

IN THE HIGH COURT OF JUSTICE

Claim No. AD-2020-000200

BUSINESS AND PROPERTY COURTS OF ENGLAND & WALES

ADMIRALTY COURT (KBD)

**Before: Mr Justice Bright
Date: 14 May 2026**



AD-2020-000200

B E T W E E N :

SÉRGIO ANDRADE CARDOSO & OTHERS

Claimants

-and-

SALIC (UK) LIMITED

Defendant

ORDER

UPON the Defendant's application dated 16 March 2026 that the Claimants' claims are struck out, on the ground that the entity on the record as solicitors for the Claimants, PGMBM Law Limited ("Pogust Goodhead"), did not have, and has never had, authority to bring proceedings on the Claimants' behalf

AND UPON HEARING Leading Counsel for the Defendants and Leading Counsel for Pogust Goodhead

IT IS ORDERED that:

1. All claims by all Claims made in Claim Form AD-2020-000200 are struck out.
2. Pogust Goodhead shall pay the costs of and occasioned by the Claims, to be the subject of detailed assessment on the indemnity basis, if not agreed.
3. Pogust Goodhead shall pay £900,000 on account of the Defendant's costs by no later than 4pm on 28 May 2026.

4. The Defendant has liberty to restore its application dated 10 November 2025 to join Gramercy PG (UK) Holdings Ltd, Gramercy PG (UK) Holdings II Ltd, Gramercy PG (UK) Holdings II-A Ltd, and Gramercy PG (UK) Holdings III Ltd as parties for costs purposes only pursuant to r46.2.

REASONS

1. Pogust Goodhead's purported authority to act on behalf of the Claimants depends ultimately on a Power of Attorney (in Portuguese, 'Procuração') signed by each Claimant, conferring authority on a local Brazilian lawyer. These Powers of Attorney were all created in 2015 or 2016, in the context of proceedings in Brazil.
2. The powers conferred by the Powers of Attorney were delegated by the various local Brazilian lawyers to Neves Macieyewski, Garcia e Advogados Associados ("NMG"). NMG was involved from 2015, from which time it had general oversight and supervision of the many individual claims in Brazil.
3. NMG then purportedly gave authority to Pogust Goodhead to commence proceedings in England, on about 28 December 2020.
4. The claim form was issued by Pogust Goodhead on 29 December 2020, with a statement of truth, signed by a solicitor employed by it, which warranted Pogust Goodhead's authority.
5. It is apparent from the witness statement of Craig Shuttleworth dated 27 February 2026 that Pogust did not have sight of the original Powers of Attorney at this stage and did not seek to obtain copies until considerably later. Pogust Goodhead does not appear to have investigated its authority to act in any way until some time after August 2021, and then only because its authority was questioned by the Defendant.
6. Even then, the investigations proceeded extremely slowly. Mr Shuttleworth's witness statement indicates that the Powers of Attorney said to constitute the foundation of Pogust Goodhead's authority were not provided to Pogust Goodhead until October 2023.
7. The Powers of Attorney were written in Portuguese, used various Brazilian legal terms of art (e.g., "...cláusula "ad e extra judícia"", "Outorgante em Juízo ou for a dele,

“Ações Ordinárias de Reparação por Dano Ambiental e Dano Moral”), were provided to local Brazilian lawyers in the context of proceedings or anticipated proceedings in courts in Brazil and identified their specific purpose as relating to claims in respect of causes of action recognised in Brazilian law (Ordinary Actions for Compensation for Environmental and Moral Damage). I unhesitatingly accept the evidence of the Defendant’s expert on Brazilian law, Dr Melo, that Powers of Attorney gave authority to the local Brazilian lawyers to act on their behalf in Brazil, in court in Brazil or out of court. They did not give authority to commence proceedings outside Brazil.

8. Pogust Goodhead should not have commenced this action without first confirming its authority to do so, which would have required (as a minimum) checking the Powers of Attorney and taking legal advice from independent Brazilian lawyers. Had Pogust Goodhead done so, it should have been immediately obvious that its authority to act was at least questionable, and should be resolved by seeking confirmation from the Claimants.
9. After its authority was queried by the Defendant, Pogust Goodhead’s investigations proceeded extremely slowly and resulted in repeated assurance to the Defendant that authority existed. These compounded the original failure to investigate authority prior to the issue of the claim form.
10. By a letter of 7 November 2025, Pogust Goodhead for the first time expressed concern that it may not have been authorised by the Claimants. Following further investigations, Mr Shuttleworth’s witness statement nevertheless expressed the view that it had been authorised all along.
11. Then, on 5 May 2026, Pogust Goodhead’s solicitors, Clyde & Co., wrote stating that this application would not be opposed.
12. The decision not to contest the claims being struck out is undoubtedly correct. It is a decision that could and should have been arrived at years before. More than this, these are proceedings that should never have been commenced in the first place.
13. Pogust Goodhead’s failure to investigate and confirm its authority, before issuing the claim form, was a serious breach of the obligations that it owed to this court and to other litigants – notably, to the Defendant.

14. In arriving at the figure that I have for a payment on account of costs, I have reduced the costs claimed by the Defendant in its schedule, on account of the fact that the hourly rates charged were generally substantially in excess of the guideline rates, and on account of the fact that counsel's fees on this application were excessive (not least in that the matter did not justify the use of three counsel). This took me to approximately £1,275,000. I have then applied a figure of 70%, and have ended up awarding the nearest round figure.
15. The approach of the costs judge on the detailed assessment will be very different, but I am comfortable that my figure of £900,000 represents a safe estimate for the purposes of a payment on account, in all the circumstances set out above.