

IN THE HIGH COURT OF JUSTICE

QUEEN'S BENCH DIVISION

COMMERCIAL COURT

IN PRIVATE

DATED 3rd July 2009

BEFORE THE HONOURABLE MR JUSTICE GROSS

B E T W E E N :

JOINT STOCK COMPANY VTB BANK

Claimant/Applicant

and

(1) CHALVA PAVLOVICH TCHIGIRINSKI

(2) GRADISON CONSULTANTS INC

Respondents/Defendants

ORDER FREEZING ASSETS WORLDWIDE

To the Respondents whose names and addresses are as follows:

Chalva Pavlovich Tchigirinski of Villa Maria Irina, 1 Avenue Imperatrice Eugenie,
06190 Roquebrune, Cap Martin, France

2009 Claim No. 908



Gradison Consultants Inc of Trident Chambers, PO Box 146, Road Town, Tortola, British Virgin Islands and 3076 Sir Francis Drake's Highway, PO Box 3463, Road Town, Tortola, British Virgin Islands

PENAL NOTICE

IF YOU MR CHALVA PAVLOVICH TCHGIRINSKI DISOBEY THIS ORDER YOU MAY BE HELD TO BE IN CONTEMPT OF COURT AND LIABLE TO IMPRISONMENT OR TO BE FINED OR TO HAVE YOUR ASSETS SEIZED.

IF YOU GRADISON CONSULTANTS INC DISOBEY THIS ORDER YOU MAY BE HELD TO BE IN CONTEMPT OF COURT AND LIABLE TO IMPRISONMENT OR TO BE FINED OR TO HAVE YOUR ASSETS SEIZED AND ANY OF YOUR DIRECTORS MAY ALSO BE LIABLE TO IMPRISONMENT OR TO BE FINED OR TO HAVE THEIR ASSETS SEIZED.

ANY OTHER PERSON WHO KNOWS OF THIS ORDER AND DOES ANYTHING WHICH HELPS OR PERMITS A RESPONDENT TO BREACH THE TERMS OF THIS ORDER MAY ALSO BE HELD TO BE IN CONTEMPT OF COURT AND MAY BE IMPRISONED FINED OR HAVE THEIR ASSETS SEIZED.

IMPORTANT

NOTICE TO THE RESPONDENTS

You should read the terms of this Order very carefully. You are advised to consult a Solicitor as soon as possible.

This Order prohibits you from dealing with your assets up to the amount stated in the Order, but subject to any exceptions set out in this Order. You have a right to ask the Court to vary or discharge this Order.

If you disobey this Order you may be found guilty of Contempt of Court and may be sent to prison or fined or have your assets seized.

THIS ORDER

1. This is a Freeing Injunction made against Mr Chalva Pavlovich Tchgirinski (“the First Respondent”) and Gradison Consultants Inc (“the Second Respondent”) on 3 July 2009 by Mr Justice Gross on the application of Joint Stock Company VTB Bank (“the Applicant”). The Judge read the affidavit set out at Schedule A and accepted the undertakings set out in Schedule B at the end of this order.
2. This order was made at a hearing without notice to the Respondents. The Respondents have a right to apply to the court to vary or discharge the order – see paragraph 15 below.

3. There will be a further hearing in respect of this order on 17 July 2009 (“the return date”).

FREEZING INJUNCTION

4. Until the return date or further order of the court, the First Respondent must not, without the prior written consent of the Applicant’s legal representatives:

- (1) remove from England and Wales any of his assets which are in England and Wales up to the value of Roubles 3,117,206,000 (Sterling equivalent £60,733,600); or

- (2) in any way dispose of, deal with or diminish the value of any of his assets whether they are in or outside England and Wales up to the same value.

5. Paragraph 4 applies to all the First Respondent’s assets whether or not they are in his own name and whether they are solely or jointly owned. For the purpose of this order the First Respondent’s assets include any asset which he has the power, directly or indirectly, to dispose of or deal with as if it were his own. The First Respondent is to be regarded as having such power if a third party holds or controls the asset in accordance with his direct or indirect instructions.

6. The prohibition in paragraph 4 applies to the following assets in particular:

- (1) The property known as Hugh House, 7A Eaton Square, London SW1W 9DA;
- (2) The property in the South of France known as Villa Maria Irina, 1 Avenue Imperatrice Eugenie, 06190 Roquebrune, Cap Martin, France;
- (3) The property known as “Old Sovietskaya Hotel” at 32/2 Leningradsky Prospect, Moscow (and also referred to in Schedule 2 of a purported deed of arrangement between the First Respondent, Orton Oil Company Limited and Sibir Energy plc dated 23 December 2008 (“the Deed of Arrangement”)) (and also known as the “Sovetskaya Hotel”);
- (4) A single plot of 1.07 hectares located at 34 Leningradsky Prospect in the North Administrative District of Moscow, known as “New Sovietski Hotel, Moscow” and also referred to in Schedule 2 of the Deed of Arrangement (also known as “New Sovetskaya”);
- (5) A development site of approximately 24,112 ha, identified as “Russia Tower, Moscow” also referred to in Schedule 2 of the Deed of Arrangement and shares in “Hotel Rossia”;
- (6) Lease rights over 4,027.8 sq m of premises known as “Nikitsky Pereulok 5” an office building in Moscow also referred to in Schedule 2 of the Deed of Arrangement;

- (7) A 50% interest in a 81,000 sq m retail development site identified as “Mitino, Moscow” also referred to in Schedule 2 of the Deed of Arrangement;
- (8) A 50% interest in “New Holland”, a mixed-use development of a 7.8 ha artificial triangular island in central St Petersburg also referred to in Schedule 2 of the Deed of Arrangement;
- (9) A luxury retail arcade known as “Passage, St Petersburg” also referred to in Schedule 2 of the Deed of Arrangement;
- (10) Five separate land plots of development land, totalling approximately 400 ha of land, known as the “Kalingrad land bank” also referred to in Schedule 2 of the Deed of Arrangement;
- (11) Three separate land-plots totalling approximately 118 ha of land, located on the outskirts of the town of Klin also referred to in Schedule 2 of the Deed of Arrangement;
- (12) A 50% interest in a 1.2 ha site in central Irkutsk, known as “Irkutsk Tea Factory” also referred to in Schedule 2 of the Deed of Arrangement;
- (13) The Krasnaya Polyana Olympic Center in Sochi
- (14) The property known as “Katerina City” in Krasnodar

- (15) An apartment at Maly Patriarshi Pereulok 5, Building 1, Apartment 39, Moscow;
 - (16) An apartment at Romanov Pereulok, House 5, Flat 9, Moscow;
 - (17) The net proceeds of sale (or traceable proceeds thereof) of any sale of any of the above properties or shares after payment of any mortgages;
 - (18) Any money outstanding to the credit of any bank account including the amount of any cheque drawn on such account which has not been cleared;
 - (19) The collection of timepieces (Faberge or otherwise) believed to held at Wartski, London or the proceeds of any sale thereof (or traceable proceeds of such sale);
7. Until the return date or further order of the court, the Second Respondent must not without the prior written consent of the Applicant's legal representatives:
- (1) remove from England and Wales any of its assets which are in England and Wales up to the value of Roubles 3,117,206,000 (Sterling equivalent £60,733,600) or
 - (2) in any way dispose of, deal with or diminish the value of any of its assets whether they are in or outside England and Wales up to the same value.
8. Paragraph 7 applies to all the Second Respondent's assets whether or not they are in its own name and whether they are solely or jointly owned. For the purpose of

this order the Second Respondent's assets include any asset which it has the power, directly or indirectly, to dispose of or deal with as if it were its own. The Second Respondent is to be regarded as having such power if a third party holds or controls the asset in accordance with its direct or indirect instructions.

9. For the avoidance of doubt, if, prior to service of this order, the First Respondent's shares in the Second Respondent have been sold to or are otherwise under the control of Mr Ruslan Baisarov and/or a BVI company known as Rossini and/or Bronson Partners Corporation or any other company under the control of Mr Ruslan Baisarov, the foregoing restrictions do not prevent any further disposals or dealings in the shares of the Second Respondent by Mr Ruslan Baisarov or Rossini or Bronson Partners Corporation or any other company under the control of Mr Ruslan Baisarov.

10. (1) If the total value free of charges or other securities ("unencumbered value") of a Respondent's assets in England and Wales exceeds Roubles 3,117,206,000 (Sterling equivalent £60,733,600), then that Respondent may remove any of those assets from England and Wales or may dispose of or deal with them so long as the total unencumbered value of the Respondent's assets still in England and Wales remains above Roubles 3,117,206,000 (Sterling equivalent £60,733,600).

- (2) If the total unencumbered value of a Respondent's assets in England and Wales does not exceed Roubles 3,117,206,000 (Sterling equivalent

£60,733,600), then that Respondent must not remove any of those assets from England and Wales and must not dispose of or deal with any of them (unless, the Respondent has the prior written consent of the Applicant's legal representatives to do so). If a Respondent has other assets outside England and Wales, he/it may dispose of or deal with those assets outside England and Wales so long as the total unencumbered value of all his/its assets whether in or outside England and Wales remains above Roubles 3,117,206,000 (Sterling equivalent £60,733,600).

PROVISION OF INFORMATION

11. (1) Unless paragraph (2) applies, each Respondent must to the best of his/its ability inform the Applicant's solicitors of all his/its assets worldwide exceeding £100,000 in value (save for bank accounts which must be disclosed irrespective of their value), within 96 hours of service of this order, and all of his/its assets exceeding £25,000 in value, within 6 days of service of this order, whether those assets are in his/its own name or not and whether solely or jointly owned, giving the value, location and details of all such assets.

- (2) If the provision of any of this information is likely to incriminate a Respondent, he/it may be entitled to refuse to provide it, but is recommended to take legal advice before refusing to provide the information. Wrongful refusal to provide the information is contempt of

court and may render the Respondent liable to be imprisoned, fined or have his/its assets seized.

12. Within 6 days after being served with this order, each Respondent must swear and serve on the Applicant's solicitors an affidavit setting out the above information as at the date of service of this order and as at the date of the Affidavit.

EXCEPTIONS TO THIS ORDER

13. (1) This order does not prohibit (a) the First Respondent from spending £25,000 a week towards his ordinary living expenses and (b) the First and Second Respondents also spending a reasonable sum on legal advice and representation. The Respondents must tell the Applicant's legal representatives where the money is to come from in their affidavits referred to in paragraph 12 above.
- (2) This order does not prohibit the First Respondent from dealing with or disposing of any of his assets in the ordinary and proper course of business.
- (3) This order does not prevent the Second Respondent from dealing with or disposing of any of its assets in the ordinary and proper course of its business if and to the extent that it has any such business.

- (4) A Respondent may agree with the Applicant's legal representatives that the above spending limits should be increased or that this order should be varied in any other respect, but any agreement must be in writing.
- (5) The order will cease to have effect as against a Respondent if that Respondent:-
- a. provides security by paying the sum of Roubles 3,117,206,000 (Sterling equivalent £60,733,600) into court, to be held to the order of the court; or
 - b. makes provision for security in that sum by another method agreed with the Applicant's legal representatives.

COSTS

14. The costs of this application are reserved to the judge hearing the application on the return date.

VARIATION OR DISCHARGE OF THIS ORDER

15. Anyone served with or notified of this order may apply to the court at any time to vary or discharge this order (or so much of it as affects that person), but they must first inform the Applicant's legal representatives. If any evidence is to be relied upon in support of the application, the substance of it must be communicated in writing to the Applicant's legal representatives in advance.

INTERPRETATION OF THIS ORDER

16. A Respondent who is an individual who is ordered not to do something must not do it himself or in any other way. He must not do it through others acting on his behalf or on his instructions or with his encouragement.

17. A Respondent which is not an individual which is ordered not to do something must not do it itself or by its directors, officers, partners, employees or agents or in any other way. Without limitation to this the Second Respondent must comply with this order by any of its directors and/or by its shadow director, the First Respondent.

18. For the avoidance of doubt, in this order “assets” shall include but shall not be limited to:-
 - (1) any proprietary interest in any company, corporate body partnership or other trading entity whether held by way of shares, loan notes, bearer shares or otherwise;

 - (2) any right whether contractual or under a trust or otherwise to receive or to be paid money or property, whether unconditional or contingent or present or future;

- (3) any beneficial interest in any trust, including any interest in any discretionary trust or any right or expectation to be considered for a payment or advance under any discretionary private trust;
- (4) any right or power to deal with any property, whether through nominees, power of attorney, or by instructing another person who habitually obeys instructions;
- (5) any property held by or in the name of a third party or company who habitually obeys a Respondent's (or where appropriate, any Applicant's) instructions in relation to dealings with such property;
- (6) any property held in discretionary trust which the trustees habitually deal with according to the instructions of a Respondent (or where appropriate, any Applicant);
- (7) any money held in any bank account (whether in the name of the person or not) and in respect of which the person is an authorised signatory or in respect of which the person is a signatory on the mandate or in respect of which the signatory habitually obeys the instruction of that person or over which that person exercises *de facto* control including any such bank accounts in respect of which that person claims not to be the beneficial owner;
- (8) any interest present future or contingent in any pension fund or life insurance scheme;

- (9) any assets held by or in the name of or under the control of a Respondent (or where appropriate, any Applicant) irrespective of whether that person claims not to be the beneficial owner of such assets;
- (10) any interest in intellectual property rights of whatsoever nature.

But shall not include:

- (11) any interest held by a Respondent only as trustee or fiduciary, for persons other than the Respondent without any beneficial interest.

19. In this order “dealing” with assets shall include but not be limited to:-

- (1) Relinquishing or cancelling or varying any signing authority over any bank accounts over which a Respondent has signing authority or in respect of which it is a signatory on the mandate irrespective of whether there is any money in such accounts;
- (2) Relinquishing or cancelling or varying any power of attorney, directorship, office as trustee or other arrangement pursuant to which a Respondent has control of any asset which is not held in its name;
- (3) Relinquishing, cancelling or varying any arrangements whereby a Respondent is empowered to deal with assets which are not in its own name;

- (4) In the case of a discretionary trust in respect of which a Respondent is a beneficiary or in respect of which the trustees are accustomed to act upon the Respondent's wishes or directions:
- a. Requesting the trustees (whether directly or indirectly) to make any distribution (whether income or capital);
 - b. Failing to withdraw any existing (but unexecuted) request, instruction or expression of wishes to the trustees to make any distribution under such Trust;
 - c. Selling, giving away, transferring, lending, devaluing, destroying or defacing or encumbering any asset.

PARTIES OTHER THAN THE APPLICANT AND RESPONDENTS

20. Effect of this order

It is a contempt of court for any person notified of this order knowingly to assist in or permit a breach of this order. Any person doing so may be imprisoned, fined or have their assets seized.

21. Set off by banks

This injunction does not prevent any bank from exercising any right of set off it may have in respect of any facility which it gave to a Respondent before it was notified of this order.

22. Withdrawals by the Respondents

No bank need enquire as to the application or proposed application of any money withdrawn by any Respondent if the withdrawal appears to be permitted by this order.

23. Persons outside England and Wales

(1) Except as provided in paragraph (2) below, the terms of this order do not affect or concern anyone outside the jurisdiction of this court.

(2) The terms of this order will affect the following persons in a country or state outside the jurisdiction of this court:

a. a Respondent or his officer or agent appointed by power of attorney;

b. any person who:

i. is subject to the jurisdiction of this court;

ii. has been given written notice of this order at his residence or place of business within the jurisdiction of this court; and

iii. is able to prevent acts or omissions outside the jurisdiction of this court which constitute or assist in a breach of the terms of this order; and

c. any other person, only to the extent that this order is declared enforceable by or is enforced by a court in that country or stated.

24. Assets located outside England and Wales

Nothing in this order shall, in respect of assets located outside England and Wales, prevent any third party from complying with –

(1) what it reasonably believes to be its obligations, contractual or otherwise, under the laws and obligations of the country or state in which those assets are situated or under the proper law of any contract between itself and a Respondent; and

(2) any orders of the courts of that country or state, provided that reasonable notice of any application for such an order is given to the Applicant's solicitors.

COMMUNICATIONS WITH THE COURT

25. All communications to the court about this order should be sent to –

Room EB09, Royal Courts of Justice, Strand, London WC2A 2LL quoting the case number. The telephone number is 020 7947 6826.

The offices are open between 10 a.m. and 4.30 p.m. Monday to Friday.

NAME AND ADDRESS OF APPLICANT'S LEGAL REPRESENTATIVES

The Applicant's legal representatives are:-

Dewey & LeBoeuf, No 1 Minster Court, Mincing Lane, London EC3R 7YL Tel: 0207 459 5000; fax 0207 444 7378; Reference: Michael Edison; out of hours number 07984 158310.

SCHEDULE A

AFFIDAVITS

The Applicant relied on the following affidavit:

The draft Affidavit of Michael Paul Edison dated 3 July 2009 and Exhibit MPE1

SCHEDULE B

UNDERTAKINGS GIVEN TO THE COURT BY THE APPLICANT

- (1) If the court later finds that this order has caused loss to a Respondent, and decides that a Respondent should be compensated for that loss, the Applicant will comply with any order the court may make.

- (2) As soon as practicable, and in any event by 4.30pm on Monday 6th July 2009, the Applicant will:
 - a. issue and serve on the Respondents a claim form and particulars of claim in the form of the draft produced to the court.

 - b. cause the draft affidavit of Michael Paul Edison shown to the court to be sworn.

- (3) The Applicant will forthwith serve upon each Respondent together with this order
 - (i) copies of the affidavit and exhibit containing the evidence relied upon by the Applicant, and any other documents provided to the court on the making of the application;

 - (ii) the claim form and particulars of claim; and

 - (iii) an application notice for continuation of the order.

- (4) Anyone notified of this order will be given a copy of it by the Applicant's legal representatives.
- (5) The Applicant will pay the reasonable costs of anyone other than a Respondent which have been incurred as a result of this order including the costs of finding out whether that person holds any of a Respondent's assets and if the court later finds that this order has caused such person loss, and decides that such person should be compensated for that loss, the Applicant will comply with any order the court may make.
- (6) If this order ceases to have effect (for example, if a Respondent provides security) the Applicant will immediately take all reasonable steps to inform in writing anyone to whom he has given notice of this order, or who he has reasonable grounds for supposing may act upon this order, that it has ceased to have effect.
- (7) The Applicant will not without the permission of the court use any information obtained as a result of this order for the purpose of any civil or criminal proceedings, either in England and Wales or in any other jurisdiction, other than this claim.
- (8) The Applicant will not without the permission of the court seek to enforce this order in any country outside England and Wales.

Claim No
IN THE HIGH COURT OF JUSTICE

QUEEN'S BENCH DIVISION

COMMERCIAL COURT

IN PRIVATE

DATED 3 JULY 2009

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JUSTICE GROSS

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