

CATALYST MANAGERIAL SERVICES

LIA's Subsidiary, Libya Africa Investment Portfolio (LAP) Issues a False & Misleading Press Release to Mislead the Libyan Government & People in Relation to the Catalyst Managerial Services (CMS) Case Against LAP in the English High Court.



PRESS RELEASE - SEP 26, 2015 17:27 GST - UPDATED: SEP 27, 2015 06:18 GST

▲ Libya Herald, Editor-in-Chief takes down its Article based on LAP's Press Release ▲ Newswire Press Release Service, following a review of LAP's Press Release, has agreed to withdraw the LAP's false Press Release and inform its partner organisations to the same

· LAP continues to be in \$15 million payment default of the English High Court Judgment Order, claims it is unable to pay the judgment amount. CMS does not believe it to be true

· LAP is also in breach of the Court Order deadline to file its final defence for the \$500 million damages claim that was due on 4 September 2015. CMS says this shows LAP has no defence as proven in the previous trial in the English High Court.

In a most extraordinary manner LAP's Managing Director, Ahmed Kashadah issued a Press Release on 11 September 2015, following the Court Orders of 9 September 2015 that is clearly false and misleading. This resulted in various media organisations including Libya Herald producing news based on the LAP's false Press Release.

LAP in its Press Release Falsely stated: "The Honourable Mr Justice Males, sitting in the High Court in London, has now ordered that LAIP's application for permission to appeal the US\$ 15 million summary judgment decision in favour of Catalyst Managerial Services (CMS) is to proceed to a hearing." True Position: **No Appeal Granted or even no**

Now CMS faces the same Ghaddafi people trying to block justice from being served in the English High Court who committed serious contractual breaches, acted in bad faith, engaged in fraudulent activities and applied duress. Do they seriously think they can, in light of incredible amount of evidence against them and LAP that the Court would have to examine? The Summary Trial result in July 2015 speaks for itself, no matter what LAP says, the High Court called LAP's Defence "fanciful" (meaning imaginary, far-fetched and

permission to appeal has been granted to LAP. The Court Order means that the Court would only look at LAP's application to appeal, if it pays \$15 million into the Court or provides security to the satisfaction of CMS lawyers. It is only then the permission application would be heard by the Judge.

unbelievable) and ordering LAP to pay \$15 million plus interest and cost.

MR HECTOR EKES, CMS LEGAL
COUNSEL, AUSTRALIA

Furthermore LAP's Press Release **Falsely stated**: "The High Court also ruled that LAP is not required to make any payments to CMS pending the appeal, on the condition that LAP provides suitable security in the meanwhile." **True Position: *This is totally false.*** Court has given no stay pending the appeal application. LAP has legal obligation to pay and is in payment default with serious implications.

Following an immediate complaint by CMS to Libya Herald and a significant discussion and review that followed in relation to the Court Orders, Libya Herald has taken down its published Article, admitting that LAP's Press Release is not consistent with the Court Orders and the Judgment that still stands.

Newswire service has also conducted a review of the Press Release and agreed to take it down and inform its partner organisations to do the same.

Essentially, LAP has defaulted on the High Court Order for the *payment of US \$15 million to CMS* by well over a month now in relation to the ongoing CMS case against LAP involving damages of over US \$500 million.

On 9 September 2015, the High Court of England & Wales rejected LAP's further application for a stay requiring LAP to pay the overdue amount and ordered LAP to deposit \$15 million with the Court if it wants the Court to consider LAP's application for *permission to Appeal*. LAP's previous permission to Appeal was rejected by Master Kay Q.C on the basis that there were no grounds for Appeal. The Court further ordered no stay of action pending appeal.

CMS has said that this is a small example of what we are dealing with in this case, lies and more lies in the public domain and in the High Court. The world can see it for itself.

CMS said: "This is yet again another example of Mr Kashadah trying to mislead the Libyan Government and Libyans generally in relation to our case."

Such extraordinary actions by LAP in the international business arena under the leadership of its parent, LIA are casting grave doubts about LIA and LAP Management's capabilities and experience. No responsible institution, large or small, can indulge in such an unacceptable corporate behaviour. This is a serious and urgent matter for the new unity government of Libya and the international community at large.

LAP leaders are defending the Ghaddafi regime's injustices and the corrupt behaviour of its executives to avoid paying CMS its rightful dues just like their predecessors prior to the revolution; these included people like Ghaddafi's Assistant Secretary of Foreign Affairs, also referred to as Deputy Foreign Minister by the USA Administration, who was one of the persons who caused the problem in the first place. These most trusted Ghaddafi inner circle operatives, charged with missions such as attempting to block the compensation to the

victims of Libyan Terrorism activities including the Pan Am Airliner bombing by threatening the USA with withdrawal of Libya's funds from the USA and stopping the production of oil (see Wiki Leaks). Such people have no credibility and yet to answers many criminal charges. LAP has no choice but to rely on such people to defend the case as no decent Libyan post revolution is going to make false statements in the English High Court.

While there were many good people also in the Ghaddafi era, these typical business leader of the regime who held dozens of jobs at the same time with many on a full time basis, ran the Libyan institutions to the ground, blocked any development/improvement efforts, and ran their own agendas that are no secret to the world now. Having taken over LAP after the CMS contract was operational they wasted no time to stop and abandon the transformation of LAP and professional management contract of CMS without any regard to LAP's legal obligations.

These people were appointed to LAP in senior positions by the Prime Minister, Mahmoudi Baghdadi, and Saif Ghaddafi, to oust the founding chairman of LAP, Dr Bashir Saleh Bashir and his efforts to draw the line between the State businesses and the family controlled/political agenda for the purposes of blocking the CMS' progressive and reform work. Some of these have to face serious allegations and evidence of fraud they attempted to perpetrate against CMS in efforts to take over its contract for personal gain.

Mr Kashadah/LAP could have sorted the dispute out in an amicable basis for a very reasonable amount but by drawing out the case and not understanding the contractual implication, Mr Kashadah has exposed LAP for \$100's of million worth of losses, in fact as much as \$500 million. People who know the facts about Al Kharafi's case know that it could have been settled for about \$30 million rather than what Libya has to pay now, a staggering US \$930 million.

Transparency International during CMS/LAP contractual work ranked Libya as one of the most corrupt countries in the World with an **overall ranking of 146 out of 178 countries ranked in 2010. This put Libya in the bottom 13% in the most corrupt countries.** Further Transparency International ranked Libya as the equal second last country in corruption in the Middle East and North Africa region.

World Economic Forum's Global Competitive Index Report 2010 shows corruption ranked as the most problematic area for doing business in Libya. The World Economic Forum, a universally accepted forum, in 2010 during the CMS/LAP contract concluded that **corruption was the most problematic factor for doing business in Libya.** Hence it is not surprising at all that CMS faced a great deal of corruption in LAP just like most other foreign companies that were doing business in Libya at the time. Now the same Ghaddafi regime people involved in defending the case are *expressing surprise about corruption in LAP which is quite extraordinary in light of all the evidence. Under these circumstances it is not surprising that the Libya's corruption ranking has further deteriorated to rock bottom in the world now.*

Additional Images



Mr Zia Qureshi, former CEO of CMS
An internationally recognised world leader in large scale business transformations and new business Venture development/ value creation for some of the most significant corporations globally



Lord Daniel Brennan, Q.C, one of UK's most renowned legal masterminds, representing CMS



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