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Case No: KB-2022-004316

IN THE HIGH COURT OF JUSTICE
KING'S BENCH DIVISION
MEDIA & COMMUNICATIONS LIST

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 17/07/2023

Before :

THE HONOURABLE MRS JUSTICE COLLINS RICE

Between :

MUHAMMAD ZIAULLAH KHAN CHISHTI **Claimant**

- and -

(1) TATIANA SPOTTISWOODE
(2) NANCY SMITH
(3) TELEGRAPH MEDIA GROUP LIMITED **Defendants**

Ms Adrienne Page KC & Mr Jacob Dean (instructed by Michelmores LLP) for the **Claimant**
Mr Gavin Millar KC & Mr Ben Silverstone (instructed by Wiggin LLP) for the **Third Defendant**

Approved Judgment

This judgment was handed down remotely at 10.30am on 17th July 2023 by circulation to the parties or their representatives by e-mail and by release to the National Archives.

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THE HONOURABLE MRS JUSTICE COLLINS RICE

Mrs Justice Collins Rice:

Introduction

1. The Claimant is an entrepreneur with US and Pakistan citizenship. He has issued libel proceedings in the UK.
2. There is some litigation history. In the course of it, the Claimant has undertaken to the Court not to proceed with his claim against the First and Second Defendants. The remainder of his claim concerns two articles, published by the Third Defendant, an established UK media company, on 27th and 28th November 2021 respectively. The first appeared as an online article on its *Telegraph* website, the second in the print edition of the *Sunday Telegraph* newspaper. Those articles are annexed to this judgment: Annex A contains the ‘first article’ and Annex B the ‘second article’.
3. By Order of Nicklin J of 24th May 2023, the parties have filed written submissions on the ‘preliminary issues’ of (a) the single natural and ordinary meaning of the publications complained of and (b) whether, in that meaning, each article is defamatory of the Claimant at common law. Further to that Order, and with the consent of the parties, this judgment rules on the preliminary issues, on the basis of those submissions and without a hearing.

Legal principles and approach

4. I had adopted the standard approach to determination of meaning in libel proceedings. I first read the whole of each article through, separately, as it was published, without knowing what either party wanted to say it meant. I formed and noted some provisional views in each case. I then read the pleadings and the skeleton arguments, before coming to any final view.
5. I have directed myself, as invited by the parties, to the well-established guidance on ‘meaning’ distilled from the authorities and set out in *Koutsogiannis v Random House Group* [2020] 4 WLR 25, at paragraphs [11] and [12]. The guidance of the authorities is of course just that – guidance – intended to simplify not complicate the exercise. And each case turns on its own facts.
6. My task is to “*determine the single natural and ordinary meaning of the words complained of, which is the meaning that the hypothetical reasonable reader would understand the words bear*”. The governing principle is reasonableness. The intention of the publisher is irrelevant in law: the test focuses on how words are read, not how or why they came to be written. It is objective, not subjective.
7. Natural and ordinary meaning (as opposed to innuendo meaning, not pleaded in the present case) does not rely on the reader having any special knowledge. So I keep in mind, as guided, the perspective of an ordinary, reasonable reader of a newspaper article of the relevant kind, reading it once through in the context in which it appears, and forming an impression of what it conveys on its face. The reasonable reader is neither naïve nor suspicious; is able to read between the lines and pick up an implication; and is allowed a certain amount of loose thinking, but short of being avid for scandal.

8. I am guided away from over-elaborate analysis of text. I need to avoid both literalism, and any strained or forced interpretation. I can and must determine the single meaning I myself consider correct, and am not bound by the meanings advanced by the parties, so long as I do not alight on something more injurious than the claimant's pleaded meaning.
9. No evidence beyond the article complained of is admissible as to what it means. At the same time, context is important. The dividing line between intrinsic context (to be taken into account in determining natural and ordinary meaning) and extrinsic context (relevant only to innuendo meaning) is highly fact-sensitive. The authorities do however provide useful guidance, and I have directed myself to the helpful survey of the caselaw set out at paragraphs [13] to [18] in *Riley v Murray* [2020] EWHC 977 (QB). Nicklin J explains there that he derives from the decisions on 'context' that a determination of natural and ordinary meaning can take into account matters of common knowledge, matters incorporated into a publication by express reference, and 'matters of directly available context'; but '*the fundamental principle is that it is impermissible to seek to rely on material as 'context' which could not reasonably be expected to be known (or read) by all the publishers*'.
10. The parties are agreed that on any basis the publications in this case contain factual allegations of wrongdoing. Allegations of this sort can be broadly categorised at three different levels of gravity: (1) someone is guilty of something, (2) there are reasonable grounds to suspect they are guilty, (3) there are grounds to investigate whether they are guilty (*Chase v News Group Newspapers* [2003] EMLR 11 [45]). This may be a guide to assessing the gravity of allegations. But again, it is just that – a guide to natural and ordinary meaning, not a rigid and exclusive categorisation into which allegations must be forced.
11. Where a publication contains allegations of wrongdoing made by another, the 'repetition rule' may need to be considered in coming to a view about meaning. The nature and history of that rule is familiar from the authorities (see for example *Brown v Bower* [2017] EWHC 2637 (QB) at [19]-[32] and *Hewson v Times Newspapers Ltd* [2019] EWHC 650 (QB) at [34]-[41]). At its simplest, it is a proposition that a repetition of another's allegation in effect amounts to a republication of it, and the attribution of it to an original other does not by itself displace that fact. However, again, this is a fact-sensitive proposition; the extent to which a publication does or does not contextualise and/or distance itself from the original allegation must be considered in coming to a view about the extent to which it is properly to be regarded as repeating it.
12. The test at common law for whether a (natural and ordinary) meaning is defamatory is well-established: whether it substantially affects in an adverse manner the attitude of other people towards a claimant, or has a tendency to do so. Some recent authorities put it in terms of identifying that a claimant has breached the common, shared values of our society. This is not about actual impact at this preliminary stage, it is about the meaning of the words themselves and their inherent tendency to damage someone's reputation. 'Substantially' imports a threshold of gravity or seriousness.

The parties' contended meanings

13. The Claimant's pleaded natural and ordinary meaning of the words in each article complained of is the same, namely that:

The Claimant had groomed Tatiana Spottiswoode for sex since he was introduced to her by her father when she was a child of 13 years old.

14. There is a dispute between the parties as to the contextual material which should be taken into account in reading the two articles complained of. In the case of the first article, the Defendant says the article, or at least the proper context of the article, should be taken to include material behind an 'expand to read more' link, and the Claimant says it should not. But the Claimant says even if the 'expand' material is taken into account it makes no difference to the pleaded meaning.

15. The Defendant's contended meaning for the first article is that:

There are grounds to suspect that the Claimant groomed Tatiana Spottiswoode from age 21, when he was twice her age, by showing her a lavish lifestyle and giving her a well-paid job, so that he could have an abusive sexual relationship with her, in the course of which he harassed, degraded and assaulted her.

16. The parties do concur that a further article, contained in the same hard copy edition of the Sunday Telegraph in which the second article appears, is properly relevant context to *that* publication. It is attached at Annex C to this judgment. Read in that context, the Defendant contends that the meaning of the second article is that:

There are grounds to suspect that the Claimant groomed Ms Spottiswoode when he was twice her age, by showing her a lavish lifestyle and giving her a well-paid job, so that he could have an abusive sexual relationship with her, in the course of which he harassed, degraded and assaulted her.

Consideration

(a) Preliminary

17. On my preparatory read-through of each of these two articles, I did not look at any additional contextual material. I noticed by way of general context that I was reading a substantial (in the first case, online) article in the business section of a well-known broadsheet newspaper. I absorbed the headline of '*AT&T told to act over Afiniti sex scandal*' in this first article (I later noted the same headline in the material at Annex C) and the subheading '*Call for US telecoms giant AT&T to address sexual harassment scandal as more advisers follow David Cameron out the door*'. I understood quickly that a former employee of Afiniti called Tatiana Spottiswoode had alleged that the Claimant, the founder of Afiniti, abused and harassed her on company work trips abroad, and that this had led to the Claimant's dismissal.

18. I noted that the first article was in two parts. The first part comes across as a bylined news item about AT&T being under pressure to address the sexual assault scandal; and the second is headed '*Analysis: Afiniti's former boss still looms large over its power network*' and deals at greater length with the Claimant's background, the detail of the employee's allegations and the developing situation in relation to Afiniti and AT&T. From this, I understood the complainant's allegations to have been that the Claimant

repeatedly sexually abused and harassed her; groomed her from a young age after being introduced by her father; pursued her for months (including with a lavish lifestyle and the prospect of a generous salary, as well as by putting her in fear for her job) before the initiation of a short relationship between them; subjected her thereafter to pressure for sex, to physical assault, and to rape fantasy messages; and told her he should have had sex with her when they first met and she was thirteen years old.

19. The second article appeared to be a hard copy version of the same (or very similar) material, bylined by the same journalist. Once I had read it, and turned to the parties' submissions, I then addressed myself to the additional article the parties agreed was appropriate context for the second article (and now attached at Annex C). I agree that the material at Annex B and Annex C needed to be read together, according to the approach recommended in *Dee v Telegraph Media Group Ltd* [2010] EMLR at [27]-[30]. The Annex C material concludes with a pointer to 'Analysis: Page 7' which leads to the Annex B article in the same edition. So I saw that the two hard copy articles were again, when read together, in a 'bylined news' and then 'analysis' format.
20. I reached the same preliminary views as to the meaning of each article.
21. Once I had read the parties' submissions, I saw that, in addition to the 'context' dispute set out above, there were essentially two points of difference between the parties. The first related to whether or not there was an imputation that the Claimant had misconducted himself towards the complainant employee when she was an underage child. The second related to the *Chase* level of the imputations.

(a) The first article: relevant context

22. The 'context' dispute between the parties essentially turns on whether or not, in reading the online version, the hypothetical ordinary, reasonable reader would have clicked on a hyperlink and read the destination material – or, whether that material could '*reasonably be expected to be known (or read) by all the publishers*'. This link appears in a box some two-thirds of the way through the 'analysis' section. Before encountering this box, the reader of the whole article would have absorbed the 'bylined news' section, all of the material complained of in the present proceedings, a photograph showing bruises on a woman's neck and shoulder titled '*Injuries Tatiana Spottiswoode claims were inflicted by Zia Chishti from violent sexual abuse*' and the information that the complainant had given testimony to a US Congressional committee. That latter information is conveyed in the 29th paragraph of a 52-paragraph item, and is given in the context of the effect of the complainant's testimony on the company Afiniti – expressed in terms of sending the company and the Claimant '*into crisis mode*'. The remainder of the article deals with consequential developments within, and in relation to, the company, and the issue of the Claimant's continuing relationship with it.
23. The box itself appears between paragraphs 40 and 41 of the publication. It is headed '*Testimony of Tatiana Spottiswoode*' and sub-headed '*House Committee on the Judiciary*'. Beneath that is the link which says '*Expand to read more +*' (I would have expected the link, if activated, to interpolate material into the article before resuming at paragraph 41). This box does not bear any particular relationship to the individual paragraphs immediately before and afterwards, which are not about the complainant's testimony; it does not, in other words, form part of an unbroken narrative. I did not, when I encountered it, consider it likely to be viewed an integral or essential part of the

narrative, for that reason. I thought it more in the nature of an invitation (conditional on individual preference or interest) rather than an imperative to all readers. Now that I have read what the Defendant has to say about it, my considered view is as follows.

24. I have looked at the authorities cited by the Defendant on (hyper)linked material as either incorporated, or intrinsic context. I do not find the decided cases on hyperlinks, whether internal or external, in *social media* of particular help in the present case. It may often be a challenge for a court dealing with social media to draw a line around what the hypothetical reader would absorb by way of essential contextual understanding, because of the fragmentary, fluid and conversational quality of the medium. That does not read directly across to edited mainstream journalism. I have, however, kept in mind the guidance of Nicklin J, given in a case closer to the facts of the present case (*Poulter v Times Newspapers Limited* [2018] EWHC 3900 (QB) at [24]), as to the sort of approach I should take and the factors I might bear in mind:

Whether readers follow links provided like this is influenced by a number of factors, including: (1) their familiarity with the story or subject matter and whether they consider they already know what they are offered by way of further reading; (2) their level of interest in the particular article and whether that drives them to wish to learn more; (3) particular directions given to read other material in the article; (4) if the reader considers that he or she cannot understand what is being said without clicking through to the hyperlink. It might be reasonable to attribute items (3) and (4) to the hypothetical ordinary, reasonable reader, but (1) and (2) will vary reader by reader.

25. The first article in the present case contains a number of phrases in the course of the narrative text which appear to be hyperlinks. None of these ‘click as you go’ hyperlinks is said to be, or appears to be, relevant to the matters in issue in the present exercise, except perhaps the link indicated by underlining that the complainant had alleged the Claimant ‘*had repeatedly sexually abused and harassed her*’. I was not in any event provided with the destination material for these links, if that is what they were. But their embedded nature would have given them some claim on the attention of the ordinary reader as being by way of development of the story they were reading, or of key backstory explanation. The ‘expand to read more’ link, by contrast, is the only ‘interpolation’ link appearing in a pop-out box. Its titling suggests that the destination material would be perhaps a text or transcript of the complainant’s evidence to the Congressional committee, rather than material generated by the journalist. In these circumstances it is in my view clearly signalled to the ordinary reader as an optional extra, not integral to, or incorporated into, much less required reading for understanding, the story itself, whatever the formatting.
26. The story narrative itself, and its context in the business section of the website, suggests that the ordinary reader would be principally interested in what they are being told about Afiniti’s corporate internal affairs, reputation and governance, its continuing linkage with the Claimant, and the attitude of third parties currently or formerly associated with it. The article has, by the time the box is reached, already imparted some time before what the hypothetical reader would understand to be the core information about the complainant’s allegations (together with a graphic image) and the fact that these had come to national attention in the USA and were being considered by a Congressional

committee. The box appears to make available material about the committee's proceedings, and thus further details of the complainant's allegations. There is no particular encouragement to pursue the link and there is no suggestion that it is core to the *business* preoccupations of the article. I am unpersuaded the ordinary reader would think it was.

27. I am not persuaded either that all, or perhaps even very many, readers could reasonably be expected to click through. Even if this were regarded as 'directly available context', it is apparently extrinsic to the authorship and meaning of the article. A reader would have to be somewhat '*avid for scandal*', as the authorities put it, to want more detail of the allegations in themselves than had already been provided, if pursuing the link out of a distinctive interest in the personalities involved rather than the business implications. The story had been badged as relating to a sex scandal, and a sex scandal had already been particularised in some detail (including by way of what an ordinary business page reader might well have regarded as a distinctly gratuitous photograph). A reader wanting yet more detail does not, in my view, represent an ordinary and reasonable business page reader. Even if the motivation to click through had been soberly constitutional rather than scandalous, I remain unpersuaded of a continuum between the article complained of and any destination material at the end of the link, or that this is more than supererogatory to what is being conveyed in the article itself. It appears if anything rather more of a distraction from the narrative flow than core to the meaning of the articles complained of. I do not in these circumstances consider this link to be proper context for the hypothetical ordinary reasonable reader of the article, nor therefore for the determination of its natural and ordinary meaning.

(b) The disputed meaning

28. What I had picked up about the Claimant's conduct towards the complainant as a child, in my initial read-through, was that each article repeated a claim that the Claimant had, in the context of a sexually and physically abusive adult relationship, (a) *previously* groomed her from a young age after being introduced by her father and (b) subsequently told her that he should have had sex with her when they first met, when she was thirteen years old.
29. Looking then at the parties' contended meanings, I thought that my understanding was rather closer to the Claimant's contended meaning than the Defendant's. It is not exactly the same as the Claimant's. The Claimant's version is more condensed. The process of condensation yields a suggestion of a course of conduct of (sexual) grooming of the complainant *beginning at and continuing from* the age of thirteen. My own initial reading allowed for the (active) grooming to have begun at some point later, although it had picked up an imputation of the Claimant's sexual interest in the complainant from the outset.
30. The Defendant's reading, however, is that the grooming course of conduct did not begin until the complainant was an adult. That reading relies on the proximity of the grooming allegation to the allegation that the Claimant, *twice the complainant's age*, had treated her to a lavish lifestyle of travel and pursued her for months before a short relationship which she then broke off. The Claimant having just been mentioned as being 50 now, that would have referred to the complainant as having been an adult, albeit a young adult. The reading also relies on this 'lavish lifestyle' allegation as fully accounting for the reference to 'grooming'.

31. The Defendant's reading in my view, while statable, is excessively strained. I agree it would be plain to an ordinary reader that the 'lavish lifestyle' allegation was about something that happened to the complainant as an adult. The ordinary reader would, though, in my view, understand that to have been *after*, or by way of *a continuation of*, rather than *wholly or exclusively an account of*, 'grooming from a young age'. The reader would, in other words, have regarded the two contiguous paragraphs as representing a temporal sequence rather than a proposition followed by an exhaustive explanation. 'Grooming' itself – and it appears in the text in inverted commas suggesting a direct quotation, which in my view underlines the point – lends itself more closely to association with behaviour towards a child, than as a shorthand for the sort of intensive pursuit with 'lavish (adult) lifestyle' inducements which might lead to a 'short relationship' which the complainant then 'broke off' (that latter itself suggesting the act of an autonomous adult). The proximate reference to the complainant's father reinforces that sense. And any doubt that 'from a young age after being introduced by her father' might *not* have implied conduct towards a child would surely, to an ordinary reader, be displaced in any event by the clarification a couple of paragraphs later that the protagonists first met when she was 13, and that the Claimant had expressed a sexual interest in her when she was that age. These are salient and startling claims, even above and beyond the claims of a later violently abusive (adult) relationship.
32. I can see that close and reflective parsing of all this text is capable of locating gaps as to what was in strict logic *necessarily* implied by 'grooming', and as to whether the Claimant did have an interest in the complainant when she was 13 or whether he only said so retrospectively. But I am unpersuaded that an ordinary, reasonable consumer of this article, reading it quickly once through, would pick up ambiguities at that level of fine detail. On the contrary, I think it would be entirely ordinary and natural for a reader to assimilate, in the context of a subsequently sexual and abusive relationship (badged as scandalous), that the Claimant groomed the complainant from a young age after being introduced by her father, that she was 13 at the time, and that he claimed a sexual interest in her at that time, into a single proposition (albeit the precise nature of the grooming is unspecified). That may be to a degree impressionistic, but that is how newspapers are ordinarily and reasonably read. I do not accept that it represents a conflation of disparate propositions which would be made only by an unreasonable reader avid for scandal. On the contrary - having been expressly put on notice to expect a scandalous account – I consider that the particularisation of the claimant's age at the time of the first meeting, in the context of the sexualisation of that event, raised an entirely natural imputation of grooming in that same context. Even if that involves some degree of 'loose thinking', it is in my view well within the margins of what is allowable in an ordinary reasonable reader's formation of understood meaning.
33. Nor am I persuaded that this imputation can properly be regarded as subsumed within, or comprehended by, a more general 'sting' of the (present day) allegation of an abusive relationship in which the Claimant is being said to be the perpetrator of violence. On the contrary, the imputation that the Claimant was not only abusive to the complainant while an adult, but actively sexually interested in her when she was a child, is a distinctive and memorable part of the narrative that someone reading this material through quickly and without going back over it would reasonably take away.
34. I am in these circumstances unpersuaded by the Defendant's submissions to move very far from my first understanding of this material.

(d) *The Chase level and the 'repetition rule'*

35. The Defendant draws attention to the extent to which the publications complained of put distance between themselves and the allegations made. The article presents the complainant's allegations as just that; no other source for the allegations is alluded to. It includes the Claimant's denial and puts his side of the story. It covers Afiniti's initial investigation and its conclusion that the allegations were untrue. It makes clear that the allegations are currently under investigation and unproven. The Defendant suggests in these circumstances that, on what might be called the *Chase* scale, that places it somewhat short of Level 1.
36. I cannot agree, however, that this degree of 'distancing' is sufficient to take the publication of these allegations outside the repetition rule or below *Chase* level 1. Both articles repeat and rehearse the complainant's allegations, and in some detail. As articulated by her, they are plainly unqualified allegations of fact – that the Claimant had done what she alleged. As such, the reader is not led to take AT&T's, or the Claimant's, protestations – including the former's 'initial' position that it had concluded the complainant's claims were untrue – at face value. These articles do not convey open-mindedness or a balanced perspective. On the contrary, the strong tenor of these publications is that AT&T is '*under pressure to address a sexual assault scandal*' (the opening words of the online article and the material at Annex C); this, and the information it conveys that well-known names are abandoning Afiniti, is plainly indicative that AT&T has not yet adequately addressed an (actual) scandal. In my view this goes beyond a report of 'smoke' to a distinct imputation of underlying 'fire'.

Conclusions

37. My conclusion in all these circumstances is that the single natural and ordinary meaning of each of the two articles, to the extent they are complained of, is that:

Since being introduced to her by her father when she was thirteen and he was an adult, the Claimant groomed Tatiana Spottiswoode with sexual intent. He further pursued her with inducements and threats, culminating in a brief sexual relationship when they were adults, which on his side was abusive and violent, and which she quickly terminated.

38. The parties have confirmed their agreement that on any basis the allegations are of a factual nature. I also agree. In the meaning I have determined, this is a *Chase* level 1 factual imputation. It is (as I understand not to be in any material dispute) plainly defamatory of the Claimant at common law.

ANNEX A: THE FIRST ARTICLE

[H1] AT&T told to act over Afiniti sex scandal

[H2] Call for US telecoms giant AT&T to address sexual harassment scandal as more advisers follow David Cameron out the door

[1] AT&T is under pressure to address a sexual assault scandal at the tech company Afiniti, which relies on the \$170bn telecoms giant for most of its revenue.

[2] The American operator is understood to account for up to two thirds of Afiniti's revenue after signing a deal worth more than \$100m (£75m) in 2019, but has not publicly responded to the crisis engulfing the company and its dethroned founder Zia Chishti.

[3] Tatiana Spottiswoode, a former employee, has alleged that Mr Chishti abused and harassed her and at least one other staff member on company work trips abroad, leading the board to sack him this month. The claims led David Cameron, the former prime minister, to quit as a senior adviser to the company, and customers including Sky and Liberty Global have said they are assessing their options.

[4] Telecoms sources said that some Afiniti customers are seeking to develop their own versions of its technology, which helps manage queues of callers to customer service centres.

[5] Nancy Erika Smith, Ms Spottiswoode's lawyer, called on Texas-based AT&T to hold Afiniti accountable, saying customers have a "powerful voice" to force changes.

[6] "Customers such as AT&T are becoming more active in rejecting the products and services of companies which enable and cover up sexual harassment, abuse and other types of discrimination," she said.

[7] "Customers and shareholders should assign responsibility to board members and the companies that prop up the harassers and enablers. Money talks and customers have a powerful voice. I hope they use it."

[8] AT&T promotes itself as a champion of women in the workplace. On its website it says: "Women are core to the foundation of AT&T. They help push our company forward and inspire others to do the same."

[9] Its "principles of conduct for suppliers", also published on the AT&T website, says: "AT&T expects suppliers to treat all employees with respect and dignity. The use of corporal punishment, threats of violence, physical abuse or other forms of physical coercion, harassment, or intimidation are not tolerated."

[10] Mr Chishti, a 50-year-old Pakistani-American who previously enjoyed success with a business making transparent braces for teeth, has denied wrongdoing. He has described Ms Spottiswoode's allegations as "particularly hurtful" because "one of my priorities [is] to see that they [women] do absolutely as well as they can".

[11] AT&T's links with Afiniti and Mr Chishti are under scrutiny as more members of Afiniti's advisory board follow Mr Cameron to the exit.

[12] The Telegraph understands that Mike Mullen, the former US defence chief, has resigned from the board, alongside Andrea Wong, a former Hollywood executive, and Tom Glocer, the former head of Thomson Reuters.

[13] Admiral Mullen, the chairman of the joint chiefs of staff during George W Bush and Barack Obama's presidencies, was one of the board's most prominent figures.

[14] Mr Chishti has been forced to step down and Afiniti has launched an investigation into claims of sexual harassment at the company, but he retains influence through his leadership of TRG, its biggest shareholder.

[15] Afiniti initially said that it had examined Ms Spottiswoode's claims and concluded that they were untrue, despite an independent arbitration finding against Mr Chishti.

[16] A source said: "Zia left in response to customer outrage and he's banking on the fact that customers see the headlines, feel they've ticked the box, and won't pick up on the second order influence."

[17] Afiniti continues to employ Princess Beatrice as its vice-president of partnerships and strategy. She is on maternity leave after giving birth to her daughter, Sienna, in September.

[18] AT&T did not respond to requests for comment.

[H3] ANALYSIS: Afiniti's former boss still looms large over its power network

[19] *Zia Chishti has been toppled as the head of the software firm but continues to control a key shareholder*

[20] When the Dassault Falcon 900 private jet touched down on the tarmac at Innsbruck Airport two weeks ago, Zia Chishti had little idea of what was about to come.

[21] Afiniti, his call centre software firm, was on the up. Revenue had more than doubled over the last two years and a game-changing deal with US telecoms giant AT&T had been signed.

[22] A long-promised New York flotation did not seem out of the question for the company, which boasted an unrivalled network of powerful names.

[23] Globetrotting founder Chishti had purchased the jet, which typically retails for around £6m, a year earlier. A keen skier, he was expected to sample Austria's slopes as part of a business trip to Europe.

[24] But just three days later Chishti's fortunes took a downward spiral. Tatiana Spottiswoode, a former employee, alleged that the Pakistani-American entrepreneur, 50, [had repeatedly sexually abused and harassed her](#). She claimed he "groomed" her from a young age after being introduced by her father.

[25] According to Spottiswoode, Chishti - twice her age - had shown her a lavish lifestyle of travel and pursued her for months before a short relationship, which she broke off.

[26] She said the businessman then offered the young student at the time a \$60,000 (£45,000) salary to join Afiniti, where he "oscillated between pressuring me for sex and punishing me".

[27] When she rejected him, Chishti made her fear for her job, Spottiswoode said. When he got his way, he allegedly beat her, leaving injuries and signs of concussion during one hotel room encounter in Brazil. She claims he also harrassed at least one other staff member on company work trips abroad.

[28] Chishti would send Spottiswoode messages detailing his "rape fantasy". After one encounter, she added, "he told me he should have had sex with me when we first met, when I was thirteen years old".

[29] Spottiswoode's testimony to a US Congressional committee sent Afiniti and its high-flying boss into crisis mode. The following morning [David Cameron quit as chairman](#) of the artificial intelligence firm's high-profile advisory board. Customers and investors, which include Sky and Virgin Media O2 owner Liberty Global, said they were considering their options.

[30] Since it was founded in 2005, the company has attracted a circle of influential politicians and business leaders as advisers and board members that gave the start-up [links to the rich and famous](#). Now, as Chishti's reputation fast unravels and the spotlight shines on Afiniti, the question begs as to whether the scandal will really change the future of the company.

[31] For the last two weeks the founder has remained in Austria fielding Zoom crisis meetings, instead of returning to Afiniti's Bermuda headquarters, its New York base at the top of the Chrysler building or its Washington DC offices across the street from the White House.

[32] He has cut a defiant figure, maintaining the relationship was consensual, while Spottiswoode has provided graphic images of bruises he allegedly caused.

[33] At first, Afiniti's board and senior management stood by him. Chief commercial officer Tom Inskip, a close ally and an Eton schoolmate of the Duke of Sussex, told staff Chishti refuted the allegations and would stay on to clear his name. But less than 48 hours later, the founder [was forced out as Afiniti's chief executive and chairman](#), a decision that one source says was down to pressure from customers.

[34] "Zia left in response to customer outrage and he's banking on the fact that customers see the headlines, feel they've ticked the box, and won't pick up on the second order influence," a source said.

[35] Afiniti itself has spent the days since attempting to wipe the slate clean while its famed insiders have had mixed reactions.

[36] Last week, new chairman Larry Babbio announced that Leslie Caldwell, a former US prosecutor who led the Justice Department's Enron task force, would investigate claims of sexual assault including who knew about Chishti's alleged conduct.

[37] At a meeting for female employees on Tuesday, Babbio told staff that if his granddaughters worked in an environment like the one Spottiswoode had alleged, "I would tell them to leave or fix it," pledging: "I'm going to fix it."

[38] In 2017 Afiniti hired Princess Beatrice, [who has been urged to quit](#), as its head of strategy and partnerships, while Cameron joined two years later. Its board includes Jose Maria Aznar, the former Spanish prime minister and John Snow, George W Bush's Treasury Secretary.

[39] The advisory board, which met four times a year, included the former French prime minister Francois Fillon and the ex-BP boss Lord Browne, though more than half of the panel was wiped from Afiniti's website last year. According to one insider, this was a rare display of financial discipline at the company, where lavish parties in far-flung locations were common. Three more of the board have also left after Cameron.

[40] But although the company's founder is ostensibly out, executives are believed to have raised concerns that he continues to wield power through a complex ownership structure and a web of relationships.

[41] Afiniti's largest shareholder is TRG International, an investment firm registered in the British Virgin Islands. It is 45pc owned by TRG Pakistan, listed in Karachi. Chishti remains TRG Pakistan's chief executive and one of its largest shareholders. Combined with Chishti's own stake in Afiniti, TRG exercises ultimate control over the company.

[42] For now, Chishti remains in charge at TRG. The company announced on Friday that it would hold a board meeting in two weeks to consider matters "other than financial results", expected to refer to its chief executive.

[43] However, Pakistani law requires three-quarters of directors to fire a chief executive and Chishti is supported by allies such as Ali Siddiqui.

[44] His influence at Afiniti is also likely to remain. Last week Abdul Hafeez Sheikh, the former Pakistani finance minister and an associate of TRG director Ali Jameel, replaced him on the company's board.

[45] Insiders say much of the company has been built on relationships and connections among the business and social elite.

[46] Cameron is believed to have been introduced to the company by Archie Soames, a great grandson of Winston Churchill who works in Afiniti's London office.

[47] Alonso Aznar, the son of Afiniti director and former Spanish prime minister Jose Maria Aznar, is the company's head of growth. Maria Osorio and Cecilia Braggiotti, the daughters of bankers Antonio Horta-Osorio and Gerardo Braggiotti, have senior positions, as does Jerome de Castries - the son of former Axa boss Henri de Castries.

[48] Julia de Boinville, a former managing director at the company, runs an anti-slavery charity with Princess Eugenie, Beatrice's sister.

[49] Spottiswoode claimed that she was not the only victim of Chishti's alleged behaviour and that the company had no harassment training, while reports have suggested the board knew about her claims in 2018.

[50] An Afiniti spokesman said Caldwell's investigation would leave no stone unturned. "Ms Caldwell is leading a thorough investigation into issues surrounding the conduct of our former CEO. Ms Caldwell will have full and complete access to Afiniti records, personnel and any other materials or information she needs to carry out the investigation."

[51] The company added: "Since Mr Chishti's departure, he has had no role in the management or operations of the company. Larry Babbio is now chair of the board and we are very confident in his leadership."

[52] But, as long as he stays in charge of Afiniti's key investor, Chishti's influence is likely to linger. Shares in TRG Pakistan have fallen by more than 30pc since Spottiswoode's allegations emerged. Eventually, even Chisti may run out of allies.

ANNEX B: THE SECOND ARTICLE

[H1] Afiniti's ex-boss still looms large over its power network

[H2] Zia Chishti has been toppled as the head of the software firm but continues to control a key shareholder, writes James Titcomb

[1] When the Dassault Falcon 900 private jet touched down on the tarmac at Innsbruck Airport two weeks ago, Zia Chishti had little idea of what was about to come.

[2] Afiniti, his call centre software firm, was on the up. Revenue had more than doubled over the last two years and a game-changing deal with US telecoms giant AT&T had been signed. A long-promised New York flotation did not seem out of the question for the company with its unrivalled network of powerful names.

[3] Globetrotting founder Chishti had purchased the jet, which costs around £6m, a year earlier. A keen skier, he was expected to sample Austria's slopes as part of a business trip to Europe.

[4] But just three days later Chishti's fortunes took a downward spiral. Tatiana Spottiswoode, a former employee, alleged that the Pakistani-American entrepreneur, 50, had repeatedly sexually abused and harassed her. She claimed he "groomed" her from a young age after being introduced by her father.

[5] Spottiswoode said Chishti - twice her age - had shown her a lavish lifestyle of travel and pursued her for months before a short relationship, which she broke off.

[6] She said the businessman then offered the young student at the time a \$60,000 (£45,000) salary to join Afiniti, where he "oscillated between pressuring me for sex and punishing me". When she rejected him, Chishti made her fear for her job, Spottiswoode said. When he got his way, he allegedly beat her, leaving injuries and signs of concussion during one hotel room encounter in Brazil.

[7] Chishti would send Spottiswoode messages detailing his "rape fantasy". After one encounter, she added, "he told me he should have had sex with me when we first met, when I was 13".

[8] Spottiswoode's testimony to a US congressional committee sent Afiniti and its high-flying boss into crisis mode. The following morning David Cameron quit as chairman of the artificial intelligence firm's high-profile advisory board. Customers and investors, which include Sky and Virgin Media O2 owner Liberty Global, said they were considering their options.

[9] Since it was founded in 2005, the company has attracted a circle of influential politicians and business leaders as advisers and board members that gave the start-up links to the rich and famous. Now, as Chishti's reputation fast unravels and the spotlight shines on Afiniti, the question begs as to whether the scandal will really change the future of the company.

[10] For the last two weeks the founder has remained in Austria fielding Zoom crisis meetings, instead of returning to Afiniti's Bermuda headquarters, its New York base at the top of the Chrysler building or its Washington DC offices across the street from the White House.

[11] He has cut a defiant figure, maintaining the relationship was consensual, while Spottiswoode has provided graphic images of bruises he allegedly caused. At first, Afiniti's board and senior management stood by him. Chief commercial officer Tom Inskip, a close ally and an Eton schoolmate of the Duke of Sussex, told staff Chishti refuted the allegations and would stay on to clear his name. But less than 48 hours later, the founder was forced out as Afiniti's chief executive and chairman, a decision that one source says was down to pressure from customers.

[12] Afiniti itself has spent the days since attempting to wipe the slate clean, while its famed insiders have had mixed reactions.

[13] Last week, new chairman Larry Babbio announced that Leslie Caldwell, a former US prosecutor who led the Justice Department's Enron task force, would investigate claims of sexual assault including who knew about Chishti's alleged conduct.

[14] At a meeting for female employees on Tuesday, Babbio told staff that if his granddaughters worked in an environment like the one Spottiswoode had alleged, "I would tell them to leave or fix it," pledging: "I'm going to fix it."

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[17] Three more members of the advisory board are understood to have quit after Cameron including Mike Mullen, the former head of the US military, and Andrea Wong, a Hollywood executive who sits on Liberty Media's Board.

[18] But although the company's founder is ostensibly out, executives are believed to have raised concerns that he continues to wield power through a complex ownership structure and a web of relationships.

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[22] His influence at Afiniti is also likely to remain. Last week Abdul Hafeez Shaikh, the former Pakistani finance minister and an associate of TRG director Ali Jameel, replaced him on the company's board.

[23] Insiders say much of the company has been built on relationships and connections among the business and social elite. Cameron is believed to have been introduced to the company by Archie Soames, a great grandson of Winston Churchill who works in Afiniti's London office. Alonso Aznar, the son of former Spanish prime minister Jose Maria Aznar, is the company's head of growth. Maria Osorio and Cecilia Braggiotti, the daughters of bankers Antonio Horta-Osorio and Gerardo Braggiotti, have senior positions, as does Jerome de Castries - the son of former Axa boss Henri de Castries.

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30pc since Spottiswoode's allegations emerged. Eventually, even Chisti may run out of allies.

ANNEX C : THE CONTEXT FOR THE SECOND ARTICLE

[H1] AT&T told to act over Afinity sex scandal

[1] AT&T is under pressure to address a sexual assault scandal at the tech company Afinity, which relies on the \$170bn telecoms giant for most of its revenue.

[2] The American operator is understood to account for up to two thirds of Afinity's revenue after signing a deal worth more than \$100m (£75m) in 2019, but has not publicly responded to the crisis engulfing the company and its dethroned founder Zia Chishti.

[3] Tatiana Spottiswoode, a former employee, has alleged that Mr Chishti abused and harassed her and at least one other staff member on company work trips abroad, leading the board to sack him this month. The claims led David Cameron, the former prime minister, to quit as a senior adviser to the company, and customers including Sky and Liberty Global have said they are assessing their options.

[4] Telecoms sources said that some Afinity customers are seeking to develop their own versions of its technology, which helps manage queues of callers to customer service centres.

[5] Nancy Erika Smith, Ms Spottiswoode's lawyer, called on Texas-based AT&T to hold Afinity accountable, saying customers have a "powerful voice" to force changes.

[6] "Customers such as AT&T are becoming more active in rejecting the products and services of companies which enable and cover up sexual harassment, abuse and other types of discrimination," she said.

[7] "Customers and shareholders should assign responsibility to board members and the companies that prop up the harassers and enablers. Money talks and customers have a powerful voice. I hope they use it."

[8] AT&T promotes itself as a champion of women in the workplace. On its website it says: "Women are core to the foundation of AT&T. They help push our company forward and inspire others to do the same."

[9] Its "principles of conduct for suppliers", also published on the AT&T website, says: "AT&T expects suppliers to treat all employees with respect and dignity. The use of corporal punishment, threats of violence, physical abuse or other forms of physical coercion, harassment, or intimidation are not tolerated."

[10] Mr Chishti, a 50-year-old Pakistani-American who previously enjoyed success with a business making transparent braces for teeth, has denied wrongdoing. He has described Ms Spottiswoode's allegations as "particularly hurtful" because "one of my priorities is to see that they [women] do absolutely as well as they can".

[11] AT&T's links with Afiniti and Mr Chishti are under scrutiny as more members of Afiniti's advisory board follow Mr Cameron to the exit.

[12] *The Sunday Telegraph* understands that Mike Mullen, the former US defence chief, has resigned from the board, alongside Andrea Wong, a former Hollywood executive, and Tom Glocer, the former head of Thomson Reuters.

[13] Admiral Mullen, the chairman of the joint chiefs of staff during George W Bush and Barack Obama's presidencies, was one of the board's most prominent figures.

[14] Mr Chishti has been forced to step down and Afiniti has launched an investigation into claims of sexual harassment at the company, but he retains influence through his leadership of TRG, its biggest shareholder.

[15] Afiniti initially said that it had examined Ms Spottiswoode's claims and concluded that they were untrue, despite an independent arbitration finding against Mr Chishti.

[16] A source said: "Zia left in response to customer outrage and he's banking on the fact that customers see the headlines, feel they've ticked the box, and won't pick up on the second order influence."

[17] Afiniti continues to employ Princess Beatrice as its vice-president of partnerships and strategy. She is on maternity leave after giving birth to her daughter, Sienna, in September.

[18] AT&T did not respond to requests for comment.