Neutral Citation Number: [2026] EWHC 237 (Ch)

Case No: BL-2026-000071

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
BUSINESS LIST (ChD)

The Rolls Building
7 Rolls Buildings
Fetter Lane
London EC4A 1NL

Date: Thursday, 15th January 2026

Before:

MR. JUSTICE MICHAEL GREEN

- -

Between:

PATRICK HUGHES

Applicant

- and -

(1) MARTIN BELLAMY
(2) PATHFINDER 1 LIMITED
(3) AI PATHFINDER INC LIMITED

Respondent

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- -

MR. PAUL DOWNES KC and MR. JOSEPH SULLIVAN (instructed by **Eversheds Sutherland LLP**) appeared for the **Claimant.**

MR. DAVID HEAD KC (instructed by **Pillsbury Winthrop Shaw Pittman**) appeared for the **Third Defendant.**

THE FIRST AND SECOND DEFENDANTS did not appear and were not represented.

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Approved Judgment

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MR. JUSTICE MICHAEL GREEN :

1. This is an application for short-term injunctive relief - it is proposed to next Wednesday, 21st January 2026 - to protect the assets of two English companies, the second and third defendants named in these proceedings, that is Pathfinder 1 Limited and AI Pathfinder Inc Limited respectively. The claimant has an indirect interest in both of those companies. The claimant is Mr. Patrick Hughes, and he owns 50% in an Isle of Man company, Mulberry Limited, and that company, Mulberry, owns the second and third defendants. They are wholly-owned subsidiaries. The other 50% of the shares in Mulberry is owned by the first defendant, Mr. Martin Bellamy, who is a director of both of the subsidiary companies, the second and third defendants. The claimant is not a director of either company, but both the claimant and the first defendant are directors of Mulberry.

2. The claimant was represented before me today by Mr. Downes KC, with Mr. Sullivan; and also appearing before me today is Mr. Head KC, on behalf of the third defendant. The first defendant, Mr. Bellamy, is not represented before me, although he has representatives from his solicitors, Quinn Emanuel Urquhart & Sullivan LLP in court; and the second defendant is also not represented. They were given very short notice of this application this morning, and I am grateful to Mr. Head for turning up and making important submissions on the third defendant's behalf.

3. The application is made urgently under section 25 of the Civil Jurisdiction and Judgments Act 1982, in support of proceedings that have begun in the Isle of Man. I am satisfied on the basis of what I have read, and the submissions that have been made to me by Mr. Downes, that I should grant the relief sought over until the return date next Wednesday, subject to the position that we reached in conversation with both counsel as to an exception to the draft order, which presently provides that the second and third defendants shall not dispose of or deal with any of their assets, other than with the claimant's prior written consent. That was the order that was sought, but there will be exceptions to that order, which can be worked out in writing, for legal expenses to be paid by the third defendant, and also any other payments can be made on giving the claimant 24 hours' written notice.

4. The relief that is sought is basically to preserve the status quo in relation to the second and third defendants' assets, and prevents any further sale of those assets. The urgency arises because the claimant discovered that the third defendant had disposed of most of its assets yesterday, said to be to parties connected to the first defendant. That is what the claimant says, and the claimant also says that that was possibly a sale at an undervalue. The claimant fears that if this could happen whilst he was seemingly in some sort of negotiation with the defendants about further investment into the group, and somewhat behind his back, and while proceedings for unfair prejudice in Mulberry were on foot in the Isle of Man, then it could happen to the remaining assets held by the second and third defendants. So the order will hopefully secure both the proceeds of sale that arose yesterday, and also any other assets held by the second and third defendants, pending a full hearing in only some five days time.

5. I should explain a little bit about the background, and I will not take too much time in relation to this. It was set out in great detail in a witness statement of Mr. Richardson of Eversheds, the claimant's solicitors. The claimant, as I have said, is Mr. Hughes, who is domiciled in the Isle of Man. Mr. Bellamy, the first defendant, is domiciled in

England. They established a joint venture earlier in 2025 to create what is called a sovereign AI business. As I have said, they became equal shareholders in Mulberry Limited, which, in turn, became the sole owner of the second and third defendant companies. The business involved establishing infrastructure on land in England, together with the technical functionality required for a vertically integrated business that would deliver bespoke AI compute capacity to clients. The business was split between the second and third defendants, such that the second defendant holds an option for certain land in England, with potential for significant power capacity, whilst the third defendant was the trading entity.

6. According to the claimant, the two individual parties agreed, as part of the joint venture, that they would each lend £12.5 million to Mulberry to provide capital for the business. This would then be loaned further down to the subsidiary companies but principally the third defendant. The claimant provided this funding but the first defendant has not. Even though it appears that he previously accepted that he had agreed to provide that funding, the first defendant has not yet done so, and it now appears, from the Isle of Man proceedings, that he denies having ever made such an agreement. Instead he is contending that Mr. Hughes, the claimant, agreed to provide the entire £25 million of funding.

7. There was a board meeting of Mulberry on 25th July 2025, in which, according to the minutes, which are, I think, agreed, the strategic oversight and jurisdiction and authority in relation to the subsidiary companies was vested, essentially, in the claimant and the first defendant as the owners of Mulberry. There was then a further resolution at a board meeting in October, on 17th October, and it is, as I understand it, the first defendant's case that there was some oral understanding that he was granted full authority to conduct the business of the second and third defendants, without reference to the claimant. There is clearly a large factual dispute about that and the claimant challenges whether that is so.

8. Unbeknown to the claimant, in November various resolutions in the third defendant were passed at the instigation of the first defendant, whereby new directors were appointed, shares were allotted, and a seed investment agreement was reached with outside investors, or new investors coming in, providing much-needed seed capital. So there were significant changes to the corporate structure. After the claimant found out about these corporate changes and challenged them, it appears that the first defendant withdrew them and any money that was received by the investors was returned to them. So that has all been unwound, but it is a significant episode, so the claimant says, and indicates the approach that the first defendant has to the structure and the governance of the companies concerned.

9. There were then various negotiations, because of the need for capital, during December and earlier this month, between the first defendant and the claimant, and there were various offers and counter-offers, which are all detailed in the evidence, whereby either party was offering to put in substantial amounts of money to buy out the other side. The claimant's offer was rejected by the first defendant, and similarly his offer, which was to provide some £40 million, was rejected by the claimant on the basis that he did not consider it to be a credible offer.

10. What then happened, earlier this week, on 12th January, is following a suggestion by the claimant's solicitors that steps should be taken to have receivers appointed over

the companies, to preserve their assets, in the light of the fact that the Isle of Man proceedings had, by then, begun, there was then what appeared to be constructive engagement between the parties, leading to a suggestion that there be a committee meeting taking place on 14th January. That was something that the claimant and the first defendant appeared to have agreed to. However, on 14th January, i.e. yesterday, a letter was received from the third defendant's solicitors, Pillsbury, setting out the terms of the deal that they had reached with the management of the third defendant to buy it out, essentially buying out Mulberry. This was a letter notifying Mulberry of it, and explaining the background, and the suggestion was that the purchasing company was "totally disconnected from either shareholder".

11. Now, the claimant has obviously taken the position that this is a highly suspicious deal, that it was not disclosed at all before it happened to someone who is a 50% shareholder in Mulberry, and that the correspondence suggesting constructive engagement between the parties was disingenuous, because the defendants knew all along that this deal was going to happen, and indeed that it had been based on insolvency advice and detailed valuation advice. That is what precipitated the application today, and it is why the claimant is concerned about what might happen to the assets of the two companies in the meantime. I can see why they have such concerns.

12. So the position that we have reached is that the Isle of Man proceedings are obviously continuing, but the claimant wants injunctions to ensure that no further assets in the subsidiary companies are dissipated pending the resolution of that dispute, in which there will be no doubt numerous factual issues that will have to be resolved. Mr. Downes suggested that the application was not being put on the freezing order jurisdiction basis, but rather the *American Cyanamid* test, which he said was the suggested way to proceed when it is being made in the context of an unfair prejudice petition. As such, he needs to show that there is a serious issue to be tried, that the balance of convenience is in favour of an injunction, and that it is just and convenient to make the order sought. He referred to a number of authorities in the unfair prejudice context, and I should remind myself that these are obviously English law authorities, but which we can assume, at this stage, to be similarly applicable in the Isle of Man. However, those authorities do seem to suggest that it is important to preserve the status quo of the company's assets and the company's situation, pending resolution of an unfair prejudice petition.

13. Having said that, the effect of such an order must be borne in mind, and Mr. Head submitted that this was, in reality, a freezing order application, and that, therefore, the safeguards that one would find in a freezing order are not present, and also that the applicant, the claimant, has not produced solid evidence of a risk of dissipation.

14. In my view, the argument really does not go very far, particularly when I am considering, as I am, only a very short-term injunction, over a return date next Wednesday. In my view, if a risk of dissipation is required to be shown, then it is adequately shown for these purposes by the events of yesterday and the claimant only finding out about it yesterday, and the queries that have been raised by Mr. Downes in relation to the letter that explains the sale, and the possibility, a fairly strong possibility, that there are grounds for suggesting that the sale might have been at an undervalue, and certainly might have been to parties associated with the first defendant. So I think there are legitimate concerns about what happened in relation to

the sale, and, in particular, the lack of involvement and disclosure to the claimant about its existence, and that those concerns justify the imposition of an injunction over the next five days, during which time the defendants will be able to put in their evidence and defend fully the application.

15. I should say that Mr. Head said that the reason why the deal to sell the assets yesterday was not disclosed was because it was subject to a non-disclosure and confidentiality and exclusivity agreements that would prevent its disclosure to any third party, including Mulberry and the claimant. That may be so, but it does not get away from the fact that I think it provides sufficient evidence to justify a fear and a risk of dissipation, and that if it was necessary to satisfy the test for a freezing order, at this stage I am satisfied that those tests have been met.

16. In any event, I am also satisfied that there is good reason to make the injunction, because the relief that the claimant proposes seeking in his counterclaim in the Isle of Man proceedings is that he be allowed to buy out the first defendant's shares in Mulberry. Those shares are only worth something if the subsidiary companies are worth something, and that is a good enough reason, it seems to me, to preserve their assets, at the moment pending the return date but eventually pending the resolution of the unfair prejudice petition.

17. So on all these bases, I am going to, as I have said, make the order. It is going to be subject to the legal expenses exception, and for any other payments that the second and third defendants wish to make, between now and Wednesday, that will be subject to them giving 24 hours' notice to the claimant.

18. I should also say something about the cross-undertaking. Mr. Head suggested that there should be fortification of the cross-undertaking. In my view, it is fairly clear that Mr. Hughes is a man of a certain wealth. He has provided some £27.5 million in total to the group over the past few months, and if there was any issue in relation to the cross-undertaking, it seems to me that that is more appropriately considered next Wednesday, when the matter comes back before the court.

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