

**IN THE GENERAL DIVISION OF  
THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

**[2021] SGHC 238**

Suit No 1180 of 2019

Between

- (1) Metupalle Vasanthan
- (2) Laszlo Karoly Kadar

*... Plaintiffs*

And

- (1) Loganathan Ravishankar
- (2) Gunaratnam Sakunthar Raj

*... Defendants*

And Between

Loganathan Ravishankar

*... Plaintiff in counterclaim*

And

- (1) Metupalle Vasanthan
- (2) Laszlo Karoly Kadar

*... Defendants in counterclaim*

---

**JUDGMENT**

---

[Contract] — [Formation] — [Offer] — [Unilateral offer]  
[Contract] — [Formation] — [Acceptance]

[Contract] — [Assignment] — [Section 4(8) of the Civil Law Act (Cap 43, 1999 Rev Ed)] — [Section 8 of the Electronic Transactions Act (Cap 88, 2011 Rev Ed)]  
[Contract] — [Assignment] — [Equitable assignment]  
[Contract] — [Estoppel by convention]  
[Contract] — [Waiver]  
[Credit and Security] — [Guarantees and indemnities]  
[Credit and Security] — [Money and moneylenders] — [Illegal moneylending]

## TABLE OF CONTENTS

---

<b>INTRODUCTION.....</b>	<b>1</b>
<b>FACTS.....</b>	<b>2</b>
THE PARTIES .....	2
BACKGROUND TO THE DISPUTE .....	4
PROCEDURAL HISTORY.....	7
<b>THE PARTIES' CASES.....</b>	<b>7</b>
<b>ISSUES TO BE DETERMINED .....</b>	<b>9</b>
<b>ISSUE 1: WAS THE SKANTEK DEBT COMPROMISED IN DECEMBER 2014? .....</b>	<b>10</b>
<b>ISSUE 2: IF THERE WAS NO COMPROMISE OF THE SKANTEK DEBT, DID MR LASZLO INDUCE MR LOGAN INTO PURCHASING SKANTEK BY FRAUDULENT MISREPRESENTATION? .....</b>	<b>19</b>
<b>ISSUE 3: IF THE SKANTEK DEBT EXISTED AS OF JANUARY 2018, WAS IT VALIDLY ASSIGNED TO DR VAS? .....</b>	<b>22</b>
<b>ISSUE 4: IF THE SKANTEK DEBT WAS VALIDLY ASSIGNED TO DR VAS, DID HE NONETHELESS WAIVE IT? .....</b>	<b>25</b>
<b>ISSUE 5: IS DR VAS INDEBTED TO MR LOGAN BY VIRTUE OF THE LOGAN TRUST DEED, OR HIS GUARANTEE? .....</b>	<b>28</b>
THE NATURE AND EXTENT OF DR VAS'S OBLIGATION TO MR LOGAN .....	29
THE APPLICATION OF THE MONEYLENDERS ACT.....	32
<b>CONCLUSION.....</b>	<b>34</b>

**This judgment is subject to final editorial corrections approved by the court and/or redaction pursuant to the publisher's duty in compliance with the law, for publication in LawNet and/or the Singapore Law Reports.**

**Metupalle Vasanthan and another**  
**v**  
**Loganathan Ravishankar and another**

**[2021] SGHC 238**

General Division of the High Court — Suit No 1180 of 2019  
Philip Jeyaretnam JC  
10–13, 18 August, 1 September 2021

22 October 2021

Judgment reserved.

**Philip Jeyaretnam JC:**

**Introduction**

1 Adopting the ancient adage that one's enemy's enemy is one's friend may prove a risky strategy. It is usually resorted to by a cornered combatant in a desperate situation. This is how it was for the first plaintiff. Having assumed personal liability to the first defendant at a jacked-up interest rate for a loan originally made to his company, the first defendant sought to rely on an assignment of a larger debt said to be owed by the first defendant to the second plaintiff, whose friendship had soured after the sale of another business in disputed circumstances.

2 In this judgment, the court must determine whether that larger debt existed, whether it was effectively assigned, and whether it was compromised or released before or after the alleged assignment. The question of the larger

debt's already having been compromised requires considering whether the first defendant and second plaintiff, from fear of mutually assured destruction, had made permanent peace, or merely temporary truce. In addition, questions arise concerning the enforceability of the first plaintiff's alleged liability to the first defendant, as the first defendant required a higher rate of interest from the first plaintiff as guarantor than had been agreed with the company as principal debtor. Lastly, the first plaintiff has sought to rely on the Moneylenders Act (Cap 188, 2010 Rev Ed) ("MLA") to avoid liability for the debt.

## **Facts**

### ***The parties***

3 The first plaintiff, Metupalle Vasanthan, is a Singapore national and a qualified medical doctor. I shall refer to him as Dr Vas. The second plaintiff is Laszlo Karoly Kadar, a Hungarian national also known as Thomas Kesser, a name he had originally coined for an unpublished novel he was working on. Hungarian by ethnicity, he was born in Romania and was originally a Romanian citizen. He is now resident in Goa, India. I shall refer to him as Mr Laszlo.

4 The first defendant, Loganathan Ravishankar, is now a Singapore citizen, and is originally from Sri Lanka. He is a self-described businessman who operates a number of businesses and investments. I shall refer to him as Mr Logan. The second defendant is Mr Logan's brother-in-law, who was joined as a party because he held shares in a company incorporated in the British Virgin Islands and known as SkanTek Group Limited ("Skantek") on trust for Mr Logan. This company was previously owned by Mr Laszlo. It held 70% of what has been described as the ICE Group, comprising a Malaysian company, ICE Mobile Sdn Bhd and a Singapore company, ICE Messaging Pte Ltd. Mr Lazlo sold his shares in Skantek to Mr Logan under an oral contract made some time

in 2013, with the second defendant holding legal title to these shares. The alleged debt arises from this sale and I shall refer to it as the Skantek debt. As the trust has been apparently terminated in January 2014, such that Mr Logan became the legal owner of the Skantek shares,<sup>1</sup> the second defendant has ceased to play any substantive role in these proceedings.

5        There are other persons whom it is helpful to identify at this stage. The first is Dutt Devika Maria (“Ms Devika”), whom Mr Laszlo married in 2011 when Mr Logan apparently was the best man. She did not give evidence in these proceedings. The other four whom I shall mention were witnesses. Balamurali Balasubramaniam, who testified on behalf of Dr Vas and Mr Laszlo, was formerly the CEO of the ICE Group. He was replaced in 2014 by Suresh Kumar (“Mr Suresh”), who testified on behalf of Mr Logan.

6        Mr Allahverdi Mohammad Reza attended a meeting on 15 January 2018 that included Dr Vas and Mr Logan, which followed shortly after the alleged assignment of the Skantek debt. I shall refer to him as Mr Reza. There was a fourth participant in the meeting, one Shervin Sharghy (“Mr Shervin”), who came with Dr Vas. Lastly, Mr Tan Siew Bin Ronnie testified on behalf of Mr Logan. I shall refer to him as Mr Tan. He was Mr Logan’s lawyer in 2014, and is both the author of a letter dated 25 June 2014,<sup>2</sup> marked without prejudice but relied on by Dr Vas and Mr Laszlo as an acknowledgement of the Skantek debt, and a participant in a telephone conversation with Mr Laszlo in December 2014 which is relied on by Mr Logan as having compromised and settled the Skantek debt. I will refer to the letter dated 25 June 2014 on the letterhead of Central Chambers Law Corporation as the Central Chambers Letter. I will refer to Mr

---

<sup>1</sup> AEIC of Loganathan Ravishankar at para 105(a) and p 101.

<sup>2</sup> AEIC of Metupalle Vasanthan at pp 56–57.

Tan’s note of the telephone conversation as the Central Chambers Attendance Note.<sup>3</sup>

7 There are also two more companies that should be identified. The first is Clarity Radiology Pte Ltd (“Clarity”), a company incorporated in Singapore founded by Dr Vas. It is this company that initially borrowed monies from Mr Logan. The second is MyDoc Pte Ltd (“MyDoc”), another Singapore company founded by Dr Vas.

***Background to the dispute***

8 In 2013, Mr Logan agreed to purchase Skantek from Mr Laszlo and paid the agreed purchase price in part. It is the unpaid balance which is said to be the Skantek debt. When Mr Laszlo pressed for payment of the balance in 2014, Mr Logan claimed that Mr Laszlo had misrepresented its value. There followed a telephone conversation between Mr Laszlo and Mr Tan about the Skantek debt, during which Mr Laszlo is said by Mr Tan to have accepted that neither party had or should have any claim against the other. After this telephone call, neither Mr Laszlo nor Mr Logan took any steps against the other for a full three years.

9 In the interim, Mr Logan started having some dealings with Dr Vas. Mr Logan lent US\$350,000 to Clarity. I will refer to this as the “Clarity debt”. When Clarity did not repay the money, Dr Vas signed a letter dated 30 July 2017.<sup>4</sup> The letter was described as a promissory note by which Dr Vas personally guaranteed repayment of the Clarity debt, with an increase in the interest rate if default continued. I shall refer to this document as Dr Vas’s guarantee. It

---

<sup>3</sup> AEIC of Tan Siew Bin Ronnie at pp 15–17.

<sup>4</sup> AEIC of Metupalle Vasanthan at p 28.

included further sums in addition to the Clarity debt, for which no loan documents have been adduced in evidence.

10 Dr Vas made no payment under his guarantee, and on 29 December 2017, Dr Vas and Mr Logan executed a trust deed, which I will refer to as the “Logan Trust Deed”.<sup>5</sup> The Logan Trust Deed was in respect of 7,000 of Dr Vas’s 100,000 shares in MyDoc. It acknowledged Dr Vas’s indebtedness in the amount stated in his guarantee as well as interest thereafter calculated until 15 January 2018. It further provided that if this was not fully repaid by 15 January 2018, Dr Vas would transfer those 7,000 MyDoc shares to Mr Logan who would sell them and set off the proceeds of sale against the indebtedness and return any surplus to Dr Vas. One of its clauses increased (for the second time) the interest rate applicable if default continued.

11 Just before time was up, Dr Vas emailed Mr Logan on 15 January 2018 to say that he had used those 7,000 MyDoc shares “as leverage to pay Mr [Laszlo], as below email, who was owed \$2.4 mil from [Mr Logan]”<sup>6</sup> and impliedly asked Mr Logan to repay that to him instead. He copied, among others, his lawyer Mr Che Wei Chin of Covenant Chambers LLC. The email referred to followed in the same thread and attached the Central Chambers Letter. Mr Laszlo thanked Dr Vas for paying him US\$3 million (which was not true) and described the attachment as “the debt note collateral from [Mr Logan]’s lawyer confirming debt”.<sup>7</sup>

---

<sup>5</sup> AEIC of Metupalle Vasanthan at p 22–27.

<sup>6</sup> AEIC of Metupalle Vasanthan at p 53.

<sup>7</sup> AEIC of Metupalle Vasanthan at p 54.

12 Mr Logan responded immediately, calling Dr Vas’s conduct “unacceptable” and a “scam”.<sup>8</sup> They met the same day, in the company of Mr Reza and Mr Shervin. Shortly after the meeting, Dr Vas emailed Mr Logan saying that he had agreed to “shelve this”, and by copy to his lawyer instructed his lawyer to ignore the emails.<sup>9</sup>

13 Mr Logan then called on Dr Vas to transfer the MyDoc shares to him preparatory to finding a buyer for them under the Logan Trust Deed by WhatsApp messages of 16 January 2018<sup>10</sup> and 25 January 2018.<sup>11</sup> Dr Vas did not deny his obligation to transfer them, but did not do so, nor did he repay any of his indebtedness under his guarantee or the Logan Trust Deed.

14 Mr Logan eventually issued a statutory demand on 31 July 2019, which was served on Dr Vas on 1 August 2019.<sup>12</sup> Dr Vas applied to set it aside, disputing the debt on the ground that Mr Logan owed him more than the amount demanded. Dr Vas relied on a deed of assignment dated 14 January 2018<sup>13</sup> but in fact executed much later in 2019.<sup>14</sup> It recorded that Mr Laszlo had a “cause of action” against Mr Logan for US\$2,400,000 which he thereby assigned to Dr Vas in return for 7,000 MyDoc shares held on trust for him, valued by agreement at US\$3,000,000.

---

<sup>8</sup> AEIC of Metupalle Vasanthan at p 64.

<sup>9</sup> AEIC of Loganathan Ravishankar at p 437.

<sup>10</sup> AEIC of Loganathan Ravishankar at p 694.

<sup>11</sup> AEIC of Loganathan Ravishankar at p 695.

<sup>12</sup> AEIC of Loganathan Ravishankar at pp 136–140.

<sup>13</sup> AEIC of Metupalle Vasanthan at p 59.

<sup>14</sup> AEIC of Metupalle Vasanthan at para 39.

15 Dr Vas also executed another trust deed dated 1 November 2019.<sup>15</sup> Under this deed, having recorded that he owned 100,000 MyDoc shares, he declared a trust over 4,000 of those shares in favour of Ms Devika, Mr Laszlo’s wife.

16 Dr Vas successfully set aside the statutory demand on the ground that he might be owed a debt larger than that demanded from him. Dr Vas then commenced these proceedings.

### ***Procedural history***

17 While Dr Vas contended that he had taken a valid legal assignment of the Skantek debt, he joined Mr Laszlo as second plaintiff on the alternative basis that there had been an equitable assignment. An equitable assignee must sue in the name of the assignor.

18 Following service of Mr Logan’s defence, Dr Vas successfully applied to join Mr Logan’s brother-in-law as the second defendant, because he had originally been the registered legal owner of the shares in Skantek. However, as noted, the second defendant has not played any substantial role in these proceedings and no relief is sought against him.

### **The parties’ cases**

19 Dr Vas claims the sum of US\$3,050,000 as the debt assigned to him by Mr Laszlo.<sup>16</sup>

---

<sup>15</sup> AEIC of Loganathan Ravishankar at pp 470–471.

<sup>16</sup> Statement of Claim (Amendment No 1) at para 13.

20 Mr Logan denies that he was indebted to Mr Laszlo, contending that he had been induced into the purchase of Skantek by fraudulent misrepresentations.<sup>17</sup> The key misrepresentation alleged is that Mr Laszlo falsely represented that the “ICE Group had lined up numerous large quantum contracts with telecommunication giants around the globe, in particular, TATA Communications ... and One Horizon Group”.<sup>18</sup>

21 Mr Logan also says<sup>19</sup> that the dispute between him and Mr Laszlo was resolved by a compromise agreement made during the telephone conversation recorded in the Central Chambers Attendance Note. He also pleads an estoppel arising from that telephone conversation.<sup>20</sup> He further relies on the email received by him from Dr Vas on 15 January 2018 following their meeting as an agreement to shelve any claim arising from the Skantek debt.<sup>21</sup>

22 Mr Logan runs two further defences. One is that there was no notice of assignment given to him, and even if there was such a notice, it was effectively withdrawn.<sup>22</sup> Finally, he says that Mr Laszlo had represented to him by his email dated 5 September 2014<sup>23</sup> that he had already sold the Skantek debt.

23 Against Dr Vas, Mr Logan makes a counterclaim arising out of the Clarity debt. Specifically, he counterclaims the sum of US\$739,624.60 reflected

---

<sup>17</sup> Defence and Counterclaim (Amendment No 1) at paras 4B–4G.

<sup>18</sup> Defence and Counterclaim (Amendment No 1) at para 4B(a).

<sup>19</sup> Defence and Counterclaim (Amendment No 1) at para 9(c).

<sup>20</sup> Defence and Counterclaim (Amendment No 1) at para 9(e).

<sup>21</sup> Defence and Counterclaim (Amendment No 1) at para 7(b).

<sup>22</sup> Defence and Counterclaim (Amendment No 1) at para 7(c).

<sup>23</sup> AEIC of Loganathan Ravishankar at p 457.

in the Logan Trust Deed as damages for Dr Vas's failure to transfer the 7,000 MyDoc shares to him when he demanded them.<sup>24</sup>

24 Against Mr Laszlo, Mr Logan counterclaims the sum of US\$950,000 for breach of the compromise agreement.<sup>25</sup> The way it is pleaded suggests an argument that Mr Logan is both entitled to rely on the compromise agreement as defeating any claim for the balance purchase price and to seek damages for its breach, and to measure such damages by what he had originally paid of the purchase price for Skantek.

25 Dr Vas responds to Mr Logan's counterclaim on the Logan Trust Deed with the defence that it is tainted by illegality, namely unlicensed moneylending in contravention of the MLA.<sup>26</sup> Duress was also pleaded,<sup>27</sup> but not proceeded with. Alternatively, Dr Vas contends that any debt under the Logan Trust Deed was set off on 15 January 2018 against the Skantek debt assigned to him by Mr Laszlo.<sup>28</sup>

### **Issues to be determined**

26 I will deal with the issues in this case in the following order:

- (a) Was the Skantek debt compromised in December 2014?

---

<sup>24</sup> Defence and Counterclaim (Amendment No 1) at para 19.

<sup>25</sup> Defence and Counterclaim (Amendment No 1) at para 20.

<sup>26</sup> Reply and Defence to Counterclaim (Amendment No 1) at para 13.

<sup>27</sup> Reply and Defence to Counterclaim (Amendment No 1) at para 14.

<sup>28</sup> Reply and Defence to Counterclaim (Amendment No 1) at para 12.

- (b) If there was no compromise of the Skantek debt, did Mr Laszlo induce Mr Logan into purchasing Skantek by fraudulent misrepresentation?
- (c) If the Skantek debt existed as of January 2018, was it validly assigned to Dr Vas?
- (d) If the Skantek debt was validly assigned to Dr Vas, did he nonetheless waive it?
- (e) Is Dr Vas indebted to Mr Logan by virtue of the Logan Trust Deed or his guarantee?

**Issue 1: Was the Skantek debt compromised in December 2014?**

27 The first task is to determine what was said during the telephone conversation between Mr Laszlo and Mr Tan. They both testified, but their testimony could not be more different. Mr Laszlo claimed that there was no mention of Mr Logan’s intention to commence legal action based on misrepresentation and that what he had said was that both parties should move on with their lives once Mr Logan paid him the US\$2,400,000 owed to him.<sup>29</sup> He claimed to have “ended off by making a polite threat that [Mr Logan] should pay [him] so that neither side would have to litigate the matter”.<sup>30</sup>

28 Mr Tan by contrast testified that Mr Laszlo began by talking at length about how much Mr Logan owed him and how this had caused him to lose his properties and assets and made his family suffer. Then, Mr Tan told him that Mr Logan was furious about discovering that the ICE Group did not have any

---

<sup>29</sup> Notes of Evidence (“NE”), 10 August 2021 at p 42, ln 9–10.

<sup>30</sup> AEIC of Laszlo Karoly Kadar at para 55.

contract with TATA or One Horizon worth millions, and believed himself to be the victim of a fraud. He said that Mr Laszlo then changed his position and said that both sides had lost out and should just move on with their lives, with no claims against each other.<sup>31</sup>

29 Mr Tan testified that he remembered the conversation, saying that it was “one of those conversations I remember for years to come”.<sup>32</sup> I accept this. From Mr Laszlo’s evidence (via video link), I observed that he has a distinctive way of speaking. It is perfectly plausible that this conversation left an enduring impression on Mr Tan. Mr Laszlo was blustery, bombastic and evasive while giving evidence, and Mr Tan’s description of Mr Laszlo starting with a bang (how much he had suffered from Mr Logan’s failure to pay him) and ending with a whimper (how both should just get on with their lives with no claims against the other) rang true as an account of Mr Laszlo’s manner of speaking.

30 Mr Laszlo’s version that he ended with the threat of his taking legal action is wholly unbelievable. This claim does not fit with the three years of inaction that followed the telephone conversation. Had Mr Laszlo ended the call with how they could get on with their lives only after Mr Logan paid up, he would surely have followed up with a demand or even commenced proceedings against Mr Logan soon after.

31 Strikingly, Mr Laszlo’s counsel did not even put Mr Laszlo’s version of the conversation to Mr Tan. Instead, he suggested that Mr Laszlo was trying to find a way to resolve the matter without going to trial but was not agreeing to

---

<sup>31</sup> AEIC of Tan Siew Bin Ronnie at paras 19–24.

<sup>32</sup> NE, 13 August 2021 at p 28, ln 7–8.

give up his claim permanently.<sup>33</sup> Mr Tan said that while that suggestion was possible, it was not what he heard.<sup>34</sup>

32 Mr Tan’s account is also supported by the Central Chambers Attendance Note. It is worth quoting its final two paragraphs:

9. [Mr Laszlo] asked me if I would be acting for [Mr Logan]. I told him I would be if I was [*sic*] appointed in the matter. He asked me to tell [Mr Logan] that really he himself, did not have any intentions to go to Court on any legal action. He said that he accepts that both sides should not have any claims against each other as there was none. I told him that I would relay whatever he told me to [Mr Logan] and take instructions from there.

10. After speaking on and on about the early years they knew each other, he ended up by saying again that he had no claims to make against [Mr Logan] and similarly [Mr Logan] should have no claims against him as well. The call ended with him wishing me the best of the season.

33 Mr Laszlo’s counsel challenged Mr Tan’s evidence that he told Mr Laszlo that he “considered this to be a binding settlement agreement” on the basis that these words were not contained in the Central Chambers Attendance Note. Mr Tan agreed these words were not in his note, but disagreed that they had not been said.<sup>35</sup> He further explained in re-examination that this was the substance of the conversation although he may not have used the word “binding”.<sup>36</sup>

34 I do not think that the question turns on whether Mr Tan used the word “binding” or not. What is clear is that Mr Laszlo did not want to be sued by Mr

---

<sup>33</sup> NE, 13 August 2021 at p 28, ln 9–21.

<sup>34</sup> NE, 13 August 2021 at p 28, ln 17–19.

<sup>35</sup> NE, 13 August 2021 at p 30, ln 6–p 32, ln 11.

<sup>36</sup> NE, 13 August 2021 at p 41, ln 11–31.

Logan. That is why he initiated the call to Mr Tan in the first place. Attempting to disguise his intention with initial bluster strikes me as characteristic of his way of speaking. Litigation had been imminent before the conversation took place. I find that the call ended with Mr Laszlo saying in substance that he would not make any claim against Mr Logan if Mr Logan did not claim against him. I accept Mr Tan's evidence that he reported this to Mr Logan and Mr Logan was happy with that outcome.<sup>37</sup> Thereafter, both kept to the bargain until Mr Laszlo's change of heart more than three years' later.

35 Counsel for Dr Vas has sought to characterise the conversation as at best an offer by Mr Laszlo to forbear to sue, in return for a like promise from Mr Logan, which Mr Tan did not and could not accept without first relaying the offer to Mr Logan. His argument is then that even if Mr Logan agreed, his acceptance of Mr Laszlo's offer was never communicated to Mr Laszlo, and so no deal was struck.

36 It bears re-emphasising that this submission does not accord with Mr Laszlo's testimony, which I have summarised above at [27] and rejected at [30]. After the conversation, there is no evidence that Mr Laszlo after the telephone conversation was waiting to hear from Mr Tan or Mr Logan that his offer was accepted. While it is fine to make a legal submission based on the evidence of the opposing party as an alternative to making submissions based on the version put forward by one's own client, it is problematic to put forward a version of facts that differs from one's own client's testimony and which is not the opposing party's testimony either. Mr Laszlo's counsel's submissions strayed at times into the latter. Specifically, Mr Laszlo did not claim that he made an

---

<sup>37</sup> AEIC of Tan Siew Bin Ronnie at para 28.

offer for mutual forbearance, let alone one in respect of which he was expecting a further response from Mr Logan by way of acceptance or rejection.

37 I accept Mr Tan’s evidence that an agreement was concluded on the telephone call, with Mr Tan saying words to the effect “Yes, okay, you want to settle, it is settled as you say, I will bring it to [Mr Logan]”.<sup>38</sup> This is what he captured in his attendance note when he wrote that he would relay whatever Mr Laszlo told him to Mr Logan and take instructions from there. Mr Tan did not say that he needed to take his client’s instructions and come back to Mr Laszlo before there was a concluded compromise. In my view, Mr Tan, as a careful solicitor, would have expressly reserved his client’s position or said something to the effect that there was no agreement until he came back to Mr Laszlo if that had been his intention. Instead, Mr Tan ended the telephone conversation believing he had served his client’s interest by settling the dispute.

38 A solicitor retained in litigation has implied authority to bind his client to a settlement of the suit. This gives rise to an ostensible authority to compromise the suit that may be relied upon by the opposing party unless he has been notified of some restriction or limitation on that authority. While there was no litigation filed at the time of the telephone call, it had been vigorously threatened by both parties. More importantly, Mr Logan had made clear to Mr Laszlo that he had engaged Mr Tan and that Mr Laszlo (or his lawyer) should deal with Mr Tan and not with Mr Logan directly. This was reflected in Mr Logan’s email to Mr Tan, dated 17 December 2014 at 12.41pm, and copied to Mr Laszlo.<sup>39</sup> Mr Laszlo reached out directly to Mr Tan by an email, dated 17 December 2014 at 3.03pm, to confirm that he should deal with Mr Tan going

---

<sup>38</sup> NE, 13 August 2021 at p 43, ln 2–4.

<sup>39</sup> AEIC of Tan Siew Bin Ronnie at p 10.

forward.<sup>40</sup> Mr Tan confirmed that he continued to act for Mr Logan.<sup>41</sup> Mr Laszlo thanked him for confirming that he represented Mr Logan and proposed a telephone call.<sup>42</sup> I find that Mr Tan had authority to receive the offer made by Mr Laszlo, and authority to compromise the dispute by agreeing on his client's behalf to a mutual forbearance to sue.

39 Mr Logan confirmed during cross-examination that Mr Tan reported to him that “everything’s settled”.<sup>43</sup> That Mr Logan accepted that everything was settled is supported by the fact that he did not instruct Mr Tan to take further action. This is sufficient to amount to his ratifying the compromise agreement, if there was any doubt about Mr Tan’s authority to accept Mr Laszlo’s offer on the call.

40 Moreover, I find that Mr Laszlo believed that the matter was resolved once and for all as a result of the telephone conversation he had with Mr Tan, and was happy with that outcome. He did not think that he needed to check further with Mr Tan and proceeded to act on the compromise agreement by getting on with his life without suing or threatening to sue. If Mr Laszlo had been waiting for a response from Mr Tan after Mr Tan had taken instructions from Mr Logan, he would have sent a chaser by email, but he never did so.

41 It also follows from the fact (which I have found) that Mr Laszlo did not expect nor give any indication of requiring a response from Mr Logan following

---

<sup>40</sup> AEIC of Tan Siew Bin Ronnie at p 12.

<sup>41</sup> AEIC of Tan Siew Bin Ronnie at p 13.

<sup>42</sup> AEIC of Tan Siew Bin Ronnie at p 14.

<sup>43</sup> NE, 12 August 2021 at p 10, ln 9–13.

the call that this is a case where the offeror did not require any notice of acceptance other than performance by the offeree of his side of the bargain.

42 This is an application of the principle expressed in *Carlill v Carbolic Smoke Ball Company* [1893] 1 QB 256 (“*Carlill*”). In that famous case, the purveyors of a purported remedy for influenza placed advertisements offering money to any person who contracted influenza after having used one of their smoke balls in a specified manner for a stipulated period. Persuaded by the advertisements, Mrs Carlill duly purchased a smoke ball, and despite using it as directed, suffered an attack of influenza. She sued for the money and succeeded. One of the arguments taken against her was that she had never accepted Carbolic’s offer and so there was no binding contract. The English Court of Appeal rejected this argument, on the basis that the offeror had impliedly indicated that it did not require notice of acceptance other than performance of the condition. In Lindley LJ’s words, at 262–263: “... the true view, in a case of this kind, is that the person who makes the offer shews by his language and from the nature of the transaction that he does not expect and does not require notice of the acceptance apart from notice of the performance.” In coming to the same conclusion, Bowen LJ, at 268, in a passage subsequently referred to with approval by the Privy Council in *New Zealand Shipping Co Ltd v A M Satterthwaite & Co Ltd* [1975] AC 154, at 168, puts it in terms of an offer that ripens into a contract upon performance.

43 In one respect, the facts in this case are more compelling than those in *Carlill*. In *Carlill*, it might be said that the offeror had an interest in supervising performance and so might have preferred notification of acceptance prior to performance by Mrs Carlill, in case they wanted to check on her self-administration of their so-called remedy. Here, Mr Logan’s performance of the condition would be transparent to Mr Laszlo, in that Mr Laszlo obviously knew

that Mr Logan did not proceed with the threatened suit against him, nor issue any further demands.

44 Certainly, both parties considered the dispute between them resolved as a result of the telephone conversation and acted on that understanding.

45 Mr Logan made an alternative argument that Mr Laszlo is estopped from claiming the Skantek debt.<sup>44</sup> In view of my conclusion that there was a compromise agreement, this argument is strictly moot but I nonetheless consider it and make some observations.

46 The form of estoppel relied on was estoppel by convention. Its minimum requirements have been described by the Court of Appeal in *Singapore Telecommunications Ltd v Starhub Cable Vision Ltd* [2006] 2 SLR(R) 195, at [28], as follows:

- (a) The parties to a transaction act on an assumed state of facts or law;
- (b) The assumption is either one which both parties share or one which is made by one party and acquiesced in by the other; and
- (c) In the case of a shared assumption, there is either an “agreement or something very close to it” in respect of the assumption.

If these requirements are satisfied, the parties are bound by the truth of that assumption if it would be unjust or unconscionable for either of them to go back on it.

---

<sup>44</sup> Defence and Counterclaim (Amendment No 1) at para 9(e); NE, 18 August 2021 at p 27, ln 13–p 30, ln 32.

47 In this matter, at the time of the telephone conversation, Mr Laszlo and Mr Logan were already parties to a transaction, namely the purchase of the Skantek shares. This distinguishes this case from any attempt to bypass the principles of offer and acceptance. It would not ordinarily be possible to analyse contract formation in terms of estoppel, if the requirements of contract formation were not met. Here, however, estoppel by convention is relied on in relation to what the parties' position was in relation to an existing contractual relationship between them.

48 The genesis of the estoppel is Mr Laszlo's representation in relation to the Skantek transaction that he had no claims against Mr Logan and Mr Logan should have no claims against him either. Mr Logan held the same view and both of them acted on that shared assumption by not filing suit and allowing substantial time to pass. I accept that both parties assumed and believed that the matter was settled following from and as a result of that telephone conversation.

49 Something changed three years later, after Mr Laszlo got to know Dr Vas. I draw the inference that he saw an opportunity to go into business combining his information technology experience and Dr Vas's experience in radiology. I pause to note here that while Dr Vas has experience in radiology, he is not a medical specialist in radiology. The two of them subsequently set up Claritas Healthtech Pte Ltd in March 2020.<sup>45</sup> I find that Mr Laszlo's purported assignment of the Skantek debt to Dr Vas was opportunistic, preying on Dr Vas's desperation when cornered by Mr Logan. He did so also as a way of hurting Mr Logan, against whom he continued to harbour resentment. He knew that he was reneging on what he had said to Mr Tan as Mr Logan's lawyer three years' previously. With the passage of time, the loss of documentary evidence

---

<sup>45</sup> AEIC of Loganathan Ravishankar at pp 102–106.

and the fading of memories make it harder to prosecute or defend a suit. This was a detriment that flowed from parties' acting on their shared assumption. I hold that it would be unjust and unconscionable for Mr Laszlo to go back on it now.

50 I therefore also accept that an estoppel by convention operates against Mr Laszlo.

**Issue 2: If there was no compromise of the Skantek debt, did Mr Laszlo induce Mr Logan into purchasing Skantek by fraudulent misrepresentation?**

51 As I have held that there was a compromise of the Skantek debt, alternatively that an estoppel by convention operates, this issue is strictly moot. Nonetheless, I consider it briefly.

52 The contract for the sale of the Skantek shares was made orally. As the shares were in the second defendant's name, there was no need to transfer them. The second defendant simply held the shares on trust for Mr Logan instead of for Mr Laszlo. Mr Laszlo's evidence is that the price of US\$4,000,000 was arrived at by reference to a previous transaction where a company known as Bakel AB had apparently paid about US\$2,370,000 to purchase about 30% of ICE Corporation, whose messaging business had been subsequently "spun off" into various entities collectively referred to as the ICE Group.<sup>46</sup> He also specifically denied making any representations regarding TATA or One Horizon.<sup>47</sup>

---

<sup>46</sup> AEIC of Laszlo Karoly Kadar at paras 26–29.

<sup>47</sup> AEIC of Laszlo Karoly Kadar at para 40.

53 Mr Logan stipulated to having purchased Skantek from Mr Laszlo<sup>48</sup> for US\$4,000,000 but during cross examination claimed that it was an altogether different transaction to reward Mr Laszlo if business came to the ICE Group as represented. I consider that Mr Logan must be held to his earlier stipulation and I proceed on the basis that the transaction was indeed one of sale and purchase of Skantek.

54 Mr Logan’s evidence is that Mr Laszlo represented to him that the ICE Group had lined up large deals with TATA and One Horizon.<sup>49</sup> Mr Logan confronted Mr Laszlo in his email, dated 4 September 2014 at 11:53 am, asserting that “ICE was valued with Tata and One Horizon deal” and that “Tata deal is not there. It’s a total false information. Team has discussed with Tata and they have no knowledge working on Ice [*sic*] with SMS”.<sup>50</sup> Mr Laszlo’s email reply<sup>51</sup> did not deny that the deal was valued with the business prospects, nor attempted to justify that there was in fact some TATA or One Horizon deal. Oddly, part of his response (which he did not try to substantiate in evidence, and which I find to be false) was to say that he had sold the debt, presumably the Skantek debt, and the new owners of the debt would contact Mr Logan.

55 I accept that Mr Laszlo would likely have made and did make representations about the pipeline of deals for the ICE Group. It is not credible that a purchaser of a majority stake would simply base the price on what a purchaser of a minority stake paid two years before. The representations that Mr

---

<sup>48</sup> Answer to Interrogatories dated 17 August 2020.

<sup>49</sup> AEIC of Loganathan Ravishankar at para 103(a).

<sup>50</sup> AEIC of Loganathan Ravishankar at p 457.

<sup>51</sup> AEIC of Loganathan Ravishankar at p 457.

Laszlo made were ones of fact about the deals lined up at that time. Mr Logan relied on those representations in agreeing to the price.

56 My finding is further supported by the fact that, as reflected in the Central Chambers Attendance Note, when Mr Tan raised the question of misrepresentation on the telephone call, Mr Laszlo did not deny saying things about a contract with TATA but instead claimed that he believed what he had told Mr Logan.<sup>52</sup>

57 I further accept that there were no large deals as represented, whether with TATA or One Horizon. Dr Vas's counsel relied on emails from 2013, produced by Mr Suresh during his evidence, which suggested that in 2013, TATA had requested pricing for SMS traffic in respect of TATA's two factor solution.<sup>53</sup> These fell far short of establishing that there was any deal in the pipeline.

58 I also accept that Mr Laszlo had no genuine belief that there were large deals as represented by him.

59 However, when Mr Logan raised the issue of misrepresentation with Mr Laszlo, it was for the purpose of revaluing the price for the Skantek shares. Thus, it is a claim for damages flowing from the alleged fraudulent misrepresentation and not a claim to avoid the purchase.

60 There was no evidence adduced of what the alleged damage was. Accordingly, if I had not held in favour of Mr Logan on Issue 1, I would not

---

<sup>52</sup> AEIC of Tan Siew Bin Ronnie at p 16, see Central Chambers Attendance Note at para 7.

<sup>53</sup> Exhibit D1.

have been in a position to assess damages in respect of Mr Laszlo's misrepresentation.

**Issue 3: If the Skantek debt existed as of January 2018, was it validly assigned to Dr Vas?**

61 As I have held that the Skantek debt had been compromised prior to January 2018, this issue too is moot. I nonetheless consider it briefly.

62 Dr Vas relies on both legal and equitable assignment. A legal assignment must comply with the requirements of s 4(8) of the Civil Law Act (Cap 43, 1999 Rev Ed). There must first be an absolute assignment by writing under the hand of the assignor, namely Mr Laszlo, and secondly, there must be express notice of that assignment given in writing to the debtor, namely Mr Logan.

63 The first requirement of an absolute assignment under the hand of Mr Laszlo was not fulfilled until Mr Laszlo executed the deed of assignment,<sup>54</sup> which, as already noted at [14], he did so only in 2019 and then backdated it to 14 January 2018. While the exact date may not be important, I accept the point made by Mr Logan's counsel based on the screenshot of the document properties of the deed of assignment put to Dr Vas during cross examination that it was created on 18 September 2019 (after Mr Logan issued his statutory demand).<sup>55</sup> This is corroborated by the fact that in Mr Laszlo's email to Dr Vas sent on 15 September 2019 he refers to being "happy to sign the formal Assignment document".<sup>56</sup> Thus, as of 15 January 2018, there was only Mr

---

<sup>54</sup> AEIC of Metupalle Vasanthan at p 59.

<sup>55</sup> NE 11 August 2021, p 8 ln 24 to p 9 ln 12.

<sup>56</sup> AEIC of Laszlo Karoly Kadar at p 102.

Laszlo's email dated 14 January 2018 to Dr Vas. I do not accept that this email fulfilled the statutory requirement. This is because it is worded vaguely without specifying that he was thereby transferring or assigning any specific debt to Dr Vas, even when read together with the forwarded email below it.

64 There is a further point to consider if this email is to be accepted as constituting an assignment within the statute. That point is whether it was “under his hand.” That phrase refers to the appending of a signature. A signature need not be handwritten. It can be typed. Further, s 8 of the Electronic Transactions Act (Cap 88, 2011 Rev Ed) provides that the requirement of a signature may be satisfied if a method is used to identify the signatory and indicate his intention, so long as that method is either reliable in general or proven to have fulfilled the functions of a signature. Turning to this particular email, the only identification of him is his nickname Thomas which appears both within the email address and as the generic label for the email address. Mr Laszlo could have typed in his name below the message but did not do so. Labelling one's email address with one's name was considered sufficient for the purpose of s 6(d) of the Civil Law Act by Prakash J (as she then was) in *SM Integrated Transware Pte Ltd v Schenker Singapore (Pte) Ltd* [2005] 2 SLR(R) 651 at [91]-[93]. Her views were approved by the Court of Appeal in *Joseph Mathew and another v Singh Chiranjeev and another* [2010] 1 SLR 338 at [39]-[40]. The underlying principle is that the requirement of a signature can be satisfied in substance by some reliable indication of it, which was present in that case. Here however the generic label that Mr Laszlo adopted for his email address was not his legal name or any part of it. I am of the view that in the context of this case that generic label did not of itself provide a sufficiently objective indication of Mr Laszlo's intention to apply his signature to a legal assignment. I consider also that there is a difference between the purpose of the

signature requirement for contracts under Civil Law Act s 6 and the signature requirement for assignments under Civil Law Act s 4(8). In the former case, it principally protects the signatory against unfounded claims that there has been an oral contract. Ordinarily, if the obligor adopts the document as having been made by him that suffices. In the case of a legal assignment, however, the signatory requirement is as much for the protection of the debtor, who has an interest in knowing if his debt has been statutorily assigned by his creditor so that henceforward he deals with the assignee. Indeed, this case illustrates the importance of protection for the debtor, because Mr Laszlo had once before falsely claimed to Mr Logan that he had sold the Skantek debt, as I have found at [54] above, and in the same email relied on as the legal assignment falsely said that Dr Vas had paid him US\$3 million.

65 Thus, at the time when notice of assignment is said to have been given, namely on 15 January 2018 by Dr Vas's email to Mr Logan, no assignment in writing under the assignor's hand had yet taken place. Accordingly, the pleaded case<sup>57</sup> of legal or statutory assignment fails.

66 Dr Vas pleaded an alternative case of equitable assignment.<sup>58</sup> An equitable assignment need not be in writing. Moreover, an assignment of a present chose in action (as opposed to an agreement to assign a future chose in action) does not require consideration (see *Sutherland, Hugh David Brodie v Official Assignee and another* [2021] 4 SLR 752 at [24]). Prior to Mr Laszlo's email, there appears to have been some conversation between Dr Vas and Mr Laszlo by which the assignment was made and communicated. It was after this conversation that Mr Laszlo provided Dr Vas with evidence of Mr Logan's debt

---

<sup>57</sup> Statement of Claim (Amendment No 1) at paras 9–10.

<sup>58</sup> Statement of Claim (Amendment No 1) at para 11.

by his email of 14 January 2018. I infer that there was a conversation prior to that email which constituted the equitable assignment. Accordingly, I accept that Mr Laszlo did assign in equity the Skantek debt (if it existed) on or about 14 January 2018, and that Dr Vas notified Mr Logan of the assignment by his email of 15 January 2018.

**Issue 4: If the Skantek debt was validly assigned to Dr Vas, did he nonetheless waive it?**

67 This issue is moot given my finding that the Skantek debt had been compromised. I consider it briefly, for completeness.

68 The moment Mr Logan understood that Dr Vas was claiming to have been assigned the Skantek debt, he reacted furiously and demanded to meet Dr Vas. The upshot of that meeting was Dr Vas’s agreeing to “shelve” his claim as recorded in his email dated 15 January 2018 at 1.53pm.<sup>59</sup> The email, addressed to Mr Logan, read:

Thanks for meeting just now. I understand that there may be a lot more behind scenes with this loan obligation to the third party. You have requested I do not get involved and I have agreed to shelve this. I will write separately about my loan obligation and settlement with Mydoc shares and clarity asset sale.

Wei Chin please ignore this chain and will explain when we meet.

69 By this email, Dr Vas both instructed his lawyer not to proceed in relation to the allegedly assigned debt and told Mr Logan that he would now proceed to write separately to him about his own outstanding loan. It appears that Dr Vas recognised that his tactic of relying on a debt allegedly owed by Mr Logan to Mr Laszlo might not work, and for this reason he would not pursue

---

<sup>59</sup> AEIC of Loganathan Ravishankar at p 437.

that alleged debt whether by way of set off or otherwise and would instead focus on settling his loan obligation to Mr Logan.

70 Submissions focused on Dr Vas’s use of the word “shelve”. Was this a temporary or permanent shelving? The word itself can have either connotation. Which connotation it has depends on its context. The immediate context was the meeting held earlier on the same day. I accept that what happened at the meeting is what is described in the emails dated 16 January 2018 at 12.00pm and 4.23pm, sent by Mr Reza to Mr Logan,<sup>60</sup> and in Mr Reza’s evidence before me. In short, Dr Vas and Mr Logan agreed that Dr Vas could sell his 7,000 MyDoc shares to Mr Shervin (who also attended the meeting) so as to raise funds to pay Mr Logan and would have two months to do so. This was on the face of it a forbearance on Mr Logan’s part, because as of 13 January 2018, Mr Logan was pressing for repayment by 15 January 2018 as stipulated under the Logan Trust Deed. In addition, this agreement allowed Dr Vas to ensure that his MyDoc shares went to someone (Mr Shervin) with whom he was comfortable. Dr Vas had floated Mr Shervin as the incoming investor as early as October 2017.<sup>61</sup> Otherwise, Mr Logan could have proceeded to require transfer of the MyDoc shares to him with his being free to sell to anyone. There was evidence that Dr Vas understandably wanted to limit to whom Mr Logan could sell. Given his interest in MyDoc, he wanted any new shareholder to be one of his own contacts. If the person was Mr Logan’s contact, that person should first be connected to him, presumably for him to become comfortable with that person.<sup>62</sup>

---

<sup>60</sup> AEIC of Allahverdi Mohammad Reza at pp 7–9.

<sup>61</sup> AEIC of Loganathan Ravishankar at p 685, see WhatsApp message dated 5 October 2017 at 5.46pm.

<sup>62</sup> AEIC of Loganathan Ravishankar at p 698, see WhatsApp message dated 10 April 2018 at 7.40pm.

This too was a benefit compared to Mr Logan's enforcement of the strict letter of the Logan Trust Deed, which did not restrict Mr Logan's choice of buyer.

71 Mr Logan subsequently followed up with Dr Vas by WhatsApp. For example, Mr Logan asked whether Dr Vas had done the transfer of shares (presumably to Mr Shervin) and indicated that he had a potential buyer himself.<sup>63</sup>

72 At the very least, Dr Vas was giving up his claim that he had set off his debt to Mr Logan against a debt owed by Mr Logan to Mr Laszlo. By doing so, he was obtaining the benefit of more time to make the sale to Mr Shervin happen before any enforcement of the Logan Trust Deed. This benefit was real, regardless of the effect and enforceability of the Logan Trust Deed which I consider in the next section.

73 However, I am of the view that it goes beyond that. Dr Vas did not simply rescind or withdraw any purported exercise of set off, but gave up any future reliance on the purported assignment of the debt allegedly owed by Mr Logan to Mr Laszlo. Dr Vas said nothing about reserving that right, and had he done so, it is highly unlikely that Mr Logan, having called it "unacceptable" and a "scam", would have been prepared to give him additional time.

74 Thus, I hold that Dr Vas meant and was understood to mean that he would permanently shelve reliance on that purported assignment, and that this was done as part of an agreement giving him additional time to raise funds from sale of some of his MyDoc shares to Mr Shervin. While as I have noted at [13] above, Mr Logan did call upon Dr Vas to transfer the MyDoc shares to him this

---

<sup>63</sup> AEIC of Loganathan Ravishankar at p 695, see WhatsApp message dated 25 January 2018 at 9.07am.

was in parallel to the possibility of Dr Vas's raising funds by his own sale of MyDoc shares. I should add that I do not find that Mr Shervin was necessarily intended to be the ultimate beneficial owner. From a perusal of the entire WhatsApp correspondence, which stretches over months, it seems likely that Mr Shervin was intended to hold the shares on behalf of some other interests, whether from China or elsewhere, and it was from those other persons that the funds had to come. I do not need to make a finding either way for the purpose of my decision.

**Issue 5: Is Dr Vas indebted to Mr Logan by virtue of the Logan Trust Deed, or his guarantee?**

75 To recap, Mr Logan's counterclaim is for damages for breach of Dr Vas's obligation under the Logan Trust Deed to transfer the 7,000 MyDoc shares, quantified by reference to the outstanding loan and any interest payable.<sup>64</sup> The claim has not been put in terms of a breach of trust. Indeed, it appears to follow from the way the claim has been argued that if the outstanding loan is paid by Dr Vas, then Mr Logan has no further beneficial interest in the MyDoc shares. Mr Logan's counsel contended that:<sup>65</sup>

... the intent between the parties for the [Logan] Trust Deed was that of a loan agreement and the MyDoc shares would then act as a security which could be enforced against in the event of non-repayment of the loan amount. As such, the loss and damage suffered by [Mr Logan] is that of the loan amount and any interest thereon and nothing more.

76 For Dr Vas's part, it has not been argued that his declaration of trust under the Logan Trust Deed put an end to any loan obligation on his part or that

---

<sup>64</sup> Defence and Counterclaim (Amendment No 1) at para 19; Defendants' Closing Submissions dated 1 September 2021 at para 8.

<sup>65</sup> Defendants' Closing Submissions dated 1 September 2021 at para 9.

Mr Logan’s apparently taking the beneficial interest in the MyDoc shares was in satisfaction of the Clarity debt rather than by way of security.

77 Given the way in which the case has been pleaded and argued, I do not examine whether there was any breach of trust on Dr Vas’s part nor whether the Logan Trust Deed effectively satisfied the Clarity debt. Instead, I focus on two questions. First, I consider the nature and extent of Dr Vas’s obligation to Mr Logan, and in particular whether it was only a secondary obligation and if so what consequences flow from that. Secondly, I consider whether the MLA has any application to it.

***The nature and extent of Dr Vas’s obligation to Mr Logan***

78 Dr Vas has explained<sup>66</sup> that in 2015 Clarity needed funds. Dr Vas was a director and shareholder of Clarity. He approached Mr Logan.

79 Mr Logan and Clarity entered into a loan agreement dated 13 October 2015 for US\$350,000,<sup>67</sup> which was duly disbursed to Clarity.<sup>68</sup> The loan carried simple interest at the rate of 12.5% per annum. Dr Vas has said that at that time, he orally agreed to guarantee the loan but only for the principal amount.<sup>69</sup>

80 Clarity did not repay the loan and Mr Logan pressed for repayment. Dr Vas then drafted the document dated 30 July 2017<sup>70</sup> by which he assumed personal liability as a guarantor. I have referred to this document as Dr Vas’s

---

<sup>66</sup> AEIC of Metupalle Vasanthan at para 9.

<sup>67</sup> AEIC of Loganathan Ravishankar at pp 226–238

<sup>68</sup> AEIC of Loganathan Ravishankar at pp 239–240.

<sup>69</sup> AEIC of Metupalle Vasanthan at para 10.

<sup>70</sup> AEIC of Loganathan Ravishankar at p 412.

guarantee. Mr Logan had some input into its terms, including increasing the interest rate proposed by Dr Vas of 1% per month on a compound basis to 2%.<sup>71</sup> Dr Vas signed it on 8 August 2017, on his own behalf.

81 A contract of guarantee rests upon there being a valid principal obligation owed by the principal debtor to the creditor. Generally, the liability of a guarantor must be co-extensive with that of the principal debtor: see *Chan Siew Lee Jannie v Australia and New Zealand Banking Group Ltd* [2016] 3 SLR 239 at [44], citing Lord Diplock’s pithy dictum in *Moschi v Lep Air Services Ltd* [1972] 2 WLR 1175 at 1183F–H:

The debtor’s liability to the creditor is also the measure of the guarantor’s.

82 There are two ways in which Dr Vas’s assumption of secondary liability exceeded Clarity’s primary liability as a debtor to Mr Logan.

83 First, only the initial US\$350,000 was covered by the loan agreement dated 13 October 2015. The evidence does not show that the additional sums of US\$135,000, US\$51,724, US\$41,000 and US\$22,000 reflected in Dr Vas’s 30 July 2017 letter were actually loans by Mr Logan to Clarity. They were all described by him as being “invested in/into” Clarity and not as being lent to Clarity.<sup>72</sup> They seem to have been made as part of an anticipated merger with or acquisition of Clarity by another business of Mr Logan’s called Espire Health Philippines.<sup>73</sup> Moreover, there is certainly no document showing that interest had been agreed on any of these amounts.

---

<sup>71</sup> AEIC of Loganathan Ravishankar at p 414.

<sup>72</sup> AEIC of Loganathan Ravishankar at paras 48–50 and 55.

<sup>73</sup> AEIC of Loganathan Ravishankar at paras 45 and 169.

84 Secondly, there was no agreement on the part of Clarity to increase the interest rate payable by Clarity from 12.5% per annum on a simple basis to 2% per month on a compound basis.<sup>74</sup>

85 I consider that at most Dr Vas would have assumed liability as guarantor for what Clarity owed to Mr Logan. All that has been proved by Mr Logan is that Clarity borrowed US\$350,000 from Mr Logan at an interest rate of 12.5% per annum on a simple basis.

86 Turning back to Dr Vas’s guarantee,<sup>75</sup> it included the interest calculated up to 15 August 2017 which amounted to US\$38,281.22. It is payment of the principal US\$350,000 and accrued interest of US\$38,281.22 that Dr Vas guaranteed with his words “a personal guarantee to the full effect of repayment of the loan and the accrued interest”. This totalled US\$388,281.22 as of 15 August 2017. Dr Vas did not by these words guarantee Clarity’s payment of interest at the original rate of interest that might accrue after that date.

87 I do not accept that Dr Vas is liable by the terms of the guarantee for interest accruing thereafter. No mention is made in the guarantee of liability for interest that would accrue thereafter on the Clarity loan itself, and the interest provision that was included is, as I have noted, unenforceable because it purports to make the guarantor liable for a larger amount than the debtor.

88 Accordingly, pending the question of the application of the MLA, I hold that the damages payable to Mr Logan for Dr Vas’s failure to transfer the

---

<sup>74</sup> AEIC of Metupalle Vasanthan at p 28.

<sup>75</sup> AEIC of Loganathan Ravishankar at p 412.

MyDoc shares is US\$388,281.22. There remains a question of discretionary interest under the Civil Law Act on which I will hear parties separately.

***The application of the Moneylenders Act***

89 The objective of the MLA is to license and regulate the business of moneylending so as to protect ordinary people from being taken advantage of by unscrupulous persons charging exorbitant rates of interest. Accordingly, s 5 of the MLA imposes a licensing requirement on anyone who carries on the business of moneylending, other than an excluded or exempt moneylender.

90 Section 2 of the MLA defines a moneylender as follows:

“moneylender” means a person who, whether as principal or agent, carries on or holds himself out in any way as carrying on the business of moneylending, whether or not he carries on any other business, but does not include any excluded moneylender; ...

91 Section 3 of the MLA creates a presumption that anyone, other than an excluded moneylender, who lends money in consideration of a larger sum being repaid is a moneylender until the contrary is proved.

92 By s 14(2) of the MLA, any contract for a loan granted by an unlicensed moneylender, and any guarantee or security in respect of such a loan, is unenforceable and the money lent is not recoverable.

93 The statutory framework has been authoritatively explained by the Court of Appeal in *Sheagar s/o T M Veloo v Belfield International (Hong Kong) Ltd* [2014] 3 SLR 524 at [75], recapitulated as follows:

(a) To rely on s 14(2) of the MLA, the borrower must prove that the lender was an unlicensed moneylender;

- (b) If the borrower can establish that the lender has lent money in consideration for a higher sum being repaid, he may rely on the presumption contained in s 3 of the MLA to discharge his burden;
- (c) The burden then shifts to the lender to prove that he either does not carry on the business of moneylending or possesses a moneylending licence or is an exempt moneylender;
- (d) However, if there is an issue of whether the lender is an excluded moneylender, the legal burden of proving that the lender is not excluded falls on the borrower.

94 I accept that Dr Vas is entitled to rely on the presumption under s 3 of the MLA. The question then is whether Mr Logan has met his burden of showing that he does not carry on the business of moneylending. He has not suggested that he is licensed or is an exempt or excluded moneylender.

95 Mr Logan's evidence to prove that he does not carry on the business of moneylending is essentially that he is a businessman who invests in diverse industries through various companies in Singapore and in the region.<sup>76</sup> He does not offer loans generally, nor take applications for loans. He testified that he was an investor in Clarity and even involved in its operations from time to time. The documentary evidence supports the fact that Mr Logan was an investor in Clarity and that his original loan to Clarity was made in connection with that investment. Accordingly, he said that the Clarity loan was a legitimate commercial transaction and not part of any business of moneylending.

---

<sup>76</sup> AEIC of Loganathan Ravishankar at paras 164–169.

96 As stated by the Court of Appeal in *Donald McCarthy Trading Pte Ltd and others v Pankaj s/o Dhirajlal (trading as TopBottom Impex)* [2007] 2 SLR(R) 321 at [9], the provisions of the MLA are not intended to apply to transactions made at arm's length between commercial entities, and it has never been the objective of the MLA to prohibit or impede legitimate commercial dealings (see also *E C Investment Holding Pte Ltd v Ridout Residence Pte Ltd and another (Orion Oil Ltd and another, interveners)* [2011] 2 SLR 232 at [134]). Mr Logan's evidence that the Clarity loan was a legitimate commercial transaction was not substantially challenged, and I accept it. Accordingly, I hold that the presumption in s 3 of the MLA is rebutted and consequently s 14(2) of the MLA does not apply to the Clarity loan nor to Dr Vas's guarantee or the Logan Trust Deed.

### **Conclusion**

97 I give judgment to Mr Logan against Dr Vas in the sum of US\$388,281.22. All other claims and counterclaims are dismissed. I will hear parties on interest and costs.

Philip Jeyaretnam  
Judicial Commissioner

Lee Ming Hui Kelvin, Ong Xin Ying Samantha and Kikki Tan Zhi  
Yi (WNLEX LLC) for the plaintiffs;  
Lazarus Nicholas Philip and Elizabeth Toh Guek Li (Justicius Law  
Corporation) for the defendants.