. I will not make the other declarations.

Injunction

130. Permanent injunctions are sought against Mr Rodivilov, prohibiting him from holding himself out as a director or shareholder of FVL, and against Mrs Stepchenko, prohibiting her from holding herself out as being a member or having an interest in the Osnova Entities.

131. An immediate issue with the granting of injunctive relief against Mr Rodivilov is whether that would be appropriate in circumstances where I feel unable to make a declaration. I was not addressed by either party on this issue, but it seems to me it would be appropriate.

132. The only relief sought in *Essar Steel* was a declaration, so the point did not arise there. It did arise in *Wallersteiner v Moir*, on which Marcus Smith J relied. There, the counterclaimant sought both declarations and damages in respect of an alleged fraud. No defence to the counterclaim was filed. The judge at first instance awarded damages and made the declaration. The Court of Appeal reversed that decision in respect of the declaration but upheld it in respect of the damages. Directly after the passage quoted by Marcus Smith J in *Essar Steel* Buckley LJ went on to state (at 1029C): "*Where relief is to be granted without trial, whether on admission or by agreement or in default of pleading, and it is necessary to make clear upon what footing the relief is to be granted, the right course, in my opinion, is not to make a declaration but to state that the relief shall be on such and such a footing without any declaration to the effect that the footing in fact reflects the legal situation.*" I note that Buckley LJ did not confine his comments to damages; he referred more broadly to relief.

133. That approach, it seems to me, is wholly consistent with CPR39 and in particular the guidance at CPR39.3.1. That provides that where the absent party knew about the date and time of the trial and that it was going ahead the court can properly proceed in their absence. In this case Mr Marshall, a solicitor at Enyo Law acting for the Claimants, explained in his second witness statement the steps that had been taken to serve Mr Rodivilov. It is apparent that these were effective because Mr Rodivilov has corresponded, by email, with Enyo in

respect of the proceedings. The timing of this trial was set out in the CMC Order of Andrew Twigger KC, sitting as a Deputy Judge of this court, dated 18 February 2026; that, too, was served on Mr Rodivilov. In the circumstances, in my view it is appropriate under CPR39 to proceed in Mr Rodivilov's absence. The safeguard afforded to Mr Rodivilov is the right to apply to have the order I will make set aside should he feel he has grounds to do so.

134. Turning to the substantive question of whether the relief should be granted, Mr Taylor referred me to *Coventry v Lawrence* for the test on injunctions. His reference was to [2015] UKSC 50 at [101] and [120] but I think the intended reference may have been to the same paragraphs of the decision at [2014] UKSC 13. His point was that no injunction should be granted where the claimant has not established interference with their rights to the requisite standard. I accept that; no final relief of any sort should be granted in such circumstances.

135. Here, however, that is not the case. For the reasons I have addressed above the Claimants have shown that at the time of the Contested Filings Mr Zhevago was the beneficial owner of FVL and the Osnova Entities. I have rejected Mr and Mrs Stepchenko's case (and therefore the case of Clever) regarding the Contested FVL Agreement. No case was advanced by Mr Rodivilov. While Mr Kuznetsov and Mr Berezovenko submitted witness statements, I rejected key parts of that evidence going to ownership of the Osnova Entities. Like Mr Rodivilov, they did not put in a defence to the claim. I have further accepted that Mr Zhevago's beneficial interest has since been transferred to Sofia Zhevago, in the case of FVL, and Ivan Zhevago, in the case of the Osnova Entities. Put shortly, I accept that Sofia Zhevago has shown on the balance of probabilities that she is the beneficial owner of FVL and that Ivan Zhevago has established, to the same standard, his beneficial ownership of the Osnova Entities. They object, in strong terms, to Mr Rodivilov having any ongoing role in FVL and to Mrs Stepchenko and FVL having an ongoing role in the Osnova Entities.

136. It was not suggested by Mr Taylor that there was any basis on which it would not be just and convenient to make the order sought. I think he was right not to take that point. The correspondence in the bundle before me has made clear that Ivan Zhevago and Sofia Zhevago will call for legal title to be conveyed either to them or at their direction, as they are entitled to do in light of the findings I have made. In the circumstances there is no reason why Mrs Stepchenko and Mr Rodivilov should be permitted to act as absolute owners of the interests registered in their names.

137. In accordance with the guidance of Buckley LJ, and for the avoidance of any doubt, while I am not able to make the formal declarations sought by the Claimants as to ownership of the various interests, the footing on which I grant final injunctive relief is that Sofia Zhevago is the beneficial owner of FVL and Ivan Zhevago is the beneficial owner of the Osnova Entities.

Delivery up of the Companies House authentication codes

138. The only basis on which this is resisted is that the Claimants have not shown their ownership interest in FVL and the Osnova Entities. Given my findings

above, that objection falls away. I will therefore order that Mr Stepchenko deliver up the authentication codes for FVL to Sofia Zhevago (or her representatives) and for the Osnova Entities to Ivan Zhevago (or his representatives).

An order setting aside the POAs

139. Again, this was resisted only on the ground that Sofia Zhevago was not the beneficial owner of FVL. I have found that she was and so the POAs should be set aside.

An order for the removal from the register at Companies House of the Contested Filings

140. This point is somewhat more complex than first appears. The rules on declarations do not apply to the relief sought and, given my findings, the order should be granted. However, the Registrar of Companies wrote to the court on 30 April 2026 to stress their neutrality on the issue of ownership but raising the verification requirements in force since November 2025. Directors, members of LLPs and persons with significant control must provide Companies House with suitable evidence of their identity; failure to do so is a criminal offence. The Registrar further noted the need for the court's order precisely to identify the material to be removed.

141. Understandably, given the time available within the expedited nature of this trial and given that the parties could not know my findings in advance, the draft order will need amendment to reflect these points. That is something that the parties can seek to agree; should they be unable to do so it can most efficiently be addressed at a hearing of all outstanding consequential matters.

Conclusion

142. I wish to conclude this judgment by expressing my gratitude to the lawyers involved in this claim. The expedited timetable was a very challenging one, but the solicitors managed all the inevitable issues that such a compressed timetable presented so as to permit the trial to progress smoothly. Such issues as there were during trial stemmed from the technology at the court, and again the legal teams showed flexibility and cooperation in working to overcome them. All advocates presented their respective clients' positions clearly and succinctly; I was most grateful for their assistance.