

**IN THE COUNTY COURT AT WANDSWORTH**

Case No: B7QZ4Y54

76-78 Upper Richmond Road  
London, SW15 2SU

Date: 3<sup>rd</sup> April 2017

**Before:**

**DEPUTY DISTRICT JUDGE PAUL**

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**Between:**

**WEALTH TRAINING COMPANY LLP**

**Claimant**

**- and -**

**(1) ZINEB LALAOUINE**  
**(2) KHADIDJA CHOUIT**

**Defendants**

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**MR. MICHAEL SMITH** (instructed by **Pothecary Witham Weld Solicitors**) for the  
**Claimant**

**MS. STEPHANIE WOOKEY** (instructed by **Ronald Fletcher Baker Solicitors**) for the  
**Defendant**

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**Approved Judgment**

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**DEPUTY DISTRICT JUDGE PAUL:**

1. This is a claim brought by Wealth Training Company LLP against the two Defendants, who are Ms. Lalalouine and Ms. Chouit. The claim form as initially presented alleged that the two Defendants were jointly enrolled on to an elite financial programme and that they failed to make further payments. The sum claimed is £8,450. The defence to that is, on the pleaded Defence, whether or not there was any contract entered into and if there was whether or not it is vitiated by misrepresentations which were fundamental, which entitled the contract to be rescinded. That provides the basis of the counterclaim, which is set out in the sum of £3,000. I am not sure quite what that figure is made up of because of some issue on the receipts.
2. Let me deal with the background to this as I understand it from the evidence I have heard. Some time in November 2014 either one or both Defendants attended a seminar that was directed towards people who were presumably looking at ways to invest, and at that seminar they were made aware of the existence of a company called Wealth Training. Indeed they learnt during that course that if they were to attend a two day course hosted by Mr. Winters they would learn more about the nature of the business that was involved and how it might benefit them. A sum was paid for both Defendants to attend the course. I have heard that for various reasons they were not able to attend a course until March, and one of the things that was uppermost it seems in their minds was that this would be the last course being run by Mr. Winters' company.
3. So it was on the weekend of 28<sup>th</sup>-29<sup>th</sup> March they attended the two-day seminar which took place at the company headquarters, I think I London, S.E.1, during the course of which they received a variety of presentations in relation to what the core activities of the company were and also, which was included, how they would benefit from it, and also invitations to sign up for the company. So it was that a single document was filled in by Ms. Lalalouine on 29<sup>th</sup> March but as a result of discussions with the Claimant's witness, Ms. Valujeva, it appears that agreement was reached or might have been reached for them to sign up as a pair and for the payments to be staggered. So it was that the alleged agreement or claimed agreement, this amended application form was completed on 29<sup>th</sup> March. On the back of it were terms and conditions relating to the apprentice programme. I shall come back to that in a moment.
4. There was a follow-up event on 4<sup>th</sup> April, which I think as I understand it was a two hour session which should have been available as part of the pre-course preparation but did not take place, which was conducted on 4<sup>th</sup> April. Following that they went to a further part of the training on 8<sup>th</sup> April, which they were led to believe would be their first session with Dan Winters. But he was not present and as I understand it there were about four people present at this office where some kind of presentation was made and as a result of which they decided that they had their doubts about this course. So they then took steps to withdraw and I have been taken to the correspondence generated later in the year in which they attempted to cancel the course and tried to get a refund.
5. By way of the relevant materials in this case I have now heard from the Claimant's witness, Ms. Valujeva and I have heard from Ms. Lalalouine, who I think speaks with one voice with her friend Ms. Chouit as to what they say happened. I have obviously

had the benefit of the core documents and the subsequent correspondence relating to the attempts to cancel the contract. I have also had as part of the papers submitted before me documents relating to the appeal that the Claimants made when their claim was struck out and I have got a transcript or part of a transcript of what took place in front of Judge Freeland when the Claimants were represented and so were the Defendants, and there was discussion at that stage about the terms and conditions document which may or may not have been relied on at that stage, and now I think it has been argued was discarded as part of the Claimant's case. I have also had exhibited in the bundle and I have read the judgment in a case which was dealt with by District Judge Worthington at the Mayors and City of London Court in February of this year in which a claim brought by Wealth Training Company and the defendants in that case was dealt with and disposed. It is right to say that that judgment made various findings on the basis of the evidence that was given and it is not binding on me because of course it is fact specific. The point has been made, rightly so, that it is fact specific relating to a set of circumstances rather different from the ones I am dealing with here because first of all, it was related to a different occasion, a different seminar and the basis of the defence is very different.

6. The one person who I have not heard from is Mr. Darren Winters. When I raised that with Ms. Valujeva I was told something to the effect he was either busy or abroad. I am satisfied that he is aware of these proceedings. I am also satisfied that it was well within the power of the Claimants to get him to prepare a statement and to come and give evidence. Of course his evidence would have been extremely important in this case because unlike the other case involving the first defendant issue, this case involves allegations of fundamental misrepresentation made against Wealth Training Company LLP and in particular against the way in which Mr. Winters presented the company's activity. I consider that there was no good explanation as to why Mr. Winters has not provided a witness statement to deal with the allegations. These are the allegations that have been current since the Defence and Counterclaim was issued. They relate specifically to what he said at the seminar and in particular other matters which have been disseminated on his behalf.
7. One area of cross-examination, which I did not quite pick up on at the time this morning in relation to whether it was perhaps worthy of comparing the proceedings in this case with the proceedings in the Mayors and City Court in February, was the position of Ms. Valujeva who in that case it seems originally changed her position and her evidence as to whether she was present on the course. It was put to her that she had been in the office throughout during the seminar that had taken place here. I did not quite understand the force of that at the time, but it is clear from the evidence that she gave in responding to that, and as articulated by Mr. Smith in his submissions, that she purports to give direct evidence of what Mr. Winters said at that presentation, because she says she was present throughout. It is through her that the Claimants seek to rebut the allegations made by the Defendants.
8. Obviously I have, as in all cases, to evaluate the oral evidence that I have heard and form views about the witnesses. My findings are that Ms. Valujeva is a witness whose evidence I should treat with great circumspection, not least because I am not satisfied that I have been given a credible explanation as to why Mr. Winters has not made a witness statement and not played a part in these proceedings, and also in relation to other matters such as her assertions about the general nature of the business

and its success and in particular the way in which she has sought to rebut aspects of the Defendant's account of what took place at the seminar and the extent of her involvement. I am satisfied that Ms. Lalalouine and, it follows because of the witness statement submitted by her, Ms. Chouit are not witnesses who have sought to mislead the court but have done their best to give an honest account of what happened and have described the circumstances in which they were drawn into this. Their conduct in relation to seeking to cancel the contract is in my view not as Mr. Smith properly suggests buyer's remorse but an attempt to disentangle themselves from a scheme in which they have clearly found themselves on my findings out of their depth in accepting something which if they had understood it at the beginning would never have signed up to.

9. So it is that I have to assess in the first instance what, if any, agreement was entered into on 29<sup>th</sup> March 2015. I am satisfied that when they went to the seminar, not least because of the brochure that was presented to them but also because of the manner of the presentation that they were participants in a presentation which was clearly designed to take them from stage 2 to stage 3. They had already gone to stage 1 as a result of which they paid the money to come to this course, and it is plain to me that this course was clearly designed, as is plain from the mentorship application form, to get them to sign up to the apprentice programme. It is headed, "Would you like to bank a minimum of £104,000 from the stock market over the next 12 months with me as your personal mentor?" That is a longish headline and I am satisfied it is entirely consistent with the way in which Mr. Winters presented this seminar which was to persuade people that he was a man of extraordinary talents and resources as exemplified by the story that Ms. Lalalouine told me about how he found himself £40,000 in debt and had nevertheless rescued himself. It is plain from that that combined with the way in which the brochure was put together that Mr. Winters is at the very heart of this presentation and was the person whose style was that which persuaded the Defendants that they should sign up.
10. So far as that representation is concerned what evidence has been adduced as to the fact that Mr. Winters has made a fortune as he has claimed from this or for that matter as Ms. Valujeva has submitted. They have not chosen as part of any background material to exhibit their own trading accounts and give us any idea as to the profit and loss that they may have suffered. I am also satisfied that this membership application was conducted in an environment – and I suppose Mr. Smith would say this is the way marketing works and in fact it is the way which Ms. Valujeva describes – an environment in which what was absolutely at the heart of this process was to get people to sign up. Ms. Valujeva described a room in which there were a number of people, as many as fifty she said, and she described real excitement and energy perhaps that people felt when they realised what was being on offer here through the very convincing words and promises made by Mr. Winters. The word "hard sell" comes to mind. My impression of what happened was that Ms. Lalalouine and perhaps Ms. Chouit as well were people who were on the face of it perhaps slightly vulnerable to the promises that were being made. I am satisfied that it was those promises that had a profound impact on their decision to sign up.
11. But what was the document they signed? I am invited to look at it in the context of the Consumer Information Regulations, part of which have been provided to me, and in particular paragraph 9 which refers to the Schedule: one, which relates to the

information to be provided in relation to on-premises contracts. A person who presumably signs a contract for services would like to know what it is that they are going to get. The mentorship application was an application for a mentorship. It does not include in my view anything that gives any idea as to what will be provided. The brochure I consider to be no more than the material that would be deployed as part of a marketing exercise to draw people in. In my view it does not come anywhere close to being sufficiently specific in its detail or, more importantly, expressing the clauses in the mentorship application form as forming part of the contract.

12. The second point, which is one perhaps that was the subject of some discussion in the other case that in this case I do not seek to base my decision on, is the fact that although the application form was filled in, curiously the option to pay was never filled in and clearly as a result of discussions was subsequently filled in by the Claimant company with the understanding that interest would be charged because the monthly payments would be staggered over a period of time. I do not base my decision on whether or not the box was ticked or not, that is the method of payment is being determined. But I note, and I am satisfied, that the added script was not put in by Ms. Lalalouine and was filled in after the event.
13. It is said that what gives this document the substance of a contract is that effectively the place where the training is based, namely Providence Square Nurseries, is identified and that if one looks at the terms and conditions it provides detail as to the substance of the courses and how they will be delivered. It is a curious document and its history is unfortunate, as was previously observed in the case heard by Judge Worthington. What neither party has drawn my attention to is that at the very end of this agreement it is said: "These terms and conditions shall be subject to the laws of Cyprus and any disputes arising hereunder shall be subject to the non-exclusive jurisdiction of the courts of Cyprus." If that was right then the Defendants should have made an application to strike this claim out on the basis that this court had no jurisdiction to deal with it. It may be, I know not, that the discussions that took place in front of Judge Freeland may have been informed by recognition that it cannot have been in the contemplation of any of the parties to rely on the terms and conditions of this contract, because of course if the terms and conditions were part of this agreement and the jurisdiction was confined to the courts of Cyprus the claim is also legally liable to be struck out, because of course under these terms and conditions the claim could not be pursued within the English courts. I have no hesitation in discarding these terms and conditions as being part of the agreement, not only for the reasons that I have just set out, but because they are related to a completely separate entity. As a matter of pure law the company there is not a company which is the Claimant company in this case, and all such explanations being put forward as that it is all part of a large umbrella group and that the terms and conditions were fully explained to these two women is in my view unsupported. As it happens, I am inclined to accept the point at which the membership applications were being filled in, no doubt by a number of other enthusiastic people, insignificant attention was drawn to these terms and conditions precisely for that reason. So in my view the terms and conditions simply fall away.
14. That leads me to conclude that the contract suffers a number of defects, one of which is as set out in the Regulations. Simply if it is a contract or rather the document that has been submitted fails to meet the requirements of being a contract, because first of

all it does not in my view comply with Schedule 1, paragraph B providing sufficient detail as to the delivery, performance and time at which the trainer undertakes to deliver the goods. It also falls foul because once I exclude the terms and conditions it is an application form that does not have any terms and conditions attached to it. So it can only be treated as an application for mentorship, whatever that was. So I conclude that the document that was entered into simply does not meet the requirements of being a contract.

15. In the alternative I would say that so far as the representation is concerned I have formed the clear view, and it is demonstrated by (1) the failure of Mr. Winters to give evidence; (2) the I would say troubling circumstances in which people such as the Defendants, who by their very nature are probably inexperienced in terms of complex documentation, who in circumstances which I perceive to be one of whipping up a fervour for this sort of activity without any proper appreciation of the risks or understanding of its complexities, have been prevailed upon to sign these documents, all of which leads me to believe that what was claimed in the witness statement in relation to Mr. Winters' observations, which are set out in paragraph 7 of the witness statement, were representations that he made and were vital representations in terms of inducing the Defendants to enter into this contract. I am further satisfied that particularly absent at any stage of anything that could be described as a contract which would set out the specific terms of the training that was to be provided, that at the meeting on 8<sup>th</sup> April when it was discovered that there would only be one session hosted in Guernsey, which clearly in some way begs a number of questions for a company that is based in London and has offered its training for initial presentation in London combined with the other matters set out at paragraph 15 of the witness statement, all have the absolute ring of credibility to it. I am satisfied that taken together and/or separately they amounted to fundamental misrepresentations.
16. Alternatively, and this is the troubling aspect of this case, once these two Defendants had been in the first instance persuaded to part with their £2,000, which then led them to another seminar which as far as I see nothing of value would have been imparted to them, the whole point of it was to persuade them to sign up for even more training, they then discovered that what they were receiving was subject to information they were provided with after they had signed up. In my view all of that points to an operation that was being run by the Claimants which is a great cause for concern. It follows, as I have already indicated, I am not satisfied with the purported document signed on 29<sup>th</sup> May and deemed to be a contract. It also follows that I am satisfied in any event there are misrepresentations which in my view entitle the Defendants to be refunded the sums that they have lost.
17. Therefore the claim is struck out. There will be judgment for the Defendants on the Counterclaim.

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