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Report on the case between:

Yermek Alimov (Claimant)

v

- (1) Abdumalik Mirakhmedov (Defendant 1)**
- (2) Rashit Makhat (Defendant 2)**
- (3) Andrey Kim (Defendant 3)**
- (4) Genesis Digital Assets Limited (Defendant 4)**

EXECUTIVE SUMMARY:

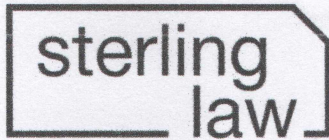
This case is about protecting fair agreements, recognising contributions, and ensuring that trust is honoured. Yermek Alimov contributed his expertise, infrastructure, and support at a critical time to help launch what became a highly successful international cryptocurrency mining business. In return, he was promised a fair share of the venture. However, over time, the arrangements made were not formalised as originally agreed, and Mr Alimov's share was not recognised.

After a long and determined effort, Mr Alimov has achieved significant progress before the High Court of England and Wales. The Court held that his account of the events surrounding the partnership was credible, confirmed the existence of a serious issue to be tried. It refrained from making any determination on the merits of the case, as that was not the question being considered in this case. It also held that service of the proceedings within the jurisdiction was properly effected, ensuring that Mr Alimov's case remains active under English law.

Although the Court decided that Kazakhstan is, for now, the more appropriate forum to hear the case, it left open the possibility for Mr Alimov to return to the English courts should Mr Alimov be unlawfully deprived of justice in Kazakhstan. Importantly, the Court confirmed that all defendants except for **Genesis Digital Assets Limited** remain potentially subject to the proceedings and that the partnership arrangements Mr Alimov described are plausible and deserve full consideration.

Throughout, Mr Alimov's approach has remained principled and focused on resolving the dispute through fair means. He remains open to a constructive dialogue through a credible third party to reach an amicable settlement. However, at present, there appears to be no clear willingness from the other side to engage in such discussions.

Looking ahead, Mr Alimov remains fully committed to pursuing his rights with determination, through all available legal avenues in Kazakhstan, and, if necessary, in England and Wales and beyond. His position is firmly rooted in fairness, good faith, and respect for original agreements.



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1. Introduction

This report provides an analysis of the recent High Court judgment delivered on 20 December 2024 by Deputy High Court Judge Simon Birt KC, and sets out the implications for Mr Alimov's case. In particular, the report details his achievements in establishing that service on the anchor defendant (Abdumalik Mirakhmedov) was valid within the jurisdiction, while mentioning the jurisdictional claim was not upheld on the ground of forum non conveniense¹. The judge ultimately held that, on balance, Kazakhstan is the more appropriate forum in which to hear the dispute. This report will also highlight the areas where the evidence remains contentious and outline recommendations for further improvements.

The full judgement is available at:

<https://www.bailii.org/ew/cases/EWHC/Comm/2024/3322.html>

2. Factual Background and Claims

Mr Alimov's claim arises from the oral "London Agreement" reached on 10 June 2017 during a meeting at 27 Ingram Avenue, London. At the time, 27 Ingram Avenue was Mr Mirakhmedov's home, to where he invited Mr Alimov and his family to share an Iftar meal. The agreement between Mr Alimov and Mr Mirakhmedov was concluded with the expectation that Mr Alimov would contribute his expertise and assets to a joint venture aimed at establishing a bitcoin mining operation in Kazakhstan. Although the meeting was between Mr Alimov and Mr Mirakhmedov, this report further explains how Mr Mirakhmedov (herein as D1) had the authority to bind Rashit Makhat (herein as D2) and Andrey Kim (herein as D3). Under the terms, Mr Alimov was to receive:

- A 35% of the shares and profits attributable to D1–D3's participation in the joint venture (GM JV), thereby granting Mr Alimov a direct interest in dividends and the profits derived from bitcoin mining; and
- A further entitlement is calculated on the basis of the difference between a guaranteed electricity rate of US\$0.04 per kWh and the actual rate paid for electricity consumed in connection with the project.

The dispute also centres on several key issues:

1. The precise factual account of the alleged oral agreement and its attendant terms.
2. Whether the evidence provided including witness statements, travel records, and documentary filings adequately supports Mr Alimov's version of events.
3. The procedural question regarding the service of the claim on the key defendant, particularly D1, and whether the service was valid within the jurisdiction of England.
4. Whether England & Wales is the appropriate forum to hear this dispute.

¹ A legal doctrine allowing a court to decline jurisdiction over a case if there is a more appropriate or convenient forum available to hear the matter. This does not mean the court lacks jurisdiction; rather, the court believes that another jurisdiction would better serve the interests of justice and the convenience of the parties.

3. Key Procedural Findings: Jurisdiction and Service

A significant portion of the judgment was devoted to establishing that D1 was properly served within the jurisdiction, an issue that is critical to progress the claim in the English courts.

Service and D1's UK Residence

- **Evidence of D1's Residence:**

The Court carefully considered evidence relating to D1's residential status. Although D1 asserted that he had moved to Dubai in September 2021 and that his family subsequently joined him in September 2022, the evidence submitted by Mr Alimov—and corroborated by declarations made to Companies House and travel records—strongly indicated that D1 continued to maintain a connection with England. Notably, the address at 26 Holne Chase emerged as a key factor. This address had been submitted by D1 (or on his behalf) in several corporate filings, including those for the Mirakhmedov Foundation Limited, where he was recorded as “usually resident” in the UK.

- **Legal Analysis under CPR 6.9:**

Under CPR 6.9, service of proceedings on an individual must be effected at that person's “usual or last known residence”. The Court found that, despite D1's contentions to the contrary, the evidence was sufficient to conclude that 26 Holne Chase continued to serve as his usual or last known residence at the time of the service of the claim form (11 September 2023). The investigation included enquiries by an agent, which confirmed declarations made on company registers and through travel documentation that D1 had not entirely severed his ties with the UK.

- **Service via the Companies Act Provisions:**

Although the Claimant also sought to rely on the provisions of sections 1140 and 1141 of the Companies Act 2006, the Court ultimately determined that the primary basis for service was the confirmation of D1's residence at 26 Holne Chase. The judge's analysis reaffirmed that service at this address was valid irrespective of the additional argument concerning D1's service address for corporate purposes. This finding is particularly important as it ensures that the proceedings may continue in England.

4. Substantive Issues and Evidential Analysis

While the procedural victory regarding service is a significant achievement, the judgment also highlighted areas where the evidence was either disputed or insufficiently robust. The following points summarise these substantive issues:

Oral Agreement (London Agreement)

- **Nature and Context:**

The central point of Mr Alimov's claim is the oral agreement reached on 10 June 2017. This agreement, which was said to have been concluded during a social occasion (an Iftar meal), set out detailed obligations on both sides. Mr Alimov's position indicates that Mr Alimov was to facilitate the acquisition of a cheap source of energy for the joint venture and, in return, receive a substantial economic interest in the venture, including shares and a percentage of the bitcoin mined. The Judge pointed out that Mr Alimov had a case and did not dismiss it immediately, as it would have been explored further, if not the forum issue.

- **Disputed Facts:**

The Court noted that the account of the meeting at 27 Ingram Avenue remains contentious, given that the Defendants, through various evidences including witness statements, set a different recollection of the meeting.

Evidential Gaps and Documentary Support

- **Documentation Relating to Asset Transfers and Energy Arrangements:**

Another area of dispute revolves around the evidence concerning the transfer of assets (such as the Stal electrical sub-station and the ABK Buildings) and the arrangements for obtaining cheap electricity at a fixed rate. Mr Alimov's evidence asserts that he played a pivotal role in ensuring that these assets were made available and that negotiations with various parties were undertaken. However, the Defendants have challenged the accuracy and authenticity of these claims.

5. Jurisdictional Challenge: Forum Non-Convenience

An equally critical aspect of the proceedings was the jurisdictional challenge raised on the ground of forum non convenience.

The Forum Non-Convenience Claim

- **Arguments Advanced by the Defendants:**

The defendants argued that even if service was properly effected in England, the dispute should be heard in a forum that is more appropriate to the parties' connections and the substantive issues of the case. They contended that the central facts of the dispute, including the location of the bitcoin mining operations and the bulk of the relevant evidence, pointed to Kazakhstan as the appropriate forum.

- **Judge's Reasoning and Decision:**

After considering the arguments, the Court ruled that while the Claimant's submission regarding the proper service of the claim was correct, the broader jurisdictional claim was not upheld on the ground of forum non convenienc. The judge concluded that Kazakhstan was a more appropriate forum for several reasons, including:

- That the substantive business activities and much of the evidence (including the asset transfers and energy arrangements) have significant connections to Kazakhstan;
- The parties' historical and commercial ties with Kazakhstan, which lend greater contextual relevance to the dispute; and
- The likelihood that a trial in Kazakhstan would allow for more efficient and contextually informed adjudication of the underlying issues.

- **Impact on the Case:**

This decision means that, despite the procedural victory in establishing that D1 was served in the UK, the court's overall determination is that the dispute should be heard in Kazakhstan.

6. Res Judicata Analysis

The Judge addressed the issue of res judicata² with particular reference to a criminal court judgment in Kazakhstan that had been cited in support of arguments that Kazakhstan was not an available forum for Mr Alimov's claim.

The Judge concluded that the res judicata argument was flawed for two main reasons: (a) Mr Alimov was not a party to the criminal proceedings, so the criminal judgment could not have a binding effect on Mr Alimov's claim, and (b) the appellate court had already confirmed that the judgment had no prejudicial value with respect to Mr Alimov. Consequently, any risk of Mr Alimov's claim being barred on the basis of res judicata was effectively neutralised.

7. Serious Issue to Be Tried

The Court was satisfied that Mr Alimov had demonstrated a serious issue to be tried in relation to the claims advanced against D1 - D3. This is the threshold requirement under *CPR Practice Direction 6B, paragraph 3.1(3)* when seeking permission to serve out of the jurisdiction. The Judge emphasised that this test is not a mini-trial and does not require Mr Alimov to prove Mr Alimov's case at this stage, but rather to show that there is a real

² A legal doctrine preventing the same parties from litigating a matter that has already been finally determined by a competent court

(as opposed to fanciful) prospect of success. Mr Alimov had pleaded an oral agreement allegedly concluded in London in June 2017 (the "London Agreement"), pursuant to which he agreed to assist D1–D3 in securing energy infrastructure and facilities in Kazakhstan to support a joint venture with Genesis Mining. In return, Mr Alimov alleges he was to receive 35% of the shares and profits attributable to D1–D3's participation in that venture.

The Defendants disputed the existence of any such agreement, asserting that Mr Alimov was merely a broker who had already received whatever remuneration Mr Alimov was entitled to. The Court noted that there were many factual disputes, including conflicting evidence as to the nature of the meeting in London, Mr Alimov's contribution to the venture, and whether D1 had authority to bind the other defendants. Nonetheless, the Judge considered that Mr Alimov's version of events was particularised and supported by contemporaneous materials and witness evidence (including documents and witness statements from persons said to be involved in the relevant transactions). There were also triable issues in relation to the application of Kazakh law to the alleged joint venture and partnership arrangement. Ultimately, the Court held that Mr Alimov had cleared the bar for establishing a serious issue to be tried and that it would be inappropriate to determine the factual disputes without a full trial.

8. The Contractual Gateway – CPR PD6B para 3.1(6)(a)

In respect of the jurisdictional gateway, Mr Alimov relied principally on *CPR PD6B para 3.1(6)(a)*, which allows a claimant to serve proceedings outside the jurisdiction where "a claim is made in respect of a contract which was made within the jurisdiction". The Court accepted that the Mr Alimov had a *good arguable case* that this gateway applied. Mr Alimov alleged that the material contract – the "London Agreement" – was concluded at a meeting held on 10 June 2017 at 27 Ingram Avenue, London. The agreement is said to have been made between Mr Alimov and D1 (acting on behalf of D1–D3), during a family dinner marking the Iftar meal. Mr Alimov provided a detailed account of the meeting and the terms of the agreement, including obligations to secure energy infrastructure for a cryptocurrency mining operation in Kazakhstan in exchange for a 35% of the shares and profits attributable to D1–D3's participation in GM JV.

The Defendants denied that any agreement was reached, or that the meeting involved commercial discussions of the nature alleged. They also argued that D1 was not authorised to bind D2 and D3, and that no such authority could be implied or inferred. However, the Court concluded that Mr Alimov had a *good arguable case* that an agreement was made during that meeting in London, and that D1 either had actual authority or that D2 and D3 subsequently ratified the agreement. The Judge placed reliance on the subsequent conduct of the parties, including the fact that Mr Alimov was involved in sourcing and transferring key assets in Kazakhstan (including the Stal electrical substation and ABK buildings), and that D1–D3 provided partial payment in bitcoin which corresponded to the Mr Alimov's claimed share of the venture's revenue.

The Court observed that while Mr Alimov's evidence would be subject to challenge at trial, it was coherent, detailed, and partly verified by documentation and third-party witnesses.

This was sufficient to establish a *good arguable case* that a contract was made within the jurisdiction of England and Wales. Accordingly, the requirements of the contractual gateway under paragraph 3.1(6)(a) were satisfied.

9. Position in relation to D4

The Court took a distinct approach in relation to the Fourth Defendant, Genesis Digital Assets Limited ("D4"). While D4 was named as a Defendant, the Court noted that the Particulars of Claim made no allegations of wrongdoing or breach of duty on D4's part, and that D4's role in the pleaded narrative was essentially limited to being the corporate vehicle in which Mr Alimov alleges he is entitled to a 35% of the shares and profits attributable to D1–D3's participation GM JV pursuant to the "London Agreement." Mr Alimov contended that D4 was the successor corporate vehicle used by D1–D3 in substitution for the original joint venture entity anticipated by the agreement and that he was therefore entitled to a proportion of D1–D3's shareholding in D4.

The Court found that even if D1–D3 held shares in D4, and even if the Claimant were to succeed in his claims against them, there was no claim against D4 that required adjudication in these proceedings. As such, the Court set aside service on D4 and declined to allow proceedings to continue against it.

10. What Has Been Achieved

The judgment contains several positive findings for Mr Alimov's case:

1. Validation of Service and Jurisdiction:

The Court's determination that D1 was served properly by establishing that he continued to have a UK residence at 26 Holne Chase is a major procedural win. This finding ensures that the claim can proceed in the English courts, which is advantageous given the context of the dispute and the applicable law.

2. Establishment of a Firm Procedural Basis:

By successfully countering the Defendants' arguments concerning D1's domicile and the validity of service, Mr Alimov has secured a solid foundation from which the substantive issues of breach of contract and ratification may be pursued in subsequent stages of the litigation.

3. Reaffirmation of the Relevant Legal Framework:

The judgment confirms the application of CPR 6.9 and clarifies the interpretation of sections 1140 and 1141 of the Companies Act 2006 in the context of service. This legal affirmation reinforces the strength of Mr Alimov's procedural arguments and provides him with a clearer roadmap for addressing any future challenges on this front.



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4. Ratification Claim:

The judgment also approves the Claimants application for ratification, which allows him to proceed with the claim not on the basis that the Defendants acted altogether (which was strongly disputed by the Defendants), but rather on the fact that the Second and Third Defendants ratified the agreement made between the Claimant and First Defendant.

Areas For Further Attention

Despite the positive developments, there are several aspects of the case that would benefit from additional evidence:

- **London Agreement:**

The oral agreement is the cornerstone of Mr Alimov's substantive claim. Given the disputes regarding its terms and its occurrence, further corroborative evidence would reinforce Mr Alimov's position.

- **Documentary Evidence on Asset and Energy Arrangements:**

The arrangements regarding the acquisition of a cheap energy source and the subsequent use of specific assets (such as Stal and the ABK Buildings) are critical to Mr Alimov's claim. Therefore, it would be beneficial to attempt to locate or obtain further records, expert reports, or other forms of evidence that support Mr Alimov's assertions.

- **Consistency in Testimonial Evidence:**

While the witness statements provided by Mr Alimov's were substantial, the Court noted certain matters that may require further clarification.

Conclusion and Strategic Next Steps

Conclusion:

In summary, Mr Alimov was successful in establishing that D1 was properly served in England, and it is a noteworthy procedural victory. However, the Court held that based on forum non convenience, Kazakhstan is the more appropriate initial forum to hear the dispute. This decision, based on the overall context of the business operations and evidential connections, means that while Mr Alimov's substantive claim remains alive, it will now likely have to be pursued in a different jurisdiction than initially desired before it is possible to show the Court that Mr Alimov is unable to reach substantial justice in Kazakhstan.

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16.05.25



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A handwritten signature in blue ink, appearing to be the initials "JH" followed by a stylized flourish.