

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

[2025] SGHC 75

Suit No 385 of 2022

Between

Castillon Security (S) Pte Ltd

... Plaintiff

And

Muhammad Shaun Eric bin
Abdullah (alias De Silva
Shaun Eric)

... Defendant

Counterclaim of the Defendant

Between

Muhammad Shaun Eric bin
Abdullah (alias De Silva
Shaun Eric)

... Plaintiff in Counterclaim

And

- (1) Castillon Security (S) Pte Ltd
- (2) Edward John Howard
Devereux

... Defendants in Counterclaim

GROUNDS OF DECISION

[Contract — Contractual terms]

[Employment Law — Contract of service — Termination without notice]

[Employment Law — Unfair dismissal]

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Castillon Security (S) Pte Ltd
v
Muhammad Shaun Eric bin Abdullah (alias De Silva Shaun Eric)

[2025] SGHC 75

General Division of the High Court — Suit No 385 of 2022

Andre Maniam J

30 September, 1, 2 October, 2 December 2024; 8 January 2025

25 April 2025

Andre Maniam J:

Introduction

1 The plaintiff (“Castillon”) employed the defendant (“Mr Eric”) as its Business Development/Operations Director with effect from 1 April 2015,¹ until he was summarily dismissed on 9 March 2021.² Castillon was in the business of providing security services, and Mr Eric was employed to run Castillon’s “Events” security business.³ This suit involved the parties’ claims and counterclaims arising out of that employment relationship.

¹ Statement of Claim (Amendment No 2) dated 21 August 2023 (“SOC”) at para 2.

² SOC at para 3A.

³ SOC at paras 1 and 3.

2 On 8 January 2025, I gave oral judgment in the matter. After the parties filed submissions on costs, I gave my decision on costs on 12 March 2025. Castillon has since applied for an extension of time to appeal against my judgment of 8 January 2025, in so far as I decided against Castillon. These are my written grounds of decision.

Background

3 The terms governing Mr Eric’s employment were contained in a Letter of Appointment dated 1 April 2015 (the “Letter of Appointment”).⁴ By way of an Addendum to this Letter of Appointment (the “Addendum”),⁵ the parties agreed that the gross operational profit of the “Events” security business would be apportioned as follows:

- (a) initially, 65% to Castillon, 35% to Mr Eric; and
- (b) from 1 January 2017, 60% to Castillon, 40% to Mr Eric.⁶

4 Separately, on or about May 2019, Mr Eric bought 5% of the shares of Spearpoint Security Group Pte Ltd (“Spearpoint”) from one Mr Edward Devereux (“Mr Devereux”).⁷ Spearpoint was the majority shareholder of Castillon; Mr Devereux was a director of Castillon, and the chairman and

⁴ SOC at para 2; Affidavit of Evidence in Chief (“AEIC”) of Edward John Howard Devereux dated 21 March 2024 (“Mr Devereux’s AEIC”) at pp 65–74.

⁵ Mr Devereux’s AEIC at p 74; Plaintiff’s Core Bundle dated 23 September 2024 (“PCB”) at p 31.

⁶ Mr Devereux’s AEIC at para 63.

⁷ Mr Devereux’s AEIC at paras 150–151.

majority shareholder of Spearpoint.⁸ On 25 November 2019, the shareholders of Spearpoint, including Mr Eric and Mr Devereux, entered into a Shareholder’s Agreement (“Spearpoint SHA”).⁹ After Mr Eric’s summary dismissal from Castillon, Mr Devereux sought to enforce his rights under the Spearpoint SHA to reacquire Mr Eric’s shares on the basis that Mr Eric had breached the Spearpoint SHA.

Parties’ claims

5 Castillon said that in March 2021, it discovered that it had mistakenly overpaid Mr Eric under the profit-sharing arrangement, because it had included a portion of two government grants received by it from 2016 to 2020.¹⁰ These were grants under the Wage Credit Scheme (the “WCS grants”), and the Special Employment Credit under the Special Employment Scheme (the “SEC grants”).

6 Castillon sued Mr Eric in June 2021 for the return of a sum of \$111,550.12 that it had supposedly overpaid,¹¹ and for a further sum of \$14,946.97, being Mr Eric’s share of loss for the period from 1 January to 9 March 2021 (the date of Mr Eric’s dismissal).¹²

7 Mr Eric disputed Castillon’s claim for the return of \$111,550.12 – he said that Castillon made no mistake in paying that sum, as he was entitled to the

⁸ Defence and Counterclaim (Amendment No 2) dated 10 July 2023 (“D&CC”) at para 3; Reply and Defence to Counterclaim (Amendment No 2) dated 24 July 2023 (“RD&CC”) at para 4.

⁹ Mr Devereux’s AEIC at para 154.

¹⁰ SOC at para 4.

¹¹ SOC at para 4.

¹² SOC at para 5.

relevant apportioned amounts of the WCS and SEC grants that Castillon had received.¹³

8 In his defence, Mr Eric denied the claim for \$14,946.97.¹⁴ However, he later admitted liability for this sum in an email dated 21 August 2024 from his lawyers, as mentioned by the plaintiff’s counsel during a case conference on 21 August 2024, to which Mr Eric’s counsel did not object. Thereafter, this claim was not addressed in the defendant’s closing submissions.

9 Mr Eric counterclaimed:

(a) \$901,765.272 “being the estimated sum of [further government grants] due and owing by [Castillon] to [Mr Eric]”, and interest thereon;¹⁵

(b) \$31,271.62 being loss Mr Eric incurred in relation to the aborted purchase of a property (which he had committed to in reliance on alleged promises that he would be paid the aforesaid sums in (a)), and interest thereon;¹⁶

(c) damages in respect of the alleged wrongful and unlawful termination of Mr Eric’s employment,¹⁷ for which Mr Eric sought \$22,000 – the value of two months’ salary in lieu of notice;¹⁸ and

¹³ D&CC at para 7A.

¹⁴ D&CC at para 8.

¹⁵ D&CC, Prayers 1–2.

¹⁶ D&CC, Prayers 3–4.

¹⁷ D&CC, Prayer 5.

¹⁸ Defendant’s Closing Submissions dated 2 December 2024 (“DCS”) at para 16.

(d) damages in respect of an unlawful means conspiracy involving Castillon and Mr Devereux, and in the alternative, a declaration in relation to Mr Devereux’s buyback of Mr Eric’s Spearpoint shares under the Spearpoint SHA.¹⁹

10 Mr Eric made Mr Devereux the second defendant to his counterclaim, and claimed against him the same reliefs that Mr Eric claimed against Castillon, except the claim for wrongful and unlawful termination.

Summary of decision

11 I found as follows:

(a) I allowed Castillon’s claim for \$14,946.97, being Mr Eric’s share of loss for the period from 1 January to 9 March 2021, as it had been admitted by Mr Eric (see [8] above).

(b) I dismissed Castillon’s claim for the return of \$111,550.12 paid to Mr Eric in relation to the WCS and SEC grants. I found that Mr Eric was entitled to have those grants included in the profit-sharing arrangement, and Castillon made no mistake in paying that sum to him.

(c) I allowed Mr Eric’s claim in respect of further government grants that Castillon ought to have included in the profit-sharing arrangement, for which Castillon was to pay Mr Eric the following:

(i) \$737,793.44 in relation to grants under the Job Support Scheme (the “JSS grants”);

¹⁹ D&CC, Prayer 6.

- (ii) \$305.10 in relation to further WCS grants; and
- (iii) \$13,645.70 in relation to further SEC grants.
- (d) I dismissed Mr Eric's claim for \$31,271.62 as loss incurred in relation to the aborted purchase of a property.
- (e) I dismissed Mr Eric's claim for damages for wrongful and unlawful termination of employment.
- (f) I dismissed Mr Eric's claim for conspiracy, and his alternative claim for a declaration regarding the buyback of his Spearpoint shares under the Spearpoint SHA.
- (g) Accordingly, I dismissed all of Mr Eric's claims against Mr Devereux. It was only Castillon that was liable to make further payments to Mr Eric pursuant to the profit-sharing arrangement (see (c) above), less the sum that Castillon was entitled to recover from Mr Eric (under (a) above).

12 I elaborate below on points (b) to (g) in the preceding paragraph.

Findings

Castillon's claim for \$111,550.12 paid to Mr Eric in relation to the WCS and SEC grants

13 The Addendum stated, among other things:²⁰

The gross operational profit hence derived from revenues less total operational costs will be apportioned as follows:

²⁰ PCB at p 31.

The Company: 65 percent.

Shaun Eric: 35 percent.

This percentage split may be reviewed after one year depending on the development of the event security business volume.

14 The profit-sharing ratio was adjusted from 65:35 to 60:40 in January 2017.²¹ To give effect to the profit-sharing arrangement, Castillon produced separate profit-and-loss statements for its “Static” division, and its “Events” division (the “Events P&L”);²² Mr Eric’s profit share was based on the Events P&L.²³ The payments that Castillon sought to recover in relation to the WCS and SEC grants were recorded in the Events P&L.

15 Castillon put forward the expert opinion of Mr R S Ramasamy (“Mr Ramasamy”), a chartered accountant. In his report, Mr Ramasamy relied on the Financial Reporting Standards 20 (“FRS 20”), which set out accounting standards in relation to government grants.²⁴ Those standards were prescribed by the Accounting Standards Committee under the Accounting and Corporate Regulatory Authority, and applied to the preparation of general purpose financial statements.²⁵ According to Mr Ramasamy, Castillon had a choice under the FRS 20 whether to reflect government grants in its accounts as “other income” or as a set-off against related wage expenses.²⁶ Castillon chose to

²¹ Mr Devereux’s AEIC at para 63.

²² AEIC of Wong Yin Lai dated 21 March 2024 (“Ms Wong’s AEIC”) at paras 31–32.

²³ Plaintiff’s Closing Submissions dated 8 November 2024 (“PCS”) at para 20.

²⁴ AEIC of R S Ramasamy dated 21 March 2024 (“Mr Ramasamy’s AEIC”) at para 2.2.13.

²⁵ Mr Ramasamy’s AEIC at paras 2.2.3–2.2.4.

²⁶ Mr Ramasamy’s AEIC at paras 2.2.21–2.2.29.

reflect the grants as “other income” in its financial statements.²⁷ However, Mr Ramasamy declined to comment on whether this meant that the grants should be excluded from the profit-sharing arrangement, stating that this was an issue for the court to decide.²⁸

16 Castillon’s entitlement to the grants in question was based on the employment of its employees (who satisfied the criteria for the grants).²⁹ Upon request, the relevant government authorities could provide a breakdown attributing the grants given, to individual employees. Castillon obtained such a breakdown in respect of Mr Eric’s claim regarding the JSS, but was too late to obtain such a breakdown in respect of Mr Eric’s claim for apportioned shares of the WCS and SEC grants that had not been paid to him.³⁰

17 The sum of \$111,550.12 that Castillon sought to recover was based on an apportionment of WCS and SEC grants to the Events division,³¹ based on the employees in the Events division for whom the grants were given.

18 However Castillon chose to reflect the grants in its accounts, for the purposes of the profit-sharing arrangement I considered that the grants – all of which were given because of the employees Castillon employed – ought properly to be apportioned between the Events division and the Static division. Castillon’s position that it need not apportion any grants to the Events division meant that the whole value of the grants (including what was given because of

²⁷ Mr Ramasamy’s AEIC at para 2.3.4, p 33.

²⁸ Mr Ramasamy’s AEIC at paras 2.3.18, 2.4.2.

²⁹ Mr Ramasamy’s AEIC at paras 2.1.6, 2.1.8.

³⁰ PCS at para 224.

³¹ PCS at para 23.

employees in the Events division) would go to the Static division. That would have understated the performance of the Events division, and overstated the performance of the Static division. This would go against the parties’ agreement and intention to split the profit of the Events division in an agreed proportion,³² because that profit would be understated if the grants were not apportioned appropriately. To take an extreme example, if all of the employees whose employment entitled Castillon to a particular government grant were employed in the Events division, Castillon’s position would mean that *none* of that grant would be apportioned to the Events division; instead, the whole of that grant would be credited to the Static division, even though none of the relevant employees were in the Static division. If that were done, the profit-sharing arrangement would then be based on an incorrect assessment of the financial performance of the Events division.

19 Mr Ramasamy’s opinion was that “revenues” in accounting terms would not include “other income” like government grants.³³ In my view, even if the term “revenues” in the Addendum were interpreted in that manner, the grants should still be regarded as offsetting “total operational costs” within the Addendum, so as to derive the “gross operational profit” of the Events division that would be shared between Castillon and Mr Eric. Castillon was free to reflect the grants in its accounts as “other income”, and use the money from the grants as it wished. However, Castillon could not override its contractual agreement with Mr Eric in the Addendum. To give effect to that agreement, even if the grants were not regarded as “revenues”, they were properly regarded as

³² PCB at p 31.

³³ Mr Ramasamy’s AEIC at paras 2.3.6–2.3.12.

offsetting wages, and thus reducing total operational costs and increasing gross operational profit of the Events division.

20 I thus dismissed Castillon’s claim for the return of the \$111,550.12 paid to Mr Eric in relation to the WCS and SEC grants. Those payments were Mr Eric’s entitlement, and not mistaken payments by Castillon.

Mr Eric’s claim in respect of further government grants

21 It followed that in so far as Castillon received further government grants (whether JSS grants, WCS grants, or SEC grants) which it did not apportion appropriately between the Events division and the Static division, Mr Eric was, in principle, entitled to claim for the shortfall in what he should have received under the profit-sharing arrangement. Indeed, Mr Eric’s first prayer for relief sought “[t]he sum of S\$901,765.272, being the estimated sum of Government Payouts due and owing by the Plaintiff to the Defendant”.³⁴

22 Castillon, however, raised a pleading objection – that Mr Eric’s claim to those further government grants was not based on his entitlement to payment under the profit-sharing arrangement, but was instead based on different grounds.

23 There was no controversy about Mr Eric’s defence to Castillon’s claim for the return of \$111,550.12 paid in relation to the WCS grants and the SEC grants. Mr Eric denied that the sum was mistakenly paid, and pleaded that he was “entitled to that payment”.³⁵ However, in asserting his claim for payment in

³⁴ D&CC, Prayer 1.

³⁵ D&CC at para 7.

relation to further government grants, Mr Eric did not simply say the same: that he was entitled to payment under the profit-sharing arrangement. Instead, his claim was made under the heading “misleading representations leading to loss”.³⁶ Mr Eric pleaded that Mr Devereux had made various representations that he would be paid a proportionate share of those further grants, and that he had reasonably relied on those representations to his detriment and thereby suffered loss. The particulars of the loss he suffered in this regard only pertained to his aborted purchase of a property – specifically, the loss of his deposit and conveyancing fees totalling \$31,271.62.³⁷

24 I was nevertheless satisfied that Mr Eric had pleaded entitlement to payment in respect of the further government grants. He pleaded:

(a) that Mr Devereux represented that “the Plaintiff would pay to the Defendant the proportionate accrued amount, in accordance with the Addendum Arrangement, of the monies disbursed by the relevant authorities to the Plaintiff under the Job Support Scheme (the “JSS Scheme”) (the “JSS Sum”), the Wage Credit Scheme and the Special Employment Scheme”;³⁸ and

(b) that “the Plaintiff paid out tranches of the payments received by the Plaintiff under the aforesaid schemes to the Defendant in accordance with his apportionment under the Addendum Arrangement”.³⁹

³⁶ D&CC at para 10.

³⁷ D&CC at para 10(o).

³⁸ D&CC at para 10.

³⁹ D&CC at para 10(d).

25 Castillon responded to the latter point in its Reply and Defence to Counterclaim, stating:⁴⁰ “The Plaintiffs deny that payments received by them under the various government grants formed part of payments due to the Defendant under the Addendum. The payments made to him comprising part of the Wage Credit Scheme and the Special Employment Scheme were made by mistake.” Castillon evidently understood that Mr Eric was asserting a case of entitlement to be paid under the Addendum in respect of the various government grants, and so it *denied* that.

26 Mr Eric’s claim to payment in respect of the further government grants must also be viewed in light of his defence to Castillon’s claim for mistaken payment – two of the three grants in respect of which Mr Eric was seeking payment, the WCS and SEC grants, were the same grants in respect of which Castillon was seeking to recover payment. Mr Eric had already asserted in his Defence that he was entitled to an apportioned share of these grants under the Addendum.⁴¹

27 I thus regarded Mr Eric’s allegations about representations by Mr Devereux, as allegations that Mr Devereux told him he would be paid what he *was entitled to*, rather than Mr Devereux promising Mr Eric something that he would otherwise *not* be entitled to. This reading was consistent with Mr Eric’s prayer for relief for what was “due and owing by the Plaintiff to the Defendant”.⁴²

⁴⁰ RD&CC at para 11(d).

⁴¹ D&CC at para 7.

⁴² D&CC, Prayer 1.

28 In any event, I would have allowed Mr Eric to assert a case based on entitlement, as parties had engaged at trial with the issue of whether government grants paid based on the employment of employees should be taken into account for the profit-sharing arrangement (see *How Weng Fan and others v Sengkang Town Council and other appeals* [2023] 2 SLR 235 at [29(b)]).⁴³ Moreover, it would have been unjust not to allow Mr Eric to make this claim, given that his defence in relation to the WCS and SEC grants involved the same issue (see *V Nithia (co-administratrix of the estate of Ponnusamy Sivapakiam, deceased) v Buthmanaban s/o Vaithilingam and another* [2015] 5 SLR 1422 at [40]).

29 In relation to quantum, I accepted Castillon’s submission that the correct figure in respect of the JSS grants was \$737,793.44,⁴⁴ and not \$885,029.67 as put forward by Mr Eric.⁴⁵ Castillon’s figure was based on a breakdown from the government authorities, with the amount apportioned to the Events division based on the employees in that division.⁴⁶ Mr Eric’s figure, on the other hand, was based on calculations done by his previous accounts staff, Ms May Ong,⁴⁷ who was not called as a witness. Castillon’s figure in respect of the JSS grants was 83.36% of what Mr Eric had claimed in that regard.

30 Mr Eric claimed \$366 for the WCS grants and \$16,369.60 for the SEC grants. By the time Castillon sought to obtain a breakdown from the government

⁴³ Transcript dated 30 September 2024 at p 17, lines 23–31; p 19, lines 11–20; Transcript dated 1 October 2024 at p 4, lines 16–19, p 8, lines 8–10; Transcript dated 2 October 2024 at p 129, lines 15–23.

⁴⁴ PCS at para 224.

⁴⁵ AEIC of Shaun Eric dated 21 March 2024 (“Mr Eric’s AEIC”) at para 46.

⁴⁶ Ms Wong’s AEIC at paras 38–40; Transcript dated 1 October 2024 at p 61, line 17 to p 62, line 7.

⁴⁷ Transcript dated 2 October 2024 at p 108, lines 15–16.

authorities, the authorities were no longer providing such a breakdowns. However, Castillon would have known the basis on which the WCS and SEC grants were given, which employees entitled it to those grants, and their relevant details. Castillon should thus have been able to work out the amount of the WCS and SEC grants that should have been apportioned to the Events division. As such, I did not accept Castillon's assertion that it could not provide actual calculations of these.⁴⁸ Having said that, Mr Eric could have sought the necessary information or documents from Castillon, but he did not do so.

31 In the circumstances, on the evidence before the court, I reduced Mr Eric's claim in respect of the WCS and SEC grants by the same extent as I reduced his claim for the JSS, and allowed 83.36% of what he had claimed. This resulted in a figure of \$305.10 for the WCS grants and \$13,645.70 for the SEC grants.

32 Castillon was thus to pay Mr Eric \$737,793.44 in respect of the JSS grants, \$305.10 in respect of the WCS grants, and \$13,645.70 in respect of the SEC grants, totalling \$751,744.24. This was to be set-off against the sum of \$14,946.97, being Mr Eric's admitted share of loss for the period from 1 January to 9 March 2021, leaving a balance of \$736,797.27. Castillon was also to pay Mr Eric interest on the sum of \$736,797.27, at 5.33% per annum from 20 July 2021 (the date of the defence) to judgment on 8 January 2025.

33 For avoidance of doubt, only Castillon (and not Mr Devereux) was liable to Mr Eric for the payments in respect of the JSS, WCS, and SEC grants. This was a contractual matter between Castillon and Mr Eric; Mr Devereux was not

⁴⁸ PCS at para 224.

a party to the contract. I also found that Mr Eric had not established any viable basis for Mr Devereux to be liable to him for such payments:

(a) Mr Eric’s “misrepresentation” case against Mr Devereux did not involve factual representations, but rather *promises* that Castillon would pay Mr Eric what was due to him – indeed, Mr Eric’s closing submissions referred to Mr Devereux’s “promise”.⁴⁹ Mr Eric had not put forward a cause of action that would make Mr Devereux personally liable, alongside Castillon, even if he *had* made such promises.

(b) Mr Eric claimed that Mr Devereux made those promises (or representations) “innocently, negligently and/or fraudulently”, but did not explain how, if Mr Devereux acted innocently, he would be liable; and I did not find Mr Devereux to have acted negligently or fraudulently.

(c) On the evidence, I did not accept that Mr Devereux made the promises (or representations) alleged by Mr Eric.

Mr Eric’s claim for \$31,271.62 as loss he incurred in relation to the aborted purchase of a property

34 Mr Eric’s claim in relation to the aborted purchase of a property, was based on his “misrepresentation” claim,⁵⁰ and consequently failed.

35 Moreover, Mr Eric’s claim in relation to the property was internally flawed, and contradicted by the evidence. The premise of Mr Eric’s claim was that he gave up the deposit and lost conveyancing fees because Castillon did not

⁴⁹ DCS at para 28.

⁵⁰ D&CC at para 10.

pay him a share of the further government grants, contrary to what Mr Devereux had promised him.⁵¹ However, what Mr Eric pleaded in his Counterclaim was that “with the sudden termination of his employment, he would have lost his primary source of income and hence he was unable to take on the financial burden of the Property and hence, took the initiative to not complete the purchase of the Property”.⁵² He further stated that when he “learnt from Ted about his summary dismissal, which coincided with the timing for the payment of the balance of the 9% due under the Option, he had to immediately withdraw from the contract to purchase the Property”.⁵³

36 In other words, it was the termination of Mr Eric’s employment, and *not* the non-payment of a share of further government grants, that caused him to give up the deposit and lose the conveyancing fees. Put another way, even if Mr Eric had been paid his share of the further government grants, he would still have abandoned his purchase of the property when he was summarily dismissed. There was thus no causal nexus between the loss Mr Eric claimed, and the “misrepresentations” he alleged Mr Devereux to have made.

37 Further, the evidence was that Mr Eric’s expectation of payment did not arise from Mr Devereux’s alleged “misrepresentations”; rather, he was expecting to be paid because he had already been paid a share of the earlier government grants – this was highlighted by Mr Eric himself, in his closing submissions.⁵⁴ The evidence did not support a finding that Mr Eric purchased the property because of Mr Devereux’s alleged “misrepresentations”. Rather, it

⁵¹ D&CC at paras 10, 10(q).

⁵² D&CC at para 10(p).

⁵³ D&CC at para 10(q).

⁵⁴ DCS at paras 25–28.

showed that Mr Eric purchased the property because he was *all along* expecting to be paid a share of the further government grants *and*, moreover, because he was expecting his employment to continue. When his employment was terminated, he decided not to proceed with the purchase.

38 Mr Eric’s claim for loss from the aborted purchase of a property was thus dismissed.

Mr Eric’s claim for damages for wrongful and unlawful termination of employment

39 Castillon sought to justify its termination of Mr Eric’s employment on the basis of multiple incidents – for which Mr Eric was directly or indirectly responsible⁵⁵ – where notice had not been given to the Police Licensing and Regulatory Department prior to Castillon’s employment of private security officers.⁵⁶ Such notice was a requirement under s 16 of the Private Security Industry Act 2007 (2020 Rev Ed).

40 Castillon argued that the incidents constituted clear breaches of terms of the Letter of Appointment, which entitled it to dismiss Mr Eric summarily.⁵⁷ The relevant clauses of the Letter of Appointment read as follows:⁵⁸

2.1 During your contract employment period, you shall at all times:-

2.1.1 Faithfully and diligently perform those duties and exercise such powers consistent with them which are from time to time assigned to or vested in you;

⁵⁵ Transcript dated 2 October 2024 at p 5, lines 9–12; p 6, lines 7–14.

⁵⁶ PCS at para 105.

⁵⁷ PCS at paras 117–118.

⁵⁸ Mr Devereux’s AEIC at pp 65–66.

2.1.2 Obey all lawful and reasonable directions of your superiors;

2.1.3 Use your best endeavours to promote the interests of the Company;

2.1.4 Not at any time make any untrue or misleading statements relating to the Company.

...

4.2 In the event of any breach of contract terms, you can be terminated from [sic] the contract without **notice** and you will not be entitled for any claim whatsoever.

...

4.4 However, in the event that the Company finds that you are incompetent, have not met your Key Performance Indicators (KPIs) is guilty of insubordination and/or of other serious misconduct or persistent unpunctuality, neglect of duty or breach of any regulation/s made by the Company, verbal instructions of the General Manager or upon breach of any of the provisions hereof, the Company will be entitled to dismiss you summarily without notice.

[emphasis in original]

41 Mr Eric did not dispute the facts mentioned at [39] above.⁵⁹ Instead, he suggested that if Castillon were indeed concerned about compliance issues, it would have terminated him earlier, and not only when he had fallen ill and the Events division had started incurring losses.⁶⁰

42 The question remained whether Castillon was entitled to terminate Mr Eric for the incidents in question: if so, the mere fact that Castillon had not terminated Mr Eric for the earlier incidents did not prevent Castillon from terminating him when *all* the incidents were considered. Moreover, as Castillon had pointed out, the incidents before 2020 were relatively minor and Mr Eric

⁵⁹ See transcript dated 2 October 2024 at p 3, line 19 to p 23, line 25.

⁶⁰ DCS at para 14.

had agreed to address the problem;⁶¹ but the incidents continued and became more frequent.⁶² Thus, Mr Eric could not count on Castillon’s continued leniency.

43 On the evidence, I found that Mr Eric had breached the terms of his Letter of Appointment. Accordingly, Castillon was entitled to terminate Mr Eric’s employment summarily, pursuant to clauses 4.2 and 4.4 of the Letter of Appointment.

Mr Eric’s claim for conspiracy, and in the alternative, a declaration regarding the buyback of his shares in Spearpoint

44 As Castillon’s summary termination of Mr Eric’s employment was justified, Mr Eric’s claim for unlawful means conspiracy, which was premised on the summary termination being unlawful, consequently failed.

45 Moreover, the alleged conspiracy was between Castillon and Mr Devereux – a director of Castillon – regarding an act of Castillon’s (the summary termination of Mr Eric’s employment). As Castillon had pointed out,⁶³ in those circumstances, Mr Eric had to plead and prove that Mr Devereux had acted in breach of his duties to Castillon. Mr Eric failed to do so. As such, the rule in *Said v Butt* [1920] 2 KB 497 applied to exclude Mr Devereux from liability. In any event, the evidence did not support a finding that Mr Devereux had acted in breach of his duties to Castillon – it did not show that Mr Devereux acted otherwise than in what he considered to be the best interests of Castillon.

⁶¹ PCS at para 116.

⁶² Transcript dated 2 October 2024 at p 19, lines 29–23; p 23, lines 10–25.

⁶³ PCS at para 240.

46 Given the circumstances that led to the termination of Mr Eric’s employment with Castillon, I found that Mr Devereux was justified in regarding Mr Eric as a “Defaulter” under the SHA, for the purpose of entitling Mr Devereux to buy back Mr Eric’s shares in Spearpoint. Clauses 9.1 and 9.2 of the SHA entitled a non-defaulting party to terminate the agreement and purchase the shares of a defaulting party (the “Defaulter”) at a discounted price, in the event that the Defaulter was in material breach of its obligations under the SHA, and had failed to remedy the breach within 90 days upon receipt of a notice giving particulars of said breach.⁶⁴

47 Clause 6.1 of the SHA provided:⁶⁵

6.1 The Business of the Company shall be conducted in the best interests of the Company on sound commercial and ethical principles.

48 Clause 1 of the SHA defined “Business” as “the business of investment holding, security consulting, conducting security audits and risk assessments, and selling security equipment”, and listed Castillon among the “Strategic Subsidiaries and Associates” of Spearpoint.⁶⁶

49 Mr Devereux was entitled to regard Mr Eric’s conduct in relation to Castillon (which justified his summary dismissal) as being a contravention of Mr Eric’s obligations under the SHA, to conduct the “Business” of Spearpoint (including its holding of a majority interest in Castillon) in the best interests of Spearpoint, on sound commercial and ethical principles. Mr Eric did not address this argument in his closing submissions, save to say that he disputed his

⁶⁴ PCB at p 81.

⁶⁵ PCB at p 77.

⁶⁶ PCB at pp 69–70.

summary dismissal,⁶⁷ a point which I had already decided against him (at [43] above).

50 I thus dismissed Mr Eric's claim for conspiracy, as well as his alternative claim for a declaration regarding the buyback of his shares in Spearpoint.

Mr Eric's claims against Mr Devereux

51 For the above reasons, Mr Eric's claims against Mr Devereux were dismissed. It was only Castillon that was liable to make further payments to Mr Eric, pursuant to the profit-sharing arrangement.

Conclusion

52 In summary:

- (a) Castillon's claim for \$14,946.97 being Mr Eric's admitted share of loss for 1 January to 9 March 2021 was allowed.
- (b) Castillon's claim for the return of \$111,550.12 paid to Mr Eric in relation to the WCS and SEC grants was dismissed.
- (c) Mr Eric's claim in respect of further government grants was allowed in the total sum of \$751,744.24. This was to be set-off against the sum of \$14,946.97 under (a) above, leaving a balance of \$736,797.27.

⁶⁷ DCS at para 14.

- (d) Castillon was to pay Mr Eric interest on that sum of \$736,797.27 at 5.33% per annum from 20 July 2021 (the date of the Defence) to judgment on 8 January 2025.
- (e) Mr Eric's claim for \$31,271.62 as loss he incurred in relation to the aborted purchase of a property was dismissed.
- (f) Mr Eric's claim for damages for wrongful and unlawful termination of employment was dismissed.
- (g) Mr Eric's claim for conspiracy, alternatively a declaration regarding the buyback of his shares in Spearpoint, was dismissed.
- (h) Accordingly, Mr Eric's claims against Mr Devereux were dismissed.

Postscript on costs

53 When I gave judgment on 8 January 2025, I directed that unless the parties could agree on costs by 24 January 2025, they should file their costs submissions by 7 February 2025. In the event, the parties were unable to agree on costs, and duly filed their costs submissions. On 12 March 2025, I gave my decision on costs, as set out below.

54 Castillon and Mr Devereux contended as follows:

- (a) Mr Devereux had succeeded entirely, and was entitled to costs from Mr Eric. He sought \$110,000 in costs, plus disbursements.⁶⁸

⁶⁸ Plaintiff's Costs Submissions dated 7 February 2025 ("Plaintiff's Costs Submissions") at paras 16 and 21.

(b) As between Castillon and Mr Eric, Mr Eric was the successful party given that he obtained judgment for \$736,797.27 (plus interest), even though he had not succeeded on the remaining issues. He should only be entitled to 30% of his costs as against Castillon, *ie*, \$33,000, based on the same sum of \$110,000 suggested above, plus disbursements.⁶⁹

55 Mr Eric said that nothing was really pursued at trial and in his affidavit of evidence-in-chief about Mr Devereux being liable, and that – even if the claims were only against Castillon – Mr Devereux would have been a principal witness.⁷⁰ He suggested that his costs be reduced by 20%, with a baseline of \$138,000, which would thus be reduced to \$110,400; in addition, Mr Eric claimed \$7,000 in disbursements (excluding a disbursement of \$22,500 for the valuation of his shares in Spearpoint, which he did not seek to recover as his claim in relation to those shares was dismissed).⁷¹ Mr Eric submitted that if the court decided that he should pay Mr Devereux costs, the court should only award the sum at the lowest scale at the pre-trial stage, before new solicitors were appointed by him.⁷²

56 As Castillon and Mr Devereux were jointly represented, if they had succeeded completely against Mr Eric, they would not have been awarded two sets of costs. That is, however, what their costs submissions implied, in seeking

⁶⁹ Plaintiff's Costs Submissions at paras 11, 15 and 21.

⁷⁰ Defendant's Costs Submissions dated 7 February 2025 ("Defendant's Costs Submissions") at para 6.

⁷¹ Defendant's Costs Submissions at paras 7 and 10.

⁷² Defendant's Costs Submissions at para 12.

\$110,000 for Mr Devereux's costs,⁷³ and in suggesting that a further \$110,000 (discounted to \$33,000) be awarded to Mr Eric as against Castillon.⁷⁴

57 As the court observed in *Mah Kiat Seng v Attorney-General and others* [2024] 5 SLR 1206 at [20]:

At this point, the joint representation of the defendants is material. Ultimately, there is one total set of costs incurred by the defendants which should be apportioned among them. Otherwise, there is a risk of double counting and of litigants being awarded more costs than actually incurred. By way of example, the same lawyers were in court for the trial for all defendants. If the case had been entirely dismissed, the defendants could not each ask for the time of the same lawyers being in court.

58 I thus evaluated costs by looking at how Mr Eric (on the one hand) had fared against Castillon and Mr Devereux (on the other hand). Overall, Mr Eric was the successful party: he obtained judgment for the net sum of \$736,797.27 (plus interest), and successfully resisted Castillon's claim for the return of \$111,550.12 (plus interest). For the aspects that Mr Eric had failed against Castillon and/or Mr Devereux, I reduced his costs by 30%.

59 I based my costs award to Mr Eric on the following:

- (a) for pre-trial work, \$45,000 (Castillon suggested \$55,000, Mr Eric suggested \$70,000);
- (b) for the trial, \$9,000 per day for 3 days (Castillon suggested \$10,000, within the guidance range of \$6,000 to \$16,000 per day);

⁷³ Plaintiff's Costs Submissions at para 21.

⁷⁴ Plaintiff's Costs Submissions at para 21.

- (c) for post-trial work, \$5,000 (Castillon suggested \$30,000, Mr Eric suggested \$20,000).

60 The above sums totalled \$77,000. I added to that the \$7,000 claimed for disbursements by Mr Eric,⁷⁵ bringing the total to \$84,000. A 30% reduction from that sum of \$84,000 resulted in the figure of \$58,800, and that is what I ordered Castillon to pay Mr Eric.

61 I made no order as to costs as between Mr Eric and Mr Devereux. Although Mr Eric failed in his counterclaim against Mr Devereux, what he claimed against Mr Devereux in the counterclaim was also claimed against Castillon, and Castillon and Mr Devereux collectively defended those claims. I accounted for Mr Eric's relative success or failure overall, by reducing the costs that Castillon was to pay Mr Eric.

62 In summary:

- (a) Castillon was to pay Mr Eric costs of \$58,800; and
- (b) I made no order as to costs as between Mr Eric and Mr Devereux.

Andre Maniam
Judge of the High Court

⁷⁵ Defendant's Costs Submissions at para 8.

George Pereira Barnabas and Chan Chee Yun Timothy (Pereira & Tan LLC) for the plaintiff, and the defendants in the counterclaim;
Rajwin Singh Sandhu (Rajwin & Yong LLP) for the defendant, and
the plaintiff in the counterclaim.
