

**JUDGEMENT  
IN THE NAME OF THE RUSSIAN FEDERATION**

The city of Moscow

16 May 2005

The Meshchansky District Court of the city of Moscow consisting of the Chief Justice **I.Yu.Kolesnikova**, the Judges **E.A.Maximova** and **E.V.Klinkova**;

with the participation of the Public Prosecutors, namely Senior Public Prosecutor **D.E.Shokhin** from the State Prosecution Assistance Division of the Department for the Public Prosecutor Participation in the Criminal Trials of the Prosecutor General's Office of the Russian Federation and Public Prosecutor **A.S.Arhipov** from the Public Prosecution Division of the Department for the Public Prosecutor Participation in the Criminal Trials of the Moscow Region Public Prosecutor's Office;

the Defendants **M.B.Khokorkovsky**, **P.L.Lebedev**, **A.V.Kraynov**;

the Defence Attorneys **G.P.Padva**, service certificate No. 4827 and order No. 228/04, legal aid agency 'Padva and Partners'; **E.L.Levina**, service certificate No. 6170 and order No. 1/17, the Bar's nonprofit association 'Lex'; **I.V.Mikheyev**, service certificate No. 2103 and order No. 007836, office 34 of the Moscow Regional Bar; **A.V.Drel**, service certificate No. 1491 and orders Nos. 16 and 21, legal aid agency 'ALM Feldmans'; **K.A.Moskalenko**, service certificate No. 3903 and order No. 647, the Bar's firm of attorneys 10 'MGKA' ('The Moscow Municipal Bar'); **Yu.M.Shmidt**, service certificate No. 1852 and order No. 002276, legal advice office 'Yuri Schmidt and Partners'; **A.A.Mkrtychev**, service certificate No. 3368 and order No. 56, nongovernmental nonprofit organization of the Bar of the city of Moscow 'Lex International'; **V.M.Sergeyev**, service certificate No. 5367 and order No. 468/04, legal aid agency 'Padva and Partners'; **D.M.Dyatlev**, service certificate No. 7003 and order No. 137, the Moscow Bar 'Kaganer and Partners'; **O.G.Artyukhova**, service certificate No. 34 and order No. 438-04, the Bar's office 'The Moscow Legal Centre 'Tsentralny''; **E.A.Baru**, service certificate No. 204 and order 2039, the Bar's firm of attorneys 12 'The Moscow Municipal Bar'; **E.L.Liptser**, service certificate No. 2998 and order No. 624, the Bar's firm of attorneys 10 'MGKA'; **V.N.Krasnov**, service certificate No. 1608 and order No. 015386, office 20 of the Moscow Regional Bar; **K.E.Rivkin**, service certificate No. 3827 and order No. 154, the Moscow Bar 'Kaganer and Partners'; **T.V.Gridnev**, service certificate No. 1664 and order No. 39, the Moscow Bar 'Gridnev and Partners'; **V.G.Alexanyan**, service certificate No. 234 and order No. 57, nongovernmental nonprofit organization of the Bar of the city of Moscow 'Lex International'; **I.L.Ivanov**, service certificate No. 3016 and order No. 1794, the Bar's firm of attorneys 18 'MGKA'; **D.M.Lunin**, service certificate No. 2132 and order No. 1795, the Bar's firm of attorneys 18 'MGKA';

in the presence of the Secretaries **E.N.Pershina**, **M.A.Polyakov**, **K.Yu.Buzunov**, **A.V.Varenko**, **T.Yu.Fursova**, **L.R.Umarova**, **N.B.Ivanova**;

as well as the representatives of the civil claimants **E.R.Alexandrova**, **A.N.Nagornaya**, for the Federal Tax Service (formerly, the Revenue Ministry of the Russian Federation); E.A.Zabroda, D.V.Egorov, for Inspection Board 5 for the city of Moscow of the Federal Tax Service; G.B.Sinitsyn, A.A.Malygin, for Inspection Board 2 for the city of Moscow of the Federal Tax Service;

upon consideration in open court of the materials of the criminal case of

Mr. Mikhail Borisovich KHODORKOVSKY,  
born 26 June 1963, native of the city of Moscow,  
national of the Russian Federation,  
higher education, married, having three minors  
living on him, member of the Board of Directors  
of OAO 'NK YUKOS' (open joint stock company  
YUKOS Oil Company), registered at 4 Krestovsky  
per., apt. 193,  
Moscow, residing at the co-operative society  
'Yablonevy Sad', Zhukovka village, Odintsovo

District,

Moscow Region, no previous conviction, liable to  
military service, no state awards,

charged with the offences contrary to paras a,b part 3 art. 159 of the Criminal Code of the Russian Federation, part 3 art. 33 art. 315 of the Criminal Code of the Russian Federation, paras a,b part 3 art. 165 of the Criminal Code of the Russian Federation, paras a,b part 3 art. 160 of the Criminal Code of the Russian Federation, paras a,b part 3 art. 159 of the Criminal Code of the Russian Federation, part 3 art. 33 art. 315 of the Criminal Code of the Russian Federation, part 3 art. 33 and paras a,d part 2 art. 199 of the Criminal Code of the Russian Federation, part 3 art. 33 and paras a,c,d part 2 art. 199 of the Criminal Code of the Russian Federation, paras a,b part 3 art. 159 of the Criminal Code of the Russian Federation, paras a,b part 3 art. 160 of the Criminal Code of the Russian Federation, part 2 art. 198 of the Criminal Code of the Russian Federation, part 2 art. 198 of the Criminal Code of the Russian Federation and part 2 art. 327 of the Criminal Code of the Russian Federation;

Mr. Platon Leonidovich LEBEDEV,  
born 29 November 1956, native of the city of  
Moscow,  
national of the Russian Federation,  
higher education, married, having three minors  
living  
on him, Chairman of the Board of Directors  
of ZAO 'MFO Menatep' (closed joint stock  
company

Menatep International Financial Association),  
 Chairman of the Board of Directors  
 of the Investment Bank 'Trust', Chairman  
 of the Board of Directors of OAO Bank Menatep  
 SPb,

Director of the Group Menatep Limited holding,  
 registered at 3 Goncharnaya naberezhnaya, bldg 5,  
 apt. 97,

Moscow, residing at the co-operative society  
 'Yablonevy Sad', Zhukovka village, Odintsovo  
 District,

Moscow Region, no previous conviction, liable to  
 military service, no state awards,

charged with the offences contrary to part 4 art. 159 of the Criminal Code of the Russian Federation (as amended by Federal Law No. 162-FZ dd. 08.12.2003), part 3 art. 33 art. 315 of the Criminal Code of the Russian Federation (as amended by Federal Law No. 162-FZ dd. 08.12.2003), para a part 3 art. 165 of the Criminal Code of the Russian Federation (as amended by Federal Law No. 162-FZ dd. 08.12.2003), part 4 art. 160 of the Criminal Code of the Russian Federation (as amended by Federal Law No. 162-FZ dd. 08.12.2003), part 4 art. 159 of the Criminal Code of the Russian (as amended by Federal Law No. 162-FZ dd. 08.12.2003), part 3 art. 33 art. 315 of the Criminal Code of the Russian Federation (as amended by Federal Law No. 162-FZ dd. 08.12.2003), part 3 art. 33, paras a,b part 2 art. 199 of the Criminal Code of the Russian Federation (as amended by Federal Law No. 162-FZ dd. 08.12.2003), part 3 art. 33 paras a,b part 2 art. 199 of the Criminal Code of the Russian Federation (as amended by Federal Law No. 162-FZ dd. 08.12.2003), part 4 art. 159 of the Criminal Code of the Russian Federation (as amended by Federal Law No. 162-FZ dd. 08.12.2003), part 2 art. 198 of the Criminal Code of the Russian Federation (as amended by Federal Law No. 162-FZ dd. 08.12.2003),

Mr. Andrey Vladimirovich KRAYNOV,  
 born 29 March 1964, native of the city of  
 Dushanbe,  
 national of the Russian Federation, higher  
 education,

married, having three minors living on him,  
 Deputy Director General of OOO 'Makarios and  
 Co',

registered at 42a Lenina Street, apt. 9, Mosalsk,  
 residing at 12 Sirenevaya Street,  
 Novospasskoye village, Narofominsky District,  
 Moscow Region, no previous conviction, liable to  
 military

service, no state awards,

charged with the offences contrary to paras a,b part 3 art. 159 of the Criminal Code of the Russian Federation, art. 315 of the Criminal Code of the Russian Federation, paras a,b part 3 art. 165 of the Criminal Code of the Russian Federation, paras a,b part 3 art. 159 of the Criminal Code of the Russian Federation, paras a,b part 3 art. 165 of the Criminal Code of the Russian Federation,

**E S T A B L I S H E D as follows:**

**Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev committed fraud, i.e. acquisition of the right to other people's property by means of deceit, by an organized group, in large scale, under the following circumstances.**

In 1995, Moscow, Mr. M.B.Khodorkovsky, being Chairman of the Board of Directors of the Menatep Bank, and Mr. P.L.Lebedev, being President of the Menatep Bank, acting as members of an organized group that included other persons some of whom were not identified during the course of the investigation, committed fraud under the following circumstances.

Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev as members of the said organized group directed actions aimed at the fraudulent misappropriation of shares in the joint stock company 'Professor Ya.V.Samoylov Research Institute of Fertilizers and Insecto-Fungicides' (AO 'NIUIF'). In so doing, the organized group directed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev developed a fraudulent scheme of plundering 44% of shares in AO 'NIUIF' through officials of the Menatep Bank subordinate to them who were supposed to abuse their powers in order to draw up forged official documents requisite for the investment tender for sale of the above shares and facilitate their obtaining the right to day-to-day and strategic management of AO 'NIUIF' through front commercial subsidiaries dependent on them, as well as officials of the commercial subsidiaries and the Bank subordinate to them, and their disposal of its property at their own discretion.

The members of the organized group were vested with different roles and duties they were to comply with in swindling. The developed scheme stipulated the order and dates of the criminal acts to be committed.

In particular, according to the functions of the members of the organized group, Mr. M.B.Khodorkovsky was to arrange and control the activities of the members aimed at fraudulent misappropriation of shares in AO 'NIUIF'; Mr. P.L.Lebedev, in virtue of the orders by the leader of the organized group, Mr. M.B.Khodorkovsky, was to misuse his powers of the President of the Menatep Bank in order to direct the conduct of the organized group and other persons working for the Bank and associated companies under his control in committing the crime and provide the front commercial companies on behalf of which the shares were acquired with a bank guarantee of discharge of financial obligations undertaken under contracts of purchase and sale, being fully aware that the obligations would never be met; persons who were not identified during the investigation were to secure drawing up of deliberately forged documentation,

submit it to the Russian Federal Property Fund (THE RFFI) and the commission for the tender for sale of shares in AO 'NIUIF', arrange the activities of the persons offered by the leaders of the organized group for their would-be participation in the investment tender and sign the contract of purchase and sale of shares in AO 'NIUIF' on behalf of a front company, namely AOZT 'Wallton' (closed joint stock company 'Wallton').

Moreover, the scheme envisaged the use by the organized group of several legal entities established prior to the plundering activities as a vehicle of swindle, subsequent retention and ultimate acquisition of the right to the shares in AO 'NIUIF', as well as concealment of the crime committed.

In that, Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the others from the organized group were fully aware that the commercial organizations involved in the share misappropriation activities did not have all the features and functions attributable to a legal corporate body under art. 48-50 of the Civil Code of the Russian Federation, namely they did not have the right of ownership to, nor did they administer, nor did they carry out day-to-day management of separate property; they could not acquire or exercise property rights on their own, without consent of the organized group; they could not implement any activities having profit making as its main goal, and their activities were for the most part unprofitable ones since they were used by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and other members of the organized group for plundering purposes.

The commercial organizations involved in the fraudulent conduct were front legal entities dependent on Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and other members of the organized group, whereas the persons registered as their directors general on behalf of whom Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev in conspiracy with the other members of the organized group committed fraud were dependent and fully controlled by Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky and their fellow-conspirators from the organized group as well, since they were subordinate to the latter while working for the Menatep Bank, AOZT 'MFO Menatep', SP 'RTT' (Russian Trust and Trade Joint Venture) or other commercial organizations incorporated by the said Bank or another associated company, and were thus straw leaders of the companies.

In fact, all the functions of a legal corporate body were fulfilled by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the members of the organized group directed by the latter rather than by the said directors thereof.

Some straw legal corporations used as a vehicle of crime were controlled by Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky since they were incorporated by legal entities controlled by the latter. The front legal entities, as well as their incorporators, had bank accounts with the Menatep Bank and, upon dissolution thereof, with OAO AKB 'Trust and Investment Bank' (open joint stock company Incorporated Bank 'Trust and Investment Bank'), OAO KB 'Menatep SPb' (open joint stock company Commercial Bank 'Menatep SPb') and OAO KB 'Mi-bank' (open joint stock company Commercial Bank 'Mi-Bank'), as instructed by Mr. M.B.Khodorkovsky and members of the organized group. The front enterprise accounting was provided by the organized group from one point: first from AOZT

‘MFO Menatep’, then from SP ‘RTT’, afterwards from OOO ‘Virsviya’ (Virsviya Ltd), i.e. the companies controlled by Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky and the others from the organized group.

In implementing their criminal scheme of fraudulent misappropriation of a 44% shareholding of the State in AO ‘NIUIF’, the organized group directed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev used such commercial enterprises as AOZT ‘Wallton’ and AOZT ‘Polinep’ as a vehicle of crime.

AOZT ‘Wallton’ was incorporated by a legal entity, AOZT ‘Joy’ having Mr. A.A.Smirnov, Head of the Controlling and Auditing Department of the Menatep Bank, who was subordinate to the Chairman of the Board of Directors of the Menatep Bank M.B.Khodorkovsky, President of the Menatep Bank P.L.Lebedev and other members of the organized group, as its Director General.

Mr. S.A.Usachev from ‘MFO Menatep’ subsequently transferred to the Menatep Bank was registered as director of AOZT ‘Wallton’. In virtue of his transfer, AOZT ‘Wallton’ was also controlled by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev.

Mr. S.A.Usachev did not actually take part in the activities of AOZT ‘Wallton’, nor did he sign any documents as the Director General, nor did he participate in acquisition of any shares on behalf of AOZT ‘Wallton’.

With a view to concealing the fact that the legal corporate bodies involved in the crimes were controlled by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and their associates from the organized group, the latter used foreign companies for incorporation of the legal corporate bodies as follows: ‘Kilda B.V.’ (the Netherlands) represented in the Russian Federation by Mr. V.V. Moiseyev who has had friendly relations with Mr. M.B.Khodorkovsky for they studied at the same secondary school and who acted in the capacity of the Assistant to the Chairman of the Board of Directors of ‘MFO Menatep’ M.B.Khodorkovsky, for incorporation of AOZT ‘Joy’; ‘Jamblick Limited’ (Douglas, Isle of Man) represented in the Russian Federation by Mr. V.V.Moiseyev as well, for incorporation of AOZT ‘Pravus’, AOZT ‘Khimtrust’, AOZT ‘Polimet’, AOZT ‘Polimash’, AOZT ‘M-Reyestr’ used for incorporation of straw companies and commission of crimes.

The closed joint stock company ‘Polinep’ was incorporated under direction of Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky by ZAO ‘Pravus’ having Mr. A.K.Zverev subordinate to the President of the Menatep Bank P.L.Lebedev and the Chairman of the Board of Directors of the Bank M.B.Khodorkovsky and working for ‘MFO Menatep’ as its Director General. By order of Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky, Mr. A.K.Zverev appointed Ms. M.N.Kublitskaya working for ‘MFO Menatep’ Director General of AOZT ‘Polinep’.

Under the conditions secured for facilitation of the crime intended, Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev in conspiracy with the others from the organized group committed fraudulent misappropriation of a 44% shareholding of the State in AO ‘NIUIF’ totaling 6,545 items of RUR 130,900,000 total nominal value, with the actual (market) value being 5,236,000,000 non-denominated rubles, for the purposes of obtaining the right to administer the Institute and manage the real property belonging to the latter at their own discretion, that is the buildings

located at an economically convenient administrative and territorial place in the city of Moscow, i.e. 55/1 Leninsky prospect, bldg 1, and 55/1 Leninsky prospect, bldg 2, of the assessed value equaling to at least 40,212,000,000 non-denominated rubles.

Under the scheme agreed upon by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev, abusing his powers of the President of the Bank referred to in section 9.11 of the Articles of the AKB 'Bank Menatep' approved by the meeting of shareholders (Minutes 1 dd. 19.07.1990) as amended by the general meeting of shareholders (Minutes 1 dd. 31.03.1993) as to giving instructions binding upon all the officials of the Bank, with a view to facilitating fraudulent acts aimed at acquisition of the right to a shareholding in AO 'NIUIF', arranged and ensured through the Head of the Investment Department – Mr. A.D.Golubovich – and the Head of the Privatization Division of the Department – Ms. N.V.Chernysheva – involvement of officials of the Menatep Bank – Mr. S.G.Ushanov and Mr. M.V.Tsarkov – in drawing up documentation requisite for participation of AOZT 'Wallton' and AOZT 'Polinep' in the investment tender for sale of a 44% shareholding in AO 'NIUIF'.

In August 1995, Moscow, at the place of employment, Menatep Bank, 4 Kolpachny pereulok, Mr. S.G.Ushanov and Mr. M.V.Tsarkov following instructions of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev drew up the following papers: power-of-attorneys dd. 08.08.1995 for their names on behalf of Mr. S.A.Usachev; certificate of incorporator and statement of the incorporator's 100% share in the statutory fund of AOZT 'Wallton'; application for participation of AOZT 'Wallton' in the investment tender; written request on behalf of the Director General of AOZT 'Wallton' S.A.Usachev addressed to P.L.Lebedev for a banker's indemnity amounting to USD 25,000,000; undertaking of AOZT 'Wallton' to honour the investment commitments in case it wined the tender; investment offer of AOZT 'Wallton' equaling to USD 25,000,000.

In that, Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the others from the criminal organized group were fully aware that the investment commitments would never be met and that the undertaking to comply with the commitments was to be provided to the tender result commission in order for AOZT 'Wallton' to be declared the winner of the tender without any intention to fulfill the commitments.

Mr. P.L.Lebedev, abusing his powers of the President of the Bank stipulated in section 9.11 of the Articles of the AKB 'Bank Menatep' approved by the meeting of shareholders (Minutes 1 dd. 19.07.1990) as amended by the general meeting of shareholders (Minutes 1 dd. 31.03.1993), namely to act without a power-of-attorney issued on behalf of the Bank, represent the latter at all the enterprises, institutions and organizations and dispose of funds, signed letters of guarantee Nos. B-3859 dd. 09.08.1995 and B-3860 dd. 08.08.1995, as per which the Bank guaranteed fulfillment of the financial obligations under the investment project by AOZT 'Wallton' and AOZT 'Polinep' in case any of them was declared the winner of the investment tender for sale of a shareholding in AO 'NIUIF'.

The letters of guarantee were official documents referred to in section 3.2 of the Regulation on the investment tender for sale of shares in joint stock companies

set up under the state and municipal enterprise privatization programme approved as an addendum to Order of the State Committee of the Russian Federation for the State Property Management No. 342-r dd. 15 February, 1994 that served as confirmation of the guarantee to secure fulfillment by AOZT 'Wallton' and AOZT 'Polinep' of the requirements (terms) of the tender within the framework of the instruments securing complying with the obligations under the active laws. Mr. P.L.Lebedev was fully aware that AOZT 'Wallton' and AOZT 'Polinep' would never fulfill the investment terms. On 17 August, 1995, the members of the criminal organized group instructed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev arranged through the Head of a Division N.V.Chernysheva participation of M.V.Tsarkov and S.G.Ushanov in the investment tender for sale of a 44% shareholding of the State in OAO 'NIUIF' at the THE RFFI, 9 Leninsky prospect, Moscow. The tender commission was provided with applications for participation in the tender attaching a folder of documents required for the participation, including the above documents drawn up by M.V.Tsarkov and S.G.Ushanov, as well as investment projects as follows: AOZT 'Wallton' offering investment of USD 25,000,000 and AOZT 'Polinep' offering investment of USD 50,000,000; letters of guarantee Nos. B-3859 dd. 09.08.1995 and B-3860 dd. 08.08.1995, as per which the Bank undertook to secure fulfillment by the closed joint stock companies 'Wallton' and 'Polinep' of financial commitments under the investment project in case any of them was declared the winner of the investment tender for sale of a shareholding in AO 'NIUIF'.

By submitting the deliberately forged documents, Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and their fellow-conspirators from the organized group misled the THE RFFI officials and members of the tender commission as to the state of finances and good standing of AOZT 'Wallton' and AOZT 'Polinep' and as to the authenticity of the documents provided. Therefore, AOZT 'Wallton' and AOZT 'Polinep' controlled by the Menatep Bank were admitted to the tender for sale of shares in the Institute.

On 22 August, 1995, at the premises of the RFFI, 9 Leninsky prospect, Moscow, following the instructions of Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky and the others from the organized group, Mr. S.G.Ushanov conspired together with Mr. M.V.Tsarkov to perform fraudulent acts as the alleged independent participants of the tender. In virtue of the orders of Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky given to Mr. S.G.Ushanov through Ms. N.V.Chernysheva, with a view to excluding the participation of other commercial organizations in the tender that were controlled neither by Mr. P.L.Lebedev nor by Mr. M.B.Khodorkovsky, Mr. S.G.Ushanov declared an investment offer of USD 50 million on behalf of AOZT 'Polinep', which exceeded the amounts declared by the other participants.

The tender commission was misled by the forged documents submitted by Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky and their fellow-conspirators and ruled to declare AOZT 'Polinep' offering the highest level of investments the winner of the tender for purchase of shares in AO 'NIUIF'.

Mr. S.G.Ushanov acting in conspiracy with Mr. M.V.Tsarkov under the scheme elaborated by Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky refused on behalf of AOZT 'Polinep' to enter into a contract of purchase and sale of shares in AO 'NIUIF'. On 12 September, 1995, the investment commission governed by the offered investment level and the investment terms, based on the forged documents, being defrauded in terms of the guarantee to fulfill by AOZT 'Wallton' and the Menatep Bank of the investment commitments in case they wined the tender, decided to declare AOZT 'Wallton' the winner of the tender for purchase of shares in the Institute.

Afterwards, members of the organized group directed by Mr. M.B.Khodorkovsky arranged without the knowledge of Mr. S.A.Usachev delivery of copies of contract No. 1-11-2-644 of purchase and sale of 44% of the common stock in OAO 'NIUIF' equaling to 6,545 items of 130,900,000 non-denominated rubles total nominal value, with the actual (market) value being 5,235,000,000 non-denominated rubles, to the Menatep Bank by Mr. M.V.Tsarkov and signing thereof on 21 September, 1995 on behalf of Mr. S.A.Usachev by a person who was not identified during the course of the investigation. Based on the said forged contract, a 44% shareholding in OAO 'NIUIF' was passed into the ownership of AOZT 'Wallton' controlled by the Menatep Bank. The property right of AOZT 'Wallton' to the shareholding was registered at the register of shareholders of AO 'NIUIF' on 22 September, 1995.

**Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev arranged fraudulent failure to comply with a court ruling which entered into effect by an employee of a commercial organization under the following circumstances.**

Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev conspired together with other members of the organized group to commit fraudulent acts aimed at deliberate failure to comply with the commitment to make investments on behalf of AOZT 'Wallton' and avoidance of responsibility for default on the contract of purchase and sale stipulating the shares to be returned to the seller. In order to facilitate the implementation of their criminal intentions, members of the organized group directed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev pretended they sought to fulfill the investment commitments with a view to winning the confidence of the director of OAO 'NIUIF' – Mr. P.V.Klassen – and lead the latter astray as follows. On 28 December, 1995, members of the organized group following instructions of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev ensured fraudulent conclusion of a deliberately forged contract with OAO 'NIUIF' on behalf of the Director General of AOZT 'Wallton' S.A.Usachev. According to the contract, AOZT 'Wallton' as an investor represented by S.A.Usachev undertook to transfer the investment pecuniary means amounting to USD 25,000,000 or RUR 116,200,000,000 (at the Russian Central Bank rate of RUR 4,648 for USD 1) by 31 December, 1995. Members of the organized group continued to deceive Mr. P.V.Klassen and used his lack of knowledge of the tax laws in order to make him believe that in case of receipt by the Institute of the investment funds in late 1995 and the transfer of the amount to the 1996 taxable period they would have to pay a profits tax of 35%. They convinced him of the need to transfer the funds back to the account of the

investor – AOZT ‘Wallton’ – by the end of December of 1995 as soon as the amount was passed to the account of the Institute in order to avoid the tax payment. They alleged AOZT ‘Wallton’ would reimburse the investments in 1996 within the terms and to the extent stipulated by a supplementary agreement.

Being thus defrauded by the organized group directed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, Mr. P.V.Klassen signed such a supplementary agreement drawn up beforehand for implementation of fraudulent intentions by the organized group, which postponed the effecting of the investments in favour of the Institute for the latter half of 1996. In such a way, by making Mr. P.V.Klassen believe that AOZT ‘Wallton’ would fulfill the investment obligations, the organized group directed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev turned the investment funds of the Institute to their own advantage. In order to conceal the fraud committed and avoid responsibility therefor, Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev ordered that the organized group pretend to make investments as follows. On 29 December, 1995, persons who were not identified in the course of the investigation drew up and delivered payment order No. 26 dd. 26.12.1995 for transfer of 114,922,500,000 non-denominated rubles from the account of AOZT ‘Wallton’ as investments to the account of AO ‘NIUIF’ and several copies of the payment order dd. 29.12.1995 for the back transfer of the pecuniary means from the account of the Institute to that of AOZT ‘Wallton’ to the office of Mr. P.V.Klassen at 55/1 Leninsky prospect, Moscow. Mr. P.V.Klassen misled by the organized group signed the payment orders and ordered that they be executed. On 29 December, 1995, the said amount was transferred from the account of AOZT ‘Wallton’ to that of the Institute, both accounts being opened with the Menatep Bank. On 30 December, 1995, the amount was transferred back to the account of AOZT ‘Wallton’.

Whereupon, Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky who was Chairman of the Board of Directors of ZAO ‘Rosprom’ (closed joint stock company ‘Rosprom’) as of February 1996 conspired together with the members of the organized group to ensure conveyance of the property right to the shares in AO ‘NIUIF’ from AOZT ‘Wallton’ to straw associated legal entities with a view to failing to make investments and return the shares to the legitimate owner – the State – as well as securing prerequisites precluding from compulsory taking of a 44% shareholding in AO ‘NIUIF’ based on the court ruling from illegitimate holding in future. On 29 July, 1994, Moscow, the organized group under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev set up and incorporated front legal corporate bodies such as AOZT ‘Metaxa’, AOZT ‘Alton’, AOZT ‘Khiminvest’ registered by the Moscow Registration House of the Government of the city of Moscow on 3-4 August, 1994. Later on, the above associated companies subordinate to the organized group established some other limited liability companies such as AOZT ‘Joy’, AOZT ‘Pravus’, ZAO ‘Coral’ and ZAO ‘Selta’. The directors general of the incorporating companies were Mr. A.A.Smirnov and Mr. A.K.Zverev. After that, in Moscow, the organized group directed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev drew up and signed the following

contracts of purchase and sale of securities dd. 21 February, 1996 on behalf of the Director General of AOZT 'Wallton' S.A.Usachev:

- No. U/Kh-1, as per which AOZT 'Khiminvest' purchased 2,181 shares of 233,368,040 non-denominated rubles;
- No. U/M-1, as per which AOZT 'Metaxa' purchased 2,182 shares of 233,368,980 non-denominated rubles;
- No. U/A-1, as per which AOZT 'Alton' purchased 2,182 shares of 233,368,980 non-denominated rubles.

Referring to the ample resources of AOZT 'Wallton' and alleging that in the former half of 1996 AOZT 'Wallton' would proceed to make investments in favour of AO 'NIUIF' under the contracts, the organized group following the instructions of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev fraudulently persuaded Mr. P.V.Klassen to approve the statement as to the performance of the investment commitments undertaken by the investor with respect to the Institute to the full extent by signing the contracts of purchase and sale of shares in AO 'NIUIF' concluded on 21 February, 1996 between AOZT 'Wallton' and AOZT 'Khiminvest', AOZT 'Alton' and AOZT 'Metaxa'. Thus, the organized group pretended they had effected investments by ensuring the transfer and return of the investment funds and signing forged contract No. 183 dd. 28 December, 1995 through which they managed to persuade Mr. P.V.Klassen to sign a deed of investment, and facilitated conclusion on 21 February, 1996 of contracts on the basis of which AOZT 'Wallton' illegally sold shares in AO 'NIUIF' to AOZT 'Metaxa', AOZT 'Khiminvest' and AOZT 'Alton' in equal parts without binding the latter with investment obligations, which was confirmed by the own signature of Mr. P.V.Klassen in the contracts. Having a distorted picture of the actual investment status in late December 1995 and early 1996 as a result of the fraudulent conduct of the organized group directed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, Mr. P.V.Klassen signed a deed of the investment programme performance by AOZT 'Wallton' to the full extent which was mistakenly approved by the RFFI without being duly examined.

However, in summer or fall 1997, the RFFI found out AOZT 'Wallton' had defaulted on the investment commitments. The RFFI therefore took appropriate measures and applied to the Arbitrary Court of the city of Moscow. On 24 November, 1997, the Court ruled to consider contract of purchase and sale of shares at the tender No. 1-1-2/644 dd. 21.09.1995 between the RFFI and AOZT 'Wallton' cancelled.

On 5 to 19 January, 1998, Moscow, in order to facilitate failure to comply with the above ruling in force and avoid compulsory taking in future based on the court order of the shares in AO 'NIUIF' fraudulently received, the members of the organized group following the instructions of Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky who held the position of the Chairman of the Board of Directors of ZAO 'Rosprom' from 23 May, 1996 in addition to the post of the Chairman of the Board of Directors of the Menatep Bank drew up contracts of purchase and sale of the above securities for the same criminal purposes.

According to the contracts, the transfer of the property with respect to the shares in AO 'NIUIF' was registered for other legal entities controlled by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the others from the organized group. Thus, they had the transfer of a part of the shares in AO 'NIUIF' from AOZT 'Metaxa', AOZT 'Alton' and AOZT 'Khiminvest' to ZAO 'Fermet' registered. The latter, in turn, had the shares registered as property of OOO 'Elbrus', OOO 'Leasing', OOO 'Izumrud', OOO 'Topaz', OOO 'Triumph' and OOO 'Renons'. Moreover, a part of the shares of AOZT 'Alton', AOZT 'Khiminvest' and AOZT 'Metaxa' was registered as property of OOO 'Danaya' through contracts of purchase and sale. OOO 'Danaya' had a part of the shares registered for AOZT 'Galmet'. Afterwards, the transfer of the shares in AO 'NIUIF' from OOO 'Danaya' and AOZT 'Galmet' to OOO 'Triumph', OOO 'Leasing', OOO 'Status', OOO 'Elbrus', OOO 'Renons', OOO 'Topaz', OOO 'Izumrud' in parts was registered.

All the above entities were front ones controlled by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and their fellow-conspirators.

The specified straw companies were established by members of the organized group under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev. In particular, in 1996, such front companies as OOO 'Topaz', OOO 'Leasing', OOO 'Triumph', OOO 'Danaya', OOO 'Status', OOO 'Izumrud', OOO 'Renons', OOO 'Elbrus', ZAO 'Fermet', AOZT 'Galmet' were set up in the city of Mosalsk, Kaluga Region, in Taldomsky and Ruzsky District, Moscow Region. Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the organized group used the following associated enterprises dependent on them in establishing the latter companies: ZAO 'Pravus' which was co-incorporator of OOO 'Elbrus' by way of AOZT 'Polinep'; AOZT 'Coral' which set up AOZT 'Renmet' that incorporated OOO 'Danaya' and AOZT 'Polikant' which, in turn, established OOO 'Renons'; ZAO 'Selta' that established OOO 'Topaz', as well as, together with ZAO 'Polimash', set up OOO 'Triumph' and OOO 'Status'; ZAO 'Depor' which incorporated, together with AOZT 'Polimash', OOO 'Leasing' and, together with AOZT 'Renmet', AOZT 'Izumrud'. Seeking to conceal the fact that the entities used by them for the criminal purposes were controlled by the organized group, Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and other members of the organized group chose foreign companies as their original incorporators, namely 'Jamblick Limited', Douglas, Isle of Man, 'Kilda B.V.' and 'FAM Financial and Mercantile Investment Company LTD' registered in the Netherlands and in Cyprus, respectively. On behalf of the offshore companies 'Jamblick Limited', 'Kilda B.V.' and 'FAM Financial and Mercantile Investment Company LTD', the organized group instructed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev established AOZT 'Joy' registered on 26 March, 1993 in Moscow by the State Registration House at the Ministry of Economy of the Russian Federation, ZAO 'Depor', ZAO 'Coral', ZAO 'Selta' incorporated on 9 February, 1995 in Moscow and registered on 17 August, 1994 by the State Registration House at the Ministry of Economy of the Russian Federation, as well as AOZT 'Pravus', AOZT 'Khimtrust', AOZT 'Polimet', AOZT 'Polimash', AOZT 'Polinep', AOZT 'M-

Reyestr' used for incorporation of front companies and facilitation of other crimes. The group instructed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev appointed their subordinates from ZAO 'MFO Menatep', SP 'RTT' or Menatep Bank Directors General of the interim incorporating companies from the date of their registration, that is Mr. A.G.Melnikov for ZAO 'Depor', Mr. E.A.Makhovikov for ZAO 'Selta', Mr. O.Yu.Smolnikov for ZAO 'Coral'. Officials of the Menatep Bank subordinate to the Chairman of the Board of Directors of the Bank M.B.Khodorkovsky and those from the companies controlled by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev were registered as Directors General of the front companies. Officials from the Menatep Bank, ZAO 'MFO Menatep' and TOO SP 'RTT' subordinate to Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev were appointed directors general of the front companies AOZT 'Renmet', ZAO 'Fermet'. Mr. A.V.Zakharov who held the position of the Director General of AOZT 'Khiminvest' between 1994 and 1998 had the principal place of employment at ZAO 'MFO Menatep'; one of the duties of the Director General of OOO 'Leasing' in 1996 through 1998 – Mr. S.V.Fandeyev – was to follow recommendations of the Economic Department of TOO SP 'RTT' accountable to, fully controlled by and dependent on the Menatep Bank; Ms. O.V.Dmitriyeva being Director General of OOO 'Elbrus' worked for the Financial Department of TOO SP 'RTT'; Ms. N.M.Gorbunova being Director General of OOO 'Elbrus' in 1997 through 1998 worked for the Financial Department of SP 'RTT' controlled by the Menatep Bank; the Director General of OOO 'Status' Yu.A.Kobzar also worked between 1995 and 1998 for TOO SP 'RTT' controlled by the Menatep Bank that undertook its economic services; Ms. E.Yu.Atanova holding the position of the Director General of AOZT 'Alton' had the principal place of employment at TOO SP 'RTT' controlled by the Menatep Bank. The Directors General of the other associated companies, that is A.V.Alexeyev from OOO 'Danaya' and AOZT 'Galmet', V.N.Kovalchuk from ZAO 'Fermet', T.N.Kolupayeva from OOO 'Topaz', A.V.Koval from OOO 'Izumrud', S.A.Kharlanova from OOO 'Triumph', O.V.Borisova from OOO 'Renons' who also worked for TOO SP 'RTT' in 1996 through 1998 facilitated in January 1998 resale of shares in AO 'NIUIF' under the control of SP 'RTT' controlled by the Menatep Bank to Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and other members of the organized group. All the above front enterprises had settlement accounts with the Menatep Bank and, upon dissolution thereof, with OAO AKB 'Trust and Investment Bank', OAO KB 'Menatep SPb' and OAO KB 'Mi-bank' under the control of Mr. P.L.Lebedev and other members of the organized group. All the specified legal entities were straw companies controlled by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and their fellow-conspirators from the organized group. Therefore, all the dealings made under the direction of Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and other members of the organized group ensuring registration of the transfer of property with respect to shares in AO 'NIUIF' from one straw company to another after the Arbitrary Court of the city of Moscow ruled on 24.11.1997 to declare contract of purchase and sale between THE RFFI and AOZT 'Wallton' No. 1-11-2/644 dd. 21.09.1995 null and

void appeared to be invalid due to the fact they were entered into upon ill-intended agreement between the parties thereto.

The said conduct of Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and other members of the organized group shall be considered as fraudulent failure to comply with the arbitral award in force by officials of a commercial organization from 25 December, 1997 up to the present.

**Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev also committed misappropriation, i.e. embezzlement of other people's property entrusted to the guilty party in large scale by an organized group under the following circumstances.**

Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev acting as members of the organized group fraudulently misappropriated shares in OAO 'Apatit' and, holding the major equity of the above company, acquired the right to strategic and day-to-day management thereof by electing their subordinates to the leading positions with OAO 'Apatit', i.e. the Board of Directors and Director General.

Abusing their powers, Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky plundered proceeds of OAO 'Apatit' from sale of the products. In 1995, Moscow, Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky founded an organized group with a view to securing misappropriation and directed its activities aimed at implementation of the criminal intentions.

The organized group included officials of the Menatep Bank and other entities controlled by the Bank, Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky and the other leaders of the organized group. Other people from the group, including persons who were not identified during the course of the investigation, also participated in embezzlement of proceeds of OAO 'Apatit' from apatite concentrate purchase and sale dealings by taking necessary measures while selling apatite concentrate and appropriating funds in favour of the members of the organized group.

According to the functions vested in the members of the organized group, Mr. M.B.Khodorkovsky was to arrange and direct the activities of the members aimed at misappropriation of proceeds of sale of apatite concentrate of OAO 'Apatit'; Mr. P.L.Lebedev was to engage in the activities and direct the conduct of the organized group and other persons aimed at appropriation and disposition of funds transferred as the proceeds of sale of apatite concentrate to accounts of Russian and foreign companies in favour of the members of the organized group; other persons were to control the activities of the management team of sale of apatite concentrate under the conditions ensuring misappropriation of funds, and to secure sale of apatite concentrate under the conditions facilitating plundering of proceeds of sale; persons who were not identified during the investigation were to take appropriate measures for selling apatite concentrate and appropriating funds in favour of the members of the organized group with a view to facilitating misappropriation of funds of OAO 'Apatit'.

Enjoying his right to strategic and day-to-day management of OAO 'Apatit', Mr. M.B.Khodorkovsky deprived the leadership of the company, in virtue of his order of the Chairman of the Board of Directors of 'Rosprom' No. 14 dd. 1

December, 1995 of the power to manage its output and funds and vested the power in the management group headed by other members of the organized group. Mr. M.B.Khodorkovsky charged Mr. P.L.Lebedev with the task to manage the funds transferred as proceeds of sale of apatite concentrate to accounts of the associated companies. Whereupon, Mr. P.L.Lebedev acting as a member of the organized group conspired together with other members of the group to ensure in 1995 through 2002 the transfer of the products of OAO 'Apatit' under the guise of purchase and sale dealings to intermediaries controlled by them – front Russian companies 'Apatit-Trade', ZAO 'Gorkhimprom', OOO 'Varyag', OOO 'Fostrade', Swiss companies 'Apatit Fertilizers S.A.' and 'Polyfert AG, c/o Seestatt AG' etc – at a reduced price of no more than USD 30-40 per Mt. The said companies then sold the apatite concentrate to foreign enterprises at USD 40-78.5 per Mt.

In 1997, members of the organized group acting in conspiracy with P.L.Lebedev transferred the products of OAO 'Apatit' at a reduced price under the guise of purchase and sale dealings to the front company OOO 'Apatit-Trade' fully controlled by him and other members of the group. To that end, they arranged conclusion of contract No. 643/00203938/60593-20 dd. 9 December, 1996 between the joint stock company 'Apatit' and ZAO 'Apatit-Trade' for supply of apatite concentrate to the latter during the period of 1 January to 31 December, 1997. As per the price coordination protocols, members of the organized group acting together with Mr. P.L.Lebedev fixed the following disbursing price for apatite concentrate: USD 36.60 per ton as of 1 April, 1997; USD 41.58 per ton as of 1 June, 1997; USD 42.36 per ton as of 1 July, 1997. Both the contract and the price coordination protocols were signed by Mr. A.V.Gorbachev on behalf of the front company ZAO 'Apatit-Trade' acting in the capacity of its Director General. On behalf of OAO 'Apatit' the documents were signed, as ordered by the leaders of the organized group P.L.Lebedev etc, by Mr. Yu.P.Shaposhnik registered as its Director General deprived of the right to independently dispose of the enterprise's products by the major shareholders of OAO 'Apatit' – Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky – abusing his powers referred to in section 10.4 of the Articles of OAO 'Apatit' approved by Minutes 3 of the general meeting of shareholders dd. 07.06.1996, that is to sign financial documents or effect transactions on behalf of the company. In fact, Mr. P.L.Lebedev and members of the organized group ensured signing of contract 5 dd. 6 January, 1997 between ZAO 'Apatit-Trade' and the customer – Lithuanian company AO 'Lifosa' – for supply in 1997 of apatite concentrate on the terms of CPT Shilaynyai in the quantity of 350-450 thousand Mt at USD 63.5 per ton, i.e. less transport costs of USD 51.5 per ton. According to the said contract, in 1997 'Apatit' sold AO 'Lifosa' 510,293.7 tons of apatite concentrate at USD 32,403,649.9, including transport expenses, or at USD 26,280,125.5 less the transport expenses amounting to USD 6,123,524.4.

Mr. P.L.Lebedev, by virtue of the duties vested in him engaged in the relevant activities and directing the activities of the members of the organized group aimed at appropriation in favour of the organized group of the funds transferred as proceeds of sale of apatite concentrate to accounts of ZAO 'Apatit-Trade' with the Menatep Bank at 20 Shchipok Street, Moscow, arranged the

payment of only USD 20,411,748 (510,293.7 x USD 40) to OAO 'Apatit'. As far as the amount unpaid totaling USD 5,868,377.5 is concerned, he turned it to the advantage of his own, as well as of the members of the organized group, i.e. he misappropriated it.

Moreover, in 1997, he arranged registration of the transfer of the products of OAO 'Apatit' at a reduced price under the guise of purchase and sale dealings to the front company ZAO 'Gorkhimprom' fully controlled both by him and other members of the group. To that end, he ensured conclusion of contract No. A-GKhP-02/98 dd. 30 December, 1997 between the straw company AO 'Apatit' and ZAO 'Gorkhimprom' for supply of 4 million Mt of apatite concentrate to the latter for the period of 1 January to 31 December, 1998. As per the price coordination protocols, members of the organized group acting together with Mr. P.L.Lebedev fixed the following disbursing price for apatite concentrate: USD 40.20 per ton as of 1 January, 1998; USD 43.32 per ton as of 1 February, 1998; USD 39.60 per ton as of 1 March, 1998; USD 37.20 per ton as of 1 April, 1998; USD 40.80 per ton as of 1 June, 1998; USD 38.40 per ton as of 1 August, 1998; RUR 276 per ton as of 1 September, 1998. On behalf of OAO 'Apatit' both the contract and the price coordination records were signed, as ordered by the leaders of the organized group P.L.Lebedev etc, by Mr. S.G.Fedorov registered as its Director General deprived of the right to independently dispose of the enterprise's products by the major shareholders of OAO 'Apatit' – Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky – abusing his powers referred to in section 10.4 of the Articles of OAO 'Apatit' approved by Minutes 3 of the general meeting of shareholders dd. 07.06.1996, that is to sign financial documents or effect transactions on behalf of the company. In fact, Mr. P.L.Lebedev and members of the organized group arranged the transfer of the products of OAO 'Apatit' at a reduced price through the straw companies ZAO 'Gorkhimprom' and ZAO 'Apatit-Trade' to the Swiss company 'APATIT FERTILIZERS S.A.' under their control which had Mr. A.L.Gorbachev as its director. After that, Mr. P.L.Lebedev and members of the organized group ensured signing of contract 643/41193583/81113-68-472 dd. 23 December, 1997 between 'APATIT FERTILIZERS S.A.' and the customer – Lithuanian company AO 'Lifosa' – for supply in 1998 of apatite concentrate on the terms of CPT Shilaynyai in the quantity of 750,000 Mt at USD 65 per ton, i.e. less transport costs of USD 53 per ton. According to the said contract, in 1998 'Apatit' sold AO 'Lifosa' 637,218.8 tons of apatite concentrate at USD 41,419,222, including transport expenses, or at USD 33,772,596.4 less the transport expenses amounting to USD 7,646,625.6.

Mr. P.L.Lebedev and members of the organized group ensured the transfer of USD 41,419,222 by AO 'Lifosa', Lithuania, to acc. 0251-654879-22 controlled by Mr. P.L.Lebedev of 'APATIT FERTILIZERS S.A.' with BANK CREDIT SUISSE at Geneva 70, Switzerland, for the supplied apatite concentrate of OAO 'Apatit'. Afterwards, Mr. P.L.Lebedev together with other members of the organized group arranged the payment of only USD 25,488,752 (637,218.8 x USD 40) to OAO 'Apatit' from the account of 'APATIT FERTILIZERS S.A.'. As far as

the amount unpaid totaling USD 8,283,844.4 is concerned, he turned it to the advantage of his own, as well as of the members of the organized group, i.e. he misappropriated it.

In 1999, for the purposes of misappropriation, Mr. P.L.Lebedev and members of the organized group arranged conclusion of contract No. 1/A/VAR/99-02-01 dd. 1 April, 1999 between OAO 'Apatit' and OOO 'Varyag' for supply of 4,000,000 tons of apatite concentrate to the latter at the rate of no more than USD 26. On behalf of OAO 'Apatit' both the contract and the price coordination records were signed, as ordered by the leaders of the organized group P.L.Lebedev etc, by Mr. S.G.Fedorov registered as its Director General deprived of the right to independently dispose of the enterprise's products by the major shareholders of OAO 'Apatit' – Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky – abusing his powers referred to in section 10.4 of the Articles of OAO 'Apatit' approved by Minutes 3 of the general meeting of shareholders dd. 07.06.1996, that is to sign financial documents or effect transactions on behalf of the company. Whereupon, Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky arranged signing of contract 1/K dd. 21 January, 1999 between OOO 'Varyag' and OOO 'Fostrade' for delivery of 2,778,200 tons of apatite concentrate by 31 December, 2000 at the rate of no more than USD 26. After that, Mr. P.L.Lebedev together with other members of the organized group facilitated signing of contract No. 810/FT/AF/00-5-02 between OOO 'Fostrade' and 'APATIT FERTILIZERS S.A.', Switzerland. The contract contained deliberately false information as to delivery of apatite concentrate in the quantity of 1,500,000 tons within 2000 on the terms of FOB Murmansk at USD 30 per ton.

Later on, Mr. P.L.Lebedev arranged conclusion of contract No. AF/LIF/2000-S-108 dd. 21 December, 1999 between 'APATIT FERTILIZERS S.A.' and AO 'Lifosa', Lithuania, for supply of apatite concentrate within 2000 in the quantity of 200,000 tons at USD 59.50 per Mt, in bulk, CFR Klaipeda, Lithuania (Incoterms 1990), transport expenses included, or at USD 50.90 per Mt, transport expenses excluded. As per the said contract, 743,744.9 tons of apatite concentrate was shipped by sea from the port of Murmansk and Kandalaksha to the port of discharge – Klaipeda, Lithuania – for AO 'Lifosa' within 2000 at USD 44,252,821.55, transport expenses included, or at USD 37,856,615.41, transport expenses excluded. Thus, Mr. P.L.Lebedev and his fellow-conspirators sold the apatite concentrate of OAO 'Apatit' at USD 50.90 per ton rather than USD 30 per ton, as stated in the documents drawn up under the direction of Mr. P.L.Lebedev and other members of the organized group.

Mr. P.L.Lebedev and his fellow-conspirators from the organized group arranged the transfer by AO 'Lifosa' of USD 44,252,821.55 to acc. 0251-654879-22 controlled by Mr. P.L.Lebedev of 'APATIT FERTILIZERS S.A.' with BANK CREDIT SUISSE at Geneva 70, Switzerland, for the supplied apatite concentrate of OAO 'Apatit'. Whereupon, Mr. P.L.Lebedev ensured the transfer of USD 22,312,347 from the account of 'APATIT FERTILIZERS S.A.' for 743,744.9 tons of apatite concentrate at USD 30 per ton to the account of OOO 'Fostrade' and then to that of OAO 'Apatit'. The price spread amounting to USD 15,544,268.41

(37,856,615.41 – 22,312,347) resulted from sale of the products of OAO ‘Apatit’ was kept on the account of ‘APATIT FERTILIZERS S.A.’ with BANK CREDIT SUISSE, Geneva 70, Switzerland. Mr. P.L.Lebedev and his fellow-conspirators turned the spread to their own advantage.

In 1999, acting as members of the organized group, Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the latter carrying on his actions aimed at plundering, arranged conclusion of contract No. 1/A/VAR/99-02-01 dd. 1 April, 1999 between OAO ‘Apatit’ and OOO ‘Varyag’ for delivery of 4,000,000 tons of apatite concentrate to the latter at the rate of no more than USD 26. On behalf of OAO ‘Apatit’ both the contract and the price coordination records were signed, as ordered by the leaders of the organized group P.L.Lebedev, M.B.Khodorkovsky etc, by Mr. S.G.Fedorov registered as its Director General deprived of the right to independently dispose of the enterprise’s products by the major shareholders of OAO ‘Apatit’ – Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky – abusing his powers referred to in section 10.4 of the Articles of OAO ‘Apatit’ approved by Minutes 3 of the general meeting of shareholders dd. 07.06.1996, that is to sign financial documents or effect transactions on behalf of the company. Whereupon, Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky arranged signing of contract No. 1/K dd. 21 January, 1999 between OOO ‘Varyag’ and OOO ‘Fostrade’ for supply of 2,778,200 tons of apatite concentrate by 31 December, 2000 at the rate of no more than USD 26. After that, Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky as members of the organized group facilitated signing of contract No. 810/FT/AF/00-5-02 between OOO ‘Fostrade’ and ‘APATIT FERTILIZERS S.A.’, Switzerland. The contract contained deliberately false information on delivery of 1,500,000 tons of apatite concentrate within 2000, FOB Murmansk, at the rate of USD 30 per ton, and FCA railway station Apatity, at the rate of USD 26 per ton.

Afterwards, Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky secured conclusion of contract No. AF/POL/2000 dd. 12 January, 2000 between ‘APATIT FERTILIZERS S.A.’ and ‘Zaklady Cemiczne ‘POLICE S.A.’’, Poland, for supply of apatite concentrate within 2000 in the quantity of 300,000 tons at USD 53.25 per ton. The contract states that 103,901 tons of apatite concentrate of USD 5,532,728.25 value was shipped by sea from the port of Murmansk to the port of discharge – Police, Poland – for ‘Zaklady Cemiczne ‘POLICE S.A.’’ during the period of March to July 2000. Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky and their fellow-conspirators from the organized group sold the apatite concentrate of OAO ‘Apatit’ at the rate of USD 53.25 per ton rather than USD 26 per ton, as stated in the documents drawn up under the direction of Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky and others.

Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky and their fellow-conspirators from the organized group arranged the transfer by ‘Zaklady Cemiczne ‘POLICE S.A.’’ of USD 5,532,728.25 to acc. 0251-654879-22 controlled by Mr. P.L.Lebedev of ‘APATIT FERTILIZERS S.A.’ with BANK CREDIT SUISSE at Geneva 70, Switzerland, for the supplied apatite concentrate of OAO ‘Apatit’.

Whereupon, Mr. P.L.Lebedev under the direction of Mr. M.B.Khodorkovsky ensured the transfer of USD 2,701,426 from the account of 'APATIT FERTILIZERS S.A.' for 103,901 tons of apatite concentrate at USD 26 per ton to the account of OOO 'Fostrade' and then to that of OAO 'Apatit'. The price spread amounting to USD 2,831,302.25 resulted from sale of the products of OAO 'Apatit' was kept on the account of 'APATIT FERTILIZERS S.A.' with BANK CREDIT SUISSE, Geneva 70, Switzerland. Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky and their fellow-conspirators turned the spread to their own advantage.

Mr. P.L.Lebedev plundered the total amount of USD 32,527,792.56, including USD 2,831,302.25 misappropriated together with Mr. M.B.Khodorkovsky.

**Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and Mr. A.V.Kraynov caused heavy property damage to the owners of the property by an organized group by means of fraud in absence of signs of theft, under the following circumstances.**

Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and Mr. A.V.Kraynov (on behalf of AOZT 'Volna') acting as members of an organized group acquired shares in OAO 'Apatit' and obtained the right to strategic and day-to-day management of the company by electing in virtue of the major equity held persons subordinate to Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev to the leading positions with OAO 'Apatit', i.e. the Board of Directors and Director General. In 1995 through 2002, having obtained the right to strategic and day-to-day management of the activities of the joint stock company, Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky and other members of the organized group that included Mr. A.V.Kraynov, ensured movement of the output under the guise of purchase and sale at the reduced price rather than the market one to the intermediaries controlled by them that were established as commercial organizations and administered by Directors General and chief accountants who were officials of SP 'RTT' subordinate to Mr. A.V.Kraynov. According to the functions vested in the members of the organized group, Mr. A.V.Kraynov was to arrange activities of the officials of SP 'RTT' subordinate to him dealing with bill and finance transactions on behalf of front commercial organizations aimed at unlawful withdrawal of the proceeds of sale of products of OAO 'Apatit'. The said associated intermediaries, in turn, sold the apatite concentrate directly to the consignee at the market price. Until 1999, such intermediaries included, inter alia, front enterprises ZAO 'Apatit-Trade' and ZAO 'Gorkhimprom' registered in the Republic of Kalmykiya at 249 Lenina Street, suite 505, Elista. From 2000, the selling of apatite concentrate was effected through four associated organizations newly set up by Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky and their fellow-conspirators, including Mr. A.V.Kraynov, namely OOO 'Varyag', OOO 'Askold-Sever', OOO 'Fosko' and OOO 'Phosphate Trading House' (OOO 'Torgovy dom fosfatov'), that purchased the apatite concentrate of OAO 'Apatit' at a reduced price and resold it under the guise of purchase and sale to other associated front agents such as OOO 'Agrochemical Company', OOO 'Fostrade', OOO 'Fosmarket', OOO 'Agrokhimcorporation' and

OOO 'Agrokhimtrade' registered in the Republic of Kalmykiya which had a concessional taxation system.

OOO 'Fostrade', OOO 'Fosmarket', OOO 'Agrokhimcorporation', ZAO 'Apatit-Trade', OOO 'Agrokhimtrade', OOO 'Varyag', OOO 'Phosphate Trading House' were controlled by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and Mr. A.V.Kraynov, inter alia, due to the fact that the enterprises were established by subsidiary companies of Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev, Mr. A.V.Kraynov and the others from the organized group, where directors were officials of SP 'RTT'.

Under the conditions favourable to the intended crime, the organized group, including Mr. A.V.Kraynov, headed by Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky and others arranged the reselling of apatite concentrate by the said agents controlled by Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky, Mr. A.V.Kraynov at the market price to the customers at the foreign and home market as follows: OAO 'Ammofos', OAO 'Sredneuralsky Copper Smelting Works', OAO 'Chemical Fertilizers' (OAO 'Minudobreniya') (the city of Rossosh), OAO 'Kirovo-Chepetsky Chemical Integrated Plant', OOO 'Balakovskiye Chemical Fertilizers', OAO 'Volkhovskiy Aluminum', OAO 'Novomoskovskaya Joint Stock Company 'Azot'', OAO 'Voskresenskiye Chemical Fertilizers', OAO 'Dorogobuzh', OAO 'Akron' etc.

Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky, Mr. A.V.Kraynov and others from the organized group turned the difference fraudulently received in the disbursing price of the products of OAO 'Apatit' and the actual price of the products sold to the customers to their own advantage. Mr. P.L.Lebedev, Mr. M.B.Khodorkovsky, Mr. A.V.Kraynov acting as members of the organized group caused damage to other shareholders who were thus deprived of the right to the dividends from the net profit. The net profit was understated by RUR 6,168,043,000 for 2000 through 2002 as a result of the above activities. The State that owned a 20% shareholding in OAO 'Apatit' and other shareholders – 'Norsk Hydro Fosfat A.S.', AO 'Akron', AO 'Tekhnokhim', 'Triada +', AO 'KS First Boston', 'DKK Rus', natural persons and other organizations and companies – were caused a large-scale material damage.

**Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev arranged fraudulent failure to comply with the court decision that entered into force by an official of a commercial organization, and Mr. A.V.Kraynov being an official of a commercial organization fraudulently failed to comply with the court decision that entered into force under the following circumstances.**

Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and Mr. A.V.Kraynov conspired together with other members of the organized group to perform fraudulent actions with a view to ensuring default on the commitment of making investments on behalf of AOZT 'Volna' and avoiding responsibility for default on the contract of purchase and sale stipulating return of the shares to the seller, as follows. Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev, Mr. A.V.Kraynov and other members of the organized group were aware of the fact that on 16 November, 1994, in view of the failure to fulfill contract of purchase and sale No. 176 and transfer by 1

September, 1994 of 168,951,000,000 non-denominated rubles as investments to a special account of OAO 'Apatit', the Property Fund of the Murmansk Region demanded that AOZT 'Volna' immediately pay the due amount and notified it would file a claim for cancellation of the contract of purchase and sale in case of their default. Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and Mr. A.V.Kraynov were also aware that on 29 November, 1994 the Public Prosecutor of the Murmansk Region referred a claim for cancellation of the contract of purchase and sale and return of a 20% shareholding to the Property Fund of the Murmansk Region to the Arbitrary Court of the Murmansk Region. Mr. A.V.Kraynov and other members of the organized group directed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev arranged and performed fraudulent actions aimed at impeding the shares to be returned to their lawful owner and affecting the interests of the State.

On 16 August, 1995, Moscow, Mr. A.V.Kraynov holding the position of the Deputy Executive Director of TOO SP 'RTT' and acting under the direction of Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and their fellow-conspirators from the organized group submitted payment orders Nos. 20 dd. 10 August, 1995 for 250 billion non-denominated rubles and 22 dd. 11 August, 1995 for 229,244,382,726 non-denominated rubles for the transfer of the said amounts from the special account of AOZT 'Volna' with the Menatep Bank to the settlement account of OAO 'Apatit' with the same Bank as investments through his representatives to the Arbitrary Court of the city of Moscow. However, these were bogus payments since the same date the amounts were transferred back to the said special account of AOZT 'Volna'. The Arbitrary Court of the city of Moscow was thus defrauded by Mr. A.V.Kraynov and other members of the organized group directed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev as to the investments in favour of OAO 'Apatit'. On 16 August, 1995, the claim of the Public Prosecutor of the Murmansk Region was dismissed.

Being fully aware that the Property Fund of the Murmansk Region was still seeking to get back the shares unlawfully held by AOZT 'Volna' controlled by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and Mr. A.V.Kraynov, Mr. M.B.Khodorkovsky holding the position of the Chairman of the Board of Directors of the Menatep Bank, Chairman of the Board of Directors and the Board of Directors of ZAO 'Rosprom', Mr. P.L.Lebedev being financial and economic director of the Menatep Bank, ZAO 'Rosprom' and OAO 'YUKOS' and considered the Consultant to the Board of Directors of ZAO 'Rosprom', Mr. A.V.Kraynov and other members of the organized group arranged registration by the persons subordinate to them of the transfer in June 1996 on behalf of the above closed joint stock company of property with respect to a 20% shareholding in OAO 'Apatit' under the guise of purchase and sale dealings to front subsidiaries - first, OOO 'Nautilus' and OOO 'Danaya', and then, OOO 'Game', AOZT 'Annett', OOO 'Samotsvet' and OOO 'Ring' - by stock splitting.

Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev, Mr. A.V.Kraynov and the other members of the organized group determined that the foreign company 'Fiangial and Merkantije Holding Limited' (the company FAM), registered in Limassol,

Cyprus, and the company 'Jamblic Limited', registered in Douglas, the Isle of Man, would be their primary incorporator in order to conceal that the above-mentioned legal entities were controlled by them. Mr. V.V.Moiseyev, whom Mr. M.B.Khodorkovsky was on friendly terms with, as they both had studied together in one and the same secondary school, being Assistant to the Chairman of the Board of Directors of MFO 'Menatep' Mr. M.B.Khodorkovsky, appeared to be a representative of the said foreign companies in the territory of the Russian Federation. After that, under the leadership of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev the members of the organized group and the other employees of the bank 'Menatep', whom they supervised and the other institutions they controlled on behalf of the company 'FAM', founded ZAO 'Depor', which they used for establishing of other companies, used for the commission of crimes, namely, AOZT 'Samotsvet', 'Nautilus'. At the same time, the directors of the companies used for the commission of crimes were employees of the institutions, controlled by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and Mr. A.V.Kraynov. Thus, AOZT 'Renmet', with Ms. E.Yu.Atanova being its Director-General, who was also working in MFO 'Menatep', and AOZT 'Depor', with Mr. A.G.Melnikov being its Director-General, who was also working in ZAO 'Rosprom', appeared to be the incorporators of AOZT 'Samotsvet'. Ms. O.V.Dmitriyeva, working for SP 'RTT' with Mr. A.V.Kraynov being her Chief, was appointed Director-General of AOZT 'Samotsvet'. Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev, Mr. A.V.Kraynov together with the persons they supervised and controlled on behalf of the off-shore company 'Jamblic Limited' established AOZT 'Pravus', 'Khimtrust', 'Polimet', 'Polimash', 'Polinep', 'M-Reyestr' which were used for establishing of front companies and for the commission of other crimes.

Thus, governed by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, on 4 May, 1996 Mr. A.V.Kraynov and the other participants of the organized group set up a straw company named OOO 'Nautilus' on behalf of the companies AOZT 'Polimash', and ZAO 'Depor', which had been rendered secretarial services by SP 'RTT'. Mr. A.G.Melnikov was appointed Director-General of ZAO 'Depor', he was also working for ZAO 'Rosprom'. Mr. E.E.Gorbunov, Director-General of OOO 'Nautilus', worked in SP 'RTT', under the direction of Mr. A.V.Kraynov, i.e. in the enterprise controlled by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the organized group. OOO 'Danaya' was established by AOZT 'Renmet' and ZAO 'Selta', controlled by the organized group of persons under the leadership of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev. Ms. E.Yu.Atanova, working in MFO 'Menatep', appeared to be Director-General of AOZT 'Renmet'. Mr. E.A.Makhovikov, working in MFO 'Menatep', was appointed Director-General of AOZT 'Selta'. Mr. A.V.Alexeyev, an employee of SP 'RTT', being directed by Mr. A.V.Kraynov, was registered as Director-General of OOO 'Danaya'. The front company OOO 'Ring' was founded on 28 March, 1996 in the name of AOZT 'Polimash', 'Polikant' by the organized group under the leadership of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev. Ms. N.M.Gorbunova, working in SP 'RTT' under the direction of Mr. A.V.Kraynov, was registered as Director-General of OOO 'Ring'. Mr. E.E.Gorbunov, working in SP 'RTT', was Director-General of

AOZT 'Polimash'. OOO 'Game' was established on behalf of the AOZT 'Polinep' and 'Renmet' by the organized group under the leadership of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev. Ms. E.Yu.Atanova, working in MFO 'Menatep', appeared to be Director-General of AOZT 'Remet' and AOZT 'Polinep'. Mr. A.V.Alexeyev, an employee of SP 'RTT' being directed by Mr. A.V.Kraynov, was registered as Director-General of OOO 'Game'. On 30 May, 1996 OOO 'Annet' was founded on behalf of AOZT 'Renmet' and 'Polikant' by the organized group under the leadership of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev. Ms. E.Yu.Atanova, a leading specialist of MFO 'Menatep', was appointed Director-General of AOZT 'Renmet'. Mr. A.V.Alexeyev, an employee of SP 'RTT' being directed by Mr. A.V.Kraynov, was registered as Director General of OOO 'Annet'.

On 5 February, 1997 Mr. P.L.Lebedev, governing the activities of the organized group, arranged for a transfer of a register of shareholders of OAO 'Apatit' to the special registrar ZAO 'M-Reyestr' they controlled for the purposes of supervision over the movement of shares of OAO 'Apatit'. Then, in November 1997 governing the activities of the organized group he arranged for a transfer of 20 % of the holding of shares in OAO 'Apatit' by carrying out financial transactions from AOZT 'Volna' they controlled to the organized group of persons being under their control, directing the companies OOO 'Game', OOO 'Gelo', ZAO 'Pragma', OOO 'Danaya', TOO 'Notis' and TOO 'ATROPO' in order to conceal their adverse possession of shares in OAO 'Apatit'.

On 12 February, 1998 by determination of the appellate instance of the Arbitration Court of the City of Moscow due to substantial breach of an agreement, i.e. failure to fulfill the obligations as to making conditional sums of investments, therefore contract of purchase and sale No. 176 dd. 1 July, 1994 was annulled and AOZT 'Volna' was obliged to return the holding of shares in OAO 'Apatit' to the Property Fund of the Murmansk Region into the state property. Mr. P.L.Lebedev, being Director for financial and economic affairs of the bank 'Menatep', ZAO 'Rosprom' and OAO 'NK 'YUKOS' and being registered as Deputy Chairman of the Joint Board of Directors of ZAO 'Rosprom', i.e. working for a profit-making organization, and Mr. M.B.Khodorkovsky, governing the activities of the organized group including also Mr. A.V.Kraynov, having arranged for a transfer of 20 % of holding of shares in OAO 'Apatit' from AOZT 'Volna' they controlled to the other profit-making organizations controlled by the as well, and once the Arbitration Court issued its decision to return those securities, they failed to fulfill the court decision that came into effect in 1998-2002, managing the said holding of shares through the indicated companies. At the same time, Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and Mr. A.V.Kraynov were well aware that the shares, constituting 20 % of holding, had been registered as being transferred to the companies they controlled only in order to evade making investments and not to bare responsibility. Being fully aware of the fact that the governors of a number of regions of the Russian Federation, the deputies of the State Duma actively disclose facts relating to unlawful misappropriation of 20 % of holding of shares in

OAO 'Apatit' and deliberate, serious failure to fulfill the active court decision, Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev concealed those facts by means of deceit.

On 4 September, 1998 Mr. P.L.Lebedev concluded contracts on nominal holding of the said controlled companies with OAO 'Russian Investors', in order to conceal the movement of shares in OAO 'Apatit' on the accounts of the controlled companies and cause difficulties in obtaining of information as to the holders of shares.

Being fully aware of the fact that officers of justice perform their duties relating to execution of the court decision to return 20 % of the holding of shares to the government and that the public authorities and the other shareholders of OAO 'Apatit' constantly apply to various law-enforcement agencies for verification of the legality of appropriation of 20 % of the holding of shares in OAO 'Apatit' through AOZT 'Volna', Mr. P.L.Lebedev arranged for financial transactions ensuring transfer of shares in OAO 'Apatit' to the property of the foreign companies they controlled due to foundation. For that purpose, Mr. P.L.Lebedev and the other persons established the company 'Group MENATEP Limited' (Gibraltar) (originally named as 'FLAYMON LIMITED'), the shares of which were finally registered for the members of organized group and their close acquaintances the following way:

- Mr. M.B.Khodorkovsky 9,5 %;
- Mr. L.B.Nevzlin 8 %;
- Mr. P.L.Lebedev 7 %;
- Mr. V.M.Dubov 7 %;
- Mr. M.B.Brudno 7 %;
- Mr. V.S.Shakhnovsky 7 %;
- Others 4,5 %;
- Trust company 50 %

Mr. M.B.Khodorkovsky was a beneficiary of the shares, which had been managed by the trust company 'Palmus Foundation' (Liechtenstein) since 1997 and by the trust company 'Palmus Trust Company Limited' (The Isle of Guernsey) - since March 2003. Therefore, Mr. M.B.Khodorkovsky, being an owner of the majority of shares (more than 59,5 % of the nominal capital) of the company 'Group MENATEP Limited', together with Mr. P.L.Lebedev (66,5 %) jointly managed all the funds belonged to it. Moreover, Mr. V.V.Moiseyev and Mr. P.L.Lebedev were appointed directors of the company 'Group MENATEP Limited' for the purposes of managing its funds. Mr. P.L.Lebedev and the other persons organized a well-coordinated system of controlled companies, finally owned by the company 'Group MENATEP Limited', i.e. its shareholders, in order to ensure that the shares in OAO 'Apatit' would belong to them. Thus, the company 'Group MENATEP Limited' owned 100 % of the nominal capital of the companies 'MENATEP LIMITED' and 'Chemical & Mining Universal Ltd'. At that, Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev became holders of 50 % of shares in 'Anvilco Holdings Inc., Bahamas', which was a 100 % holder of the nominal capital of the companies 'Lex-Eaton Holdings Limited, Nevis' and 'Anasa

Holdings LTD., BVI' through their subsidiary 'Chemical & Mining Universal Ltd.' The company 'Anasa Holdings LTD.' was a 100 % incorporator of the companies 'Flotork Limited', 'Cordial Limited', 'Earl Limited' and 'Rivard Holdings LTD.'. The company 'Lex-Eaton Holdings Limited, Nevis' was a 100 % incorporator of the companies 'Dubberson Holdings LTD.' and 'Tahoe Holdings LTD.' In its turn, the companies 'Flotork Limited', 'Cordial Limited', 'Tahoe Holdings LTD.' and 'Dubberson Holdings LTD' hold the majority of the shares in OAO 'Fosagro'. Thus, the said companies belonged to Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev through the above-mentioned system of possession of the nominal capital. Since September 1998 Mr. P.L.Lebedev and the other persons being the owners of the indicated companies, at the address: 4 Kolpachny per., Moscow and 88A, Zhukovka village, Odintsovsky District, Moscow Region, have arranged for a transfer of shares in OAO 'Apatit' from the accounts of the Russian companies TOO 'Notis', OOO 'Game', OOO 'Gelo', OOO 'Pragma', OOO 'Danaya' and TOO 'ATROPO' including 20 % of the holding of shares amounting to 1.663.212 pieces, which shall be returned to the government under the decision made by the Arbitration Court, to the accounts of the foreign companies he and the organized group had actually controlled, such as: 'Flotork Limited' (Cyprus), 'Cordial Limited' (Cyprus), 'Earl Limited' (Cyprus), 'Rivard Holdings LTD.' (Cyprus), under the guise of purchase and sale deals i.e.:

- common shares in OAO 'Apatit', registered at the account of OOO 'Danaya' in a specialized registrar of ZAO 'M-Reyestr', amounting to 14.463.971 and 1.493.681 pieces to the account of the non-resident company 'Earl Limited' (Cyprus) in the depositaries of OAO 'Russian Investors';
- common shares, registered at the account of OOO 'Gelo' in a specialized registrar of ZAO 'M-Reyestr' amounting to 1.072.788 pieces and common shares, registered at the account of TOO 'Notis' in a specialized registrar of ZAO 'M-Reyestr', amounting to 10 pieces to the account of the non-resident company 'Cordial Limited' (Cyprus) in the depositaries of OAO 'Russian Investors';
- common shares amounting 914.783 pieces, registered at the account of ZAO 'Pragma' and common shares amounting to 434.268 pieces and privileged shares amounting to 13.405 pieces, registered at the account of OOO 'Game' in a specialized registrar of ZAO 'M-Reyestr, to the account of the non-resident company 'Flotork Limited' (Cyprus) in the depositaries of OAO 'Russian Investors';
- common shares amounting to 520.029 pieces and privileged shares amounting to 953.920 pieces, registered at the account of TOO 'ATROPO' in a specialized registrar of ZAO 'M-Reyestr', to the account of the non-resident company 'Rivard Holdings LTD.' (Cyprus) in the depositaries of OAO 'Russian Investors'.

At the same time, Mr. V.G.Prokofyev, Senior Assistant to the Chairman of the Board of Directors of ZAO 'Rosprom' Mr. M.B.Khodorkovsky, acquired the front foreign companies 'Flotork Limited' (Cyprus), 'Cordial Limited' (Cyprus), 'Earl

Limited' (Cyprus), 'Rivard Holdings LTD' (Cyprus), to the accounts of which Mr. M.B.Khodorkovsky together with Mr. P.L.Lebedev under preliminary conspiracy with other persons unidentified by the investigation had been making transfers of the shares of OAO 'Apatit' by means of false purchase and sale deals, for the purposes of grave non-fulfillment of the active court decision. Mr. V.B.Gulin, being supervised by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev while working for SP 'RTT', signed forged contracts of purchase and sale of the shares in OAO 'Apatit' on behalf of those front foreign companies under the power of attorney issued by their directors and on behalf of the Russian companies - Ms. L.N.Kublitskaya in the name of TOO 'Notis', Mr. A.V.Alexeyev in the name of OOO 'Game', Mr. O.I.Khvostikov in the name of OOO 'Gelo', Ms. S.V.Borodina in the name of ZAO 'Pragma', Mr. A.V.Alexeyev in the name of OOO 'Danaya' and Mr. L.A.Tsigura in the name of TOO 'ATROPO', being supervised by them as well. At the same time, Mr. P.L.Lebedev and the other persons arranging deals of purchase and sale of the shares in OAO 'Apatit' between the Russian and foreign profit-making organizations were fully aware of the fact that they were forged since they had been concluded between front legal entities controlled by them, and there would be no payments made between the parties, and the transfer of shares to the accounts of the foreign companies was made in order not to fulfill the active court decision. While proceeding with organization of the well-coordinated system of adverse possession of the shares in OAO 'Apatit', Mr. P.L.Lebedev together with the other persons provided for splitting of holdings of shares and their transfer from the accounts of the non-resident firms 'Flotork Limited' (Cyprus), 'Cordial Limited' (Cyprus), 'Earl Limited' (Cyprus) to the accounts of the other non-resident firms 'Dubberson Limited' (Cyprus), 'Rivard' (Cyprus), 'Anasa Holding Limited' (the British Virgin Islands), 'Canarc Services LTD.' (Turks and Caicos Islands), 'Deansfern Limited' (the British Virgin Islands), 'Campbellton Limited' (the Isle of Man), they actually controlled. On 18 July, 2003 once the financial transactions were carried out, the shares in OAO 'Apatit', including 20 % of the holding of shares, were accumulated on the accounts of the following companies:

- 3.429.393 shares of the holding of shares – on the account of OAO 'Fosagro',
- 858.435 shares of the holding of shares – on the account of 'Earl Limited',
- 176.908 shares of the holding of shares – on the account of 'Anasa Holdings LTD.',
- 800.000 shares of the holding of shares – on the account of 'Lex-Eaton Holdings Limited'.

Therefore, Mr. P.L.Lebedev together with the other persons performed activities in grave violation of the active court decision, as a result of which 20 % of the holding of shares in OAO 'Apatit' came into their actual possession under the guise of performance of financial transactions through alleged independent companies, through the company 'Group MENATEP Limited'.

In 2002, being at: 4 Kolpachny per., Moscow and 88-A, Zhukovka village, Odintsovsky District, Moscow Region, Mr. M.B.Khodorkovsky together with Mr. P.L.Lebedev ensured conclusion of an agreement of lawsuit between the plaintiff

and the defendant and approval of the agreement by the court by means of deceit, for the purposes of malicious failure to fulfill the active court decision for returning of 20 % of the holding of shares in OAO 'Apatit'.

For that purpose, on 20 March, 2002 Mr. P.L.Lebedev, acting together with the organized group, forwarded a letter, Ref. No. 72, to the RFFI, stating that ZAO 'International Financial Association 'Menatep' (ZAO 'MFO 'Menatep'), where he was appointed Chairman of the Board of Directors, agreed to solve the problem of the Property Fund of the Murmansk Region on its own. After that, Mr. P.L.Lebedev, being in Moscow at: 4 Kolpachny per. and 88-A, Zhukovka village, Odintsovsky District, Moscow Region, ensured a transfer of USD 15,064,503.76 under the guise of contract on concession of corporeal rights No. 1/368 dd. 24 December, 2002 in the form of credits from the accounts of the company 'MENATEP Limited' in the Swiss bank UBS A.G. in Zurich, where he appeared to be Director, and which was a subsidiary of the company 'Group MENATEP Limited', the accounts of which illegal proceeds from sale of apatite concentrate had been entered on, to the territory of the Russian Federation to OAO KB 'Menatep St. Petersburg' controlled by the organized group. Mr. D.V.Kakorin, registered as the second Director of the company and being supervised by Mr. P.L.Lebedev, possessing the second signatory authority to sign documentation relating to the accounts of the foreign companies in all foreign banks, signed that contract on behalf of the company 'MENATEP Limited' by order of Mr. P.L.Lebedev. Under contract No. 368 dd. 24 December, 2002 Mr. P.L.Lebedev and the other persons of OAO KB 'Menatep St. Petersburg' obtained the said monetary funds equal to RUR 479 million in the form of credits from ZAO 'Volna'. Mr. A.G.Apukhtin registered that time as Director-General of that front company and being supervised by Mr. P.L.Lebedev, since he was working as a specialist in OOO 'Legal Financial Company', signed that contract on behalf of ZAO 'Volna'. The said company was controlled by Mr. P.L.Lebedev due to the fact that it had been established by the company OOO 'Adonis', where Mr. I.V.Zakharov was Director-General, who was used as a false Director of many companies, being an employee of SP 'RTT' and by Mr. V.V.Neshcheretov, the former Chief of Registration and Licensing Unit of the bank 'Menatep' and a similar unit in SP 'RTT'. By December 2002 ZAO 'Volna' had not already possessed the shares in OAO 'Apatit', since by that time they had been redrawn in the possession of the foreign companies controlled by Mr. P.L.Lebedev and the other persons. At the same time, ZAO 'Volna' remained under control of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, as Mr. A.G.Apukhtin was registered as its Director-General, who was supervised by them as he was working for OOO 'Legal Financial Company' and due to the fact that ZAO 'Pravus' and ZAO 'Joy' were registered as its participants supervised by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev. Therefore, Mr. P.L.Lebedev acting together with the organized group through the foreign companies, holding the shares in OAO 'Apatit', misappropriating the proceeds from sale of produce of the company and maliciously non-observing the active court decision as to returning of 20 % of the holding of shares to the state, arranged for a payment of sums alleged to be equal

to the market value of that holding of shares by means of deceit, to the companies 'MENATEP Limited', OAO KB 'Menatep St. Petersburg' and ZAO 'Volna', controlled by them, which by that time had not have any relation to the shares of OAO 'Apatit' or born any responsibility for fulfillment of obligations.

After that, having pointed out that dispossession of 20 % of the holding of shares in OAO 'Apatit' in AOZT 'Volna', would result in failure to execute the decision of the Arbitration Court as to returning of shares to the state, Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and Mr. A.V.Kraynov ordered Mr. S.A.Tarakhnenko, Chief of the Legal Department of ZAO 'Fosagro', supervised by them to conclude on 19 November 2002 an agreement of lawsuit with a representative of the RFFI, stating that the parties had settled a dispute as to returning of 20 % of the holding of shares in OAO 'Apatit' to the state by paying RUR 478,914,197.00, equal to USD 15,130.000.00 by ZAO 'Volna'. According to the parties the indicated sum appeared to be differential between the true market value and the nominal value of 20 % of the holding of shares in OAO 'Apatit'. While concluding that agreement of lawsuit Mr. S.A.Tarakhnenko was used by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev as a particularly authorized person, i.e. as an employee working for the institutions for a long time – AOZT MFO 'Menatep', the bank 'Menatep', ZAO 'Rosprom', OOO 'Agrofinprom' and others, controlled by them, and providing legal services for their deceitful activities.

The agreement of lawsuit drawn up under the leadership of Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the other members of the organized group appeared to be unfounded, since it referred to an unreliable report of the estimator OOO 'VS-Otsenka', stating that the market value of 20 % of the holding of shares in OAO 'Apatit' was estimated at USD 15,130,000.00.

Meanwhile, the market value of 20 % of the holding of shares in OAO 'Apatit' was equal to USD 62 million as of 1 October, 2002.

On 27 December, 2002 the members of the organized group, acting together with Mr. A.V.Kraynov, transferred USD 15,064,503.76 from the account of the company 'MENATEP LIMITED' they controlled to the account of the bank 'Menatep St. Petersburg' instead of returning 20 % of the holding of shares amounting to USD 62 million to the state. Later on, the members of the organized group transferred the indicated sum to the state in the form of replacement of the value of 20 % of the holding of shares in OAO 'Apatit'. The companies appropriated 20 % of the holding of shares in OAO 'Apatit' appeared to be front, they were controlled by the same group of persons. Therefore, the record made in the agreement of lawsuit concerning failure to return the shares in OAO 'Apatit' for Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev, Mr. A.V.Kraynov and the members of the organized group acting together with them appeared to be ungrounded and knowingly false. Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, having presented the above unreliable report to the court, and Mr. A.V.Kraynov, acting together with the organized group, participating in organization of the presentation of the said unreliable report to the court and having deceived it, sought approval of the indicated agreement of lawsuit by a determination of the Arbitration Court of the City of Moscow dd. 22 November, 2002 and cassation of legal proceedings as to

returning of 20 % of the holding of shares in OAO 'Apatit' into the public property.

**Mr. M.B.Khodorkovsky evaded payment of taxes and levies by a natural person by means of inclusion in the tax declaration knowingly distorted data, performed in particularly large amount, under the following circumstances:**

On 24 November, 1997 and on 1 March, 1998 Mr. M.B.Khodorkovsky filed an application for a patent, the form of which was approved by order of the State Tax Service of Russia No. VG-3-02/5 dd. 24 January, 1996, to Tax Inspection No. 2 for the Central Administrative District of the City of Moscow, located at: 9/14 Meshchanskaya Str., Moscow, in order to be transferred to a simplified system of taxation, accounting and book-keeping as of the 1<sup>st</sup> quarter till the end of 1998, for the purposes of evasion of tax payments from the income by a natural person. Mr. M.B.Khodorkovsky included knowingly distorted data stating that he was providing consulting and managing services as an entrepreneur, acting without foundation of a legal entity, in the indicated document entitling him to obtain a patent exempting him from income tax by natural persons and fees to be paid to the Pension Fund. At the same time, Mr. M.B.Khodorkovsky knew for sure that he was not actually engaged in entrepreneurship relating to provision of consulting and managing services and the only reason he needed the patent was to evade income tax by a natural person. On submitting of the knowingly forged application to Tax Inspection No. 2 for the Central Administrative District of the City of Moscow, Mr. M.B.Khodorkovsky was groundlessly granted patents No.No. AR 77 643030 and AR 77 643014 by that authority, entitling him to apply a simplified system of taxation, accounting and book-keeping by a natural person, engaged in entrepreneurship without foundation of a legal entity for the provision of consulting and managing services as of 1 January till 31 December, 1998. On 20 January, 02 March and 05 October, 1998 in Moscow Mr. M.B.Khodorkovsky, having deliberately ensured conditions, securing evasion of income tax by a natural person and fees to be paid to the Pension Fund, signed forged contracts with foreign companies 'Hinchley Ltd.' and 'Status Services Limited', established in compliance with the legislation of the Isle of Man. Mr. M.B.Khodorkovsky included knowingly distorted data in the above contracts, stipulated by articles 779-783 of the Civil Code of the Russian Federation, exempting from income tax by natural persons, stating that he would provide compensative consulting and informative services as to financial and economic development and regulation in the Russian Federation to the foreign companies 'Hinchley Ltd.' and 'Status Services Limited'. However, he knew for certain that he would not actually provide those services and the said contract had been drawn up only to ensure conditions relating to evasion of income tax by a natural person and to be entitled to pay less fees to the Pension Fund.

The remuneration he received in 1998 totaling RUR 10,747,465.00 under the forged contracts concluded with the foreign companies 'Hinchley Ltd.' and 'Status Services Limited', Mr. M.B.Khodorkovsky included in a book of record of income

and expenditures of entrepreneurs, applying a simplified system of taxation, accounting and book-keeping for 1998, the form of which had been approved by order of the Ministry of Finance of the Russian Federation dd. 22 February, 1996 No. 18, as Enclosure No. 1. In March 1998 in Moscow Mr. M.B.Khodorkovsky included knowingly false data in the indicated official document, stating that on 6 March, 1998 he as an entrepreneur earned an income amounting to USD 285,000.00, equal to RUR 1,732,515.00 for the provision of consulting services under the contract on consulting services dd. 20 January, 1998, concluded with the firm 'Hinchley Ltd.' Between July 1998 and March 1999 in Moscow Mr. M.B.Khodorkovsky included knowingly distorted data in the said contract, stating that on 30 July, 1998 he as an entrepreneur received USD 850,000.00, equal to RUR 5,299,750.00, and on 23 December, 1998 received USD 180,000.00, equal to RUR 3,715,200.00 for the provision of consulting services under the contract on consulting services in economic affairs dd. 2 March and 5 October, 1998 concluded with the firm 'Status Services Limited'. At the same time, Mr. M.B.Khodorkovsky knew for sure that he received the indicated sums of money as remuneration for his working activity in ZAO 'Rosprom' and not for the provision of consulting services as an entrepreneur.

On ensuring such conditions securing evasion of income tax by a natural person and fees to be paid to the Pension Fund, on 9 March, 1999 Mr. M.B.Khodorkovsky submitted an income statement for 1998, ratified by Regulation of the State Tax Service of Russia No. 35 dd. 29 June, 1995 as Enclosure No. 6, to Tax Inspection No. 2 for the Central Administrative District of the City of Moscow, located at: 9/14 Meshchanskaya Str., Moscow. He indicated a sum of gross income from the provision of consulting services in economic affairs, equal to RUR 10,747,465.00, which was exempted from income tax by a natural person, entitling to pay less fees to the Pension Fund, i.e. a simplified system of taxation, stipulating the value of a patent equal to only RUR 2,004.00 was applied instead, on page 'Z', point 4.6 'Income from activity subject to a simplified system of taxation, accounting and book-keeping' in the income statement. However, Mr. M.B.Khodorkovsky was fully aware that RUR 10,747,465.00 he received from the company 'Status Services Limited' actually appeared to be his remuneration for working for ZAO 'Rosprom' and according to articles 7 and 10 of Act of the Russian Federation No. 1998-1 dd. 7 December, 1991 On income tax by natural persons had had to be taxed as any income earned by a natural person over a calendar year.

Mr. M.B.Khodorkovsky submitted the following documentation along with the tax declaration: contracts made with the foreign company 'Status Services Limited', a book of record of income and expenditures of entrepreneurs, using a simplified system of taxation, accounting and book-keeping, containing knowingly false data as to the source of income for 1998, included in Sections I and II 'Income and Expenditures' and 'Estimation of Total Revenue' to Tax Inspection No. 2 for the Central Administrative District of the City of Moscow, having reported to the official authority as to the taxes and fees paid.

Therefore, Mr. M.B.Khodorkovsky unlawfully failed to pay taxes and insurance fees from income by a natural person amounting to RUR 3,805,413.00 (45 580 of

the minimal labor wage), including RUR 3,707,261.00 of income tax (44 404 of the minimal labor wage), RUR 98,152.00 of fees to the Pension Fund (1 176 of the minimal labor wage) for 1998.

While proceeding to evade taxes from income by a natural person, on 19 November, 1998 in Moscow Mr. M.B.Khodorkovsky repeatedly filed an application for a patent, the form of which had been approved by order of the State Tax Service of Russia No. VG-3-02/5 dd. 24 January, 1996 to Tax Inspection No. 2 for the Central Administrative District of the City of Moscow, located at: 9/14 Meshchanskaya Str., Moscow, in order to be transferred to a simplified system of taxation, accounting and book-keeping as from the 1<sup>st</sup> quarter of 1999, for the purposes of evasion of tax payments from the income by a natural person. Mr. M.B.Khodorkovsky included knowingly distorted data stating that he was providing consulting and managing services in economic affairs as an entrepreneur, acting without foundation of a legal entity, in the indicated document entitling him to obtain a patent exempting him from income tax by natural persons and fees to be paid to the Pension Fund. At the same time, Mr. M.B.Khodorkovsky was well aware that he was not actually engaged in entrepreneurship relating to the provision of consulting and managing services and the only reason he needed the patent was to evade payment of income tax by a natural person and fees to be paid to the Pension Fund. Having submitted the given application to Tax Inspection No. 2 for the Central Administrative District of the City of Moscow, on 29 December, 1998 Mr. M.B.Khodorkovsky was twice groundlessly granted patents No.No. AR 77 643065 and AR 77 643064 by that authority, entitling him to apply a simplified system of taxation, accounting and book-keeping by a natural person, engaged in entrepreneurship without foundation of a legal entity for the provision of consulting and managing services in economic affairs as from 1 January till 31 March, 1999 and on 31 March, 1999 - patents No.No. AR 77 643114 and AR 77 643113 as from 01 January till 31 December, 1999 for the provision of managing and consulting services. On 30 November, 1998 and 20 April, 1999 in Moscow Mr. M.B.Khodorkovsky, deliberately ensuring conditions, securing evasion of income tax by a natural person and fees to be paid to the Pension Fund, signed forged contracts with the foreign company 'Status Services Limited', established in compliance with the legislation of the Isle of Man. Mr. M.B.Khodorkovsky included knowingly distorted data in the above contracts, stipulated by articles 779-783 of the Civil Code of the Russian Federation, exempting from income tax by natural persons, stating that he would provide compensative consulting and informative services as to financial and economic development and regulation in the Russian Federation to the foreign company 'Status Services Limited'. However, he was well aware that he would not actually provide those services and the said contracts had been drawn up only to ensure conditions, securing evasion of income tax by a natural person and to be entitled to pay less fees to the Pension Fund.

The remuneration he received in 1999 totaling RUR 142,352,000.00 under the forged contract concluded with the foreign company 'Status Services Limited' as income from entrepreneurship, Mr. M.B.Khodorkovsky included in a book of

record of income and expenditures of entrepreneurs, applying a simplified system of taxation, accounting and book-keeping for 1999, the form of which had been approved by order of the Ministry of Finance of the Russian Federation dd. 22 February, 1996 No. 18, as Enclosure No. 1. Between April and June 1999 in Moscow Mr. M.B.Khodorkovsky included knowingly false data in the indicated document, stating that on 15 April, 1999 he as an entrepreneur earned an income amounting to USD 320,000.00, equal to RUR 7,952,000.00 for the provision of consulting services under the contract on consulting services dd. 30 November, 1998 concluded with the firm 'Status Services Ltd.' Between January and March 1999 in Moscow Mr. M.B.Khodorkovsky included knowingly distorted data in the said contract, stating that on 16 and 29 December, 1999 he as an entrepreneur received USD 3,000,000.00 and USD 2,000,000.00, accordingly equal to RUR 80,400,000.00, and RUR 54,000,000.00 for the provision of consulting services under the contract on consulting services in economic affairs dd. 20 April, 1999, concluded with the firm 'Status Services Limited'. At the same time, Mr. M.B.Khodorkovsky knew for sure that he received the indicated sums of money as remuneration for his working activity in ZAO 'Rosprom' and OAO 'YUKOS-Moscow' and not for the provision of consulting services as an entrepreneur.

On ensuring such conditions securing evasion of income tax by a natural person and fees to be paid to the Pension Fund, on 3 February, 2000 Mr. M.B.Khodorkovsky submitted an income statement for 1999, ratified by Regulation of the State Tax Service of Russia No. 35 dd. 29 June, 1995 as Enclosure No. 6, to Tax Inspection No. 2 for the Central Administrative District of the City of Moscow, located at: 9/14 Meshchanskaya Str., Moscow. He indicated a sum of gross income from the provision of consulting services, equal to RUR 142,352,000.00, which was exempted from income tax by a natural person, entitling to pay less fees to the Pension Fund, i.e. a simplified system of taxation, stipulating the value of a patent equal to only RUR 4,008.00 was applied instead, on page 'Z', point 4.6 'Income from activity subject to a simplified system of taxation, accounting and book-keeping' in the income statement. However, Mr. M.B.Khodorkovsky was fully aware that RUR 142,352,000.00 he received from the company 'Status Services Limited' actually appeared to be his remuneration for working for ZAO 'Rosprom' and OAO 'YUKOS-Moscow' and according to articles 7 and 10 of Act of the Russian Federation No. 1998-1 dd. 7 December, 1991 On income tax by natural persons had had to be taxed as any income earned by a natural person over a calendar year.

Mr. M.B.Khodorkovsky submitted the following documentation along with the tax declaration: contracts made with the foreign company 'Status Services Limited', a book of record of income and expenditures of entrepreneurs, using a simplified system of taxation, accounting and book-keeping, containing knowingly false data as to the source of income for 1999, included in Sections I and II 'Income and Expenditures' and 'Estimation of Total Revenue' to Tax Inspection No. 2 for the Central Administrative District of the City of Moscow, having reported to the official authority as to the taxes and fees paid.

Therefore, Mr. M.B.Khodorkovsky unlawfully failed to pay taxes and insurance fees from income by a natural person amounting to RUR 50,726,773.00 (390 499 of the minimal labor wage), including RUR 49,317,013.00 of income tax (373 614 of the minimal labor wage), RUR 1,409,760.00 of fees to the Pension Fund (16 885 of the minimal labor wage) for 1999.

Mr. M.B.Khodorkovsky unlawfully failed to pay taxes and insurance fees from income by a natural person totaling RUR 54,532,186.00 (436 079 of the minimal labor wage), including RUR 53,024, 274.00 of the income tax (418 018 of the minimal labor wage), RUR 1,507,912.00 of the fees to the Pension Fund (18 061 of the minimal labor wage).

**Mr. P.L.Lebedev evaded payment of taxes and levies by a natural person by means of inclusion in the tax declaration knowingly distorted data, performed in particularly large amount, under the following circumstances:**

Between 1997 and 2000 Mr. P.L.Lebedev, being Director of OAO 'Bank 'Menatep', ZAO 'Rosprom', ZAO 'MFO 'Menatep', OOO 'YUKOS-Moscow', the foreign companies 'Menatep Limited', 'Group Menatep Limited', 'Yukos Universal Limited' and others, participated in managing of manufacturing firms and ventures, controlled by the above-mentioned companies.

Under his direct participation the actual directors of the said companies transferred working capital gained from the activity of the Russian manufacturing firms and ventures they controlled to the accounts of the foreign companies controlled by them in foreign banks within the indicated period. At the same time, Mr. P.L.Lebedev was fully aware of the fact that he, being the actual Director of OAO 'Bank 'Menatep', ZAO 'Rosprom' and OOO 'YUKOS-Moscow', obtained reimbursement for working in the given companies from the accounts of the foreign companies controlled by him in foreign banks.

In 1998-2002 Mr. P.L.Lebedev on becoming an individual entrepreneur and being granted patents entitling him to use a simplified system of taxation, accounting and book-keeping for the provision of compensative services, began to receive monetary funds from the accounts of the foreign company 'Status Services Limited', established in compliance with the legislation of the Isle of Man, having drawn the relevant forged contracts on the provision of services for that, for the purpose of evasion of income tax and insurance fees.

Thus, on 23 April, 1998 Mr. P.L.Lebedev filed an application for a patent, the form of which was approved by order of the State Tax Service of Russia No. VG-3-02/5 dd. 24 January, 1996, to Tax Inspection No. 5 for the Central Administrative District of the City of Moscow, located at: 33 Malaya Ordynka Str., bldg.1 in Moscow, in order to be transferred to a simplified system of taxation, accounting and book-keeping as from the 2<sup>nd</sup> quarter of 1998, for the purposes of evasion of tax payments from income by a natural person. Mr. P.L.Lebedev included knowingly distorted data stating that he was providing consulting and managing services as an entrepreneur, acting without foundation of a legal entity, in the indicated document entitling him to be granted a patent exempting him from

income tax by natural persons and fees (levies) to be paid to the Pension Fund. At the same time, Mr. P.L.Lebedev was well aware that he was not actually engaged in entrepreneurship relating to provision of consulting and managing services and the only reason he needed the patent was to evade payment of income tax by a natural person. On submitting of the knowingly forged application to Tax Inspection No. 5 for the Central Administrative District of the City of Moscow, Mr. P.L.Lebedev was groundlessly granted patents No.No. AR 77 607103 and AR 77 607104 by that authority, entitling him to apply a simplified system of taxation, accounting and book-keeping by a natural person, engaged in entrepreneurship without foundation of a legal entity for the provision of consulting and managing services as from 1 April till 31 December, 1998.

On 1 April and 25 June, 1998 in Moscow Mr. P.L.Lebedev, deliberately ensuring conditions, securing evasion of income tax by a natural person and fees to be paid to the Pension Fund, signed contracts with the foreign company 'Status Services Limited', established in compliance with the legislation of the Isle of Man. Mr. P.L.Lebedev included knowingly distorted data in the above contracts, stipulated by articles 779-783 of the Civil Code of the Russian Federation, exempting from income tax by natural persons, stating that he would provide compensative consulting and informative services as to financial and economic development and regulation in the Russian Federation to the foreign company 'Status Services Limited'. However, he was well aware that he would not actually provide those services and the said contract had been drawn up only to ensure conditions, securing evasion of income tax by a natural person and to be entitled to pay less fees to the Pension Fund.

While ensuring conditions, securing tax evasion, Mr. P.L.Lebedev included the remuneration he received in 1998 amounting to RUR 6,056,450.00, including RUR 4,819,350.00 he received under the forged contract concluded with the foreign company 'Status Services Limited' as income from entrepreneurship, in a book of record of income and expenditures for entrepreneurs, applying a simplified system of taxation, accounting and book-keeping for 1998, the form of which had been approved by order of the Ministry of Finance of the Russian Federation dd. 22 February, 1996 No. 18, as Enclosure No. 1. Between April and June 1998 in Moscow Mr. P.L.Lebedev included knowingly false data in the indicated document, stating that on 19 June, 1998 he as an entrepreneur earned an income amounting to RUR 1,237,100.00 for the provision of consulting services under the contract on consulting services dd. 1 April, 1998. Between July and September 1998 in Moscow Mr. P.L.Lebedev included knowingly distorted data in the said official document, stating that on 30 September, 1998 he as an entrepreneur gained USD 300,000.00, equal to RUR 4,819,350.00 for the provision of consulting services under the contract on consulting services dd. 25 June, 1998 concluded with the firm 'Status Services Limited'. At the same time, Mr. P.L.Lebedev knew for sure that he received the indicated money as remuneration for working in OAO 'Bank 'Menatep', ZAO 'Rosprom' and OOO 'YUKOS-Moscow' and not for the provision of consulting services as an entrepreneur.

On ensuring such conditions, securing evasion of income tax by a natural person and fees to be paid to the Pension Fund, on 13 March, 1999 Mr. P.L.Lebedev submitted an income statement for 1998, the form of which had been ratified by Regulation of the State Tax Service of Russia No. 35 dd. 29 June, 1995 as Enclosure No. 6, to Tax Inspection No. 5 for the Central Administrative District of the City of Moscow, located at: 33 Malaya Ordynka Str., bldg. 1, Moscow. He indicated a sum of gross income from the provision of consulting services amounting to RUR 6,052,449.00, which was exempted from income tax by a natural person, entitling him to pay less fees to the Pension Fund, i.e. a simplified system of taxation, stipulating the value of a patent equal to only RUR 751.00 was applied instead, on page 'Z', point 4.6 'Income from activity subject to a simplified system of taxation, accounting and book-keeping' in the income statement. However, Mr. P.L.Lebedev was fully aware that RUR 1,237,100.00 he received under the contract on consulting services, including RUR 4,819,350.00 he received from the company 'Status Services Limited' actually appeared to be his remuneration for working for ZAO 'Rosprom' and according to articles 7 and 10 of Act of the Russian Federation No. 1998-1 dd. 7 December, 1991 On income tax by natural persons and had had to be taxed as any income earned by a natural person over a calendar year.

Mr. P.L.Lebedev submitted the following knowingly forged documentation along with the tax declaration: a book of record of income and expenditures of entrepreneurs, using a simplified system of taxation, accounting and book-keeping, containing knowingly false data as to the source of income for 1998, included in Sections I and II 'Income and Expenditures' and 'Estimation of Total Revenue' to Tax Inspection No. 5 for the Central Administrative District of the City of Moscow, having reported to the official authority as to the taxes and fees paid.

Therefore, Mr. P.L.Lebedev unlawfully failed to pay taxes and insurance fees from income by a natural person amounting to RUR 2,144,125.50, including RUR 57,060.50 of fees to the Pension Fund and RUR 2,087,065.00 of income tax.

While evading taxes from income by a natural person, on 19 November, 1998 in Moscow Mr. P.L.Lebedev repeatedly filed an application for a patent, the form of which had been approved by order of the State Tax Service of Russia No. VG-3-02/5 dd. 24 January, 1996 to Tax Inspection No. 5 for the Central Administrative District of the City of Moscow, located at: 33 Malaya Ordynka Str., bldg.1, Moscow, in order to be transferred to a simplified system of taxation, accounting and book-keeping as from the 1<sup>st</sup> quarter of 1999, for the purposes of evasion of tax payments from the income by a natural person. Mr. P.L.Lebedev included knowingly distorted data stating that he was providing consulting and managing services as an entrepreneur, acting without foundation of a legal entity, in the indicated document entitling him to obtain a patent exempting him from income tax by natural persons and fees to be paid to the Pension Fund. At the same time, Mr. P.L.Lebedev was well aware that he was not actually engaged in entrepreneurship relating to the provision of consulting and managing services and the only reason he needed the patent was to evade payment of income tax by a natural person and fees to be paid to the Pension Fund. Having submitted the

knowingly forged application to Tax Inspection No. 5 for the Central Administrative District of the City of Moscow, on 18 January, 1999 Mr. P.L.Lebedev was groundlessly granted patents No.No. AR 77 607189 and AR 77 607196 by that authority, entitling him to use a simplified system of taxation, accounting and book-keeping by a natural person, engaged in entrepreneurship without foundation of a legal entity for the provision of consulting and managing services in economic affairs as from 1 January till 31 December, 1999.

On 1 April and 1 July, 1999 in Moscow Mr. P.L.Lebedev, deliberately ensuring conditions, securing evasion of income tax by a natural person and fees to be paid to the Pension Fund, signed contracts with the foreign company 'Status Services Limited', established in compliance with the legislation of the Isle of Man. Mr. P.L.Lebedev included knowingly distorted data in the above contracts, stating that he would provide compensative consulting and informative services as to financial and economic development and regulation in the Russian Federation to the foreign company 'Status Services Limited'. However, he was well aware that he would not actually provide those services and the said contracts had been drawn up only to ensure conditions relating to evasion of income tax by a natural person and to be entitled to pay less fees to the Pension Fund.

While ensuring conditions, securing tax evasion, Mr. P.L.Lebedev included the remuneration he received in 1999 amounting to RUR 7,800,000.00 he received under the forged contract concluded with the foreign company 'Status Services Limited' as income from entrepreneurship, in a book of record of income and expenditures of entrepreneurs, applying a simplified system of taxation, accounting and book-keeping for 1999, the form of which had been approved by order of the Ministry of Finance of the Russian Federation dd. 22 February, 1996 No. 18, as Enclosure No. 1. On 21 October, 1999 in Moscow Mr. P.L.Lebedev included knowingly false data in the indicated document, stating that on 13 July, 1999 he as an entrepreneur earned an income amounting to USD 100,000.00, equal to RUR 2,440,000.00 for the provision of consulting services under the contract on consulting services dd. 1 April, 1999 concluded with the firm 'Status Services Ltd.'. On 14 February, 2000 in Moscow Mr. P.L.Lebedev included knowingly distorted data in the said book of record, stating that on 16 December, 1999 he as an entrepreneur gained USD 200,000.00, equal to RUR 5,360,000.00 for the provision of consulting services under the contract on consulting services dd. 1 July, 1999 concluded with the firm 'Status Services Limited'.

At the same time, Mr. P.L.Lebedev knew for sure that he received the indicated money as remuneration for working in OAO 'Bank 'Menatep', ZAO 'Rosprom' and OOO 'YUKOS-Moscow' and not for the provision of consulting services as an entrepreneur.

On ensuring such conditions, securing evasion of income tax by a natural person and fees to be paid to the Pension Fund, on 20 April, 2000 Mr. P.L.Lebedev submitted an income statement for 1999, ratified by Regulation of the State Tax Service of Russia No. 35 dd. 29 June, 1995 as Enclosure No. 6, to Tax Inspection No. 5 for the Central Administrative District of the City of Moscow, located at: 33 Malaya Ordynka Str., bldg. 1, Moscow. He indicated a sum of gross income from

the provision of consulting services amounting to RUR 7,799,232.00, which was exempted from income tax by a natural person and entitling him to pay less fees to the Pension Fund, i.e. a simplified system of taxation, stipulating the value of a patent equal to only RUR 2004.00 was applied instead, on page 'Z', point 4.6 'Income from activity subject to a simplified system of taxation, accounting and book-keeping' in the income statement. However, Mr. P.L.Lebedev was fully aware that RUR 7,799,232.00 he received from the company 'Status Services Limited' actually appeared to be his remuneration for working in OAO 'Bank 'Menatep', ZAO 'Rosprom', OAO 'NK 'YUKOS' and OOO 'YUKOS-Moscow' and according to articles 7 and 10 of Act of the Russian Federation No. 1998-1 dd. 7 December, 1991 On income tax by natural persons had had to be taxed as any income earned by a natural person over a calendar year.

Mr. P.L.Lebedev submitted the following knowingly forged documentation along with the tax declaration: a book of record of income and expenditures of entrepreneurs, using a simplified system of taxation, accounting and book-keeping, containing knowingly false data as to the source of income for 1999, included in Sections I and II 'Income and Expenditures' and 'Estimation of Total Revenue' to Tax Inspection No. 5 for the Central Administrative District of the City of Moscow, having reported to the official authority as to the taxes and fees paid.

Therefore, in 1999 Mr. P.L.Lebedev unlawfully failed to pay taxes and insurance fees from income by a natural person amounting to RUR 2,768,401.00, including RUR 69,884.00 of fees to the Pension Fund and RUR 2,698,517.00 of income tax.

While evading taxes from income by a natural person, on 30 November, 1999 in Moscow Mr. P.L.Lebedev repeatedly filed an application for a patent to Tax Inspection No. 5 for the Central Administrative District of the City of Moscow, located at: 33 Malaya Ordynka Str., bldg.1, Moscow, in order to be transferred to a simplified system of taxation, accounting and book-keeping as from 4 March, 2000. Mr. P.L.Lebedev included knowingly distorted data stating that he was providing consulting and managing services as an entrepreneur, acting without foundation of a legal entity, in the indicated document entitling him to obtain a patent exempting him from income tax by natural persons and fees to be paid to the Pension Fund. At the same time, Mr. P.L.Lebedev was well aware that he was not actually engaged in entrepreneurship relating to the provision of consulting and managing services and the only reason he needed the patent was to evade payment of income tax by a natural person and fees to be paid to the Pension Fund. Having submitted the knowingly forged application to Tax Inspection No. 5 for the Central Administrative District of the City of Moscow, on 16 December, 1999 Mr. P.L.Lebedev was groundlessly granted patents No.No. AR 77 607381 and AR 77 607382 by that authority, entitling him to use a simplified system of taxation, accounting and book-keeping for the provision of consulting and managing services as from 1 January till 31 December, 2000.

While deliberately ensuring conditions, securing evasion of income tax by a natural person and fees to be paid to the Pension Fund, in 2000 in Moscow Mr. P.L.Lebedev signed another contract with the foreign company 'Status Services

Limited'. Mr. P.L.Lebedev included knowingly distorted data in the said contract, stating that he would provide compensative consulting and informative services as to financial, economic and banking regulation in the Russian Federation to the foreign company 'Status Services Limited'. However, he was well aware of the fact that he would not actually provide the above services and the only reason he signed the said contract was to ensure conditions, securing evasion of income tax by a natural person and to be entitled to pay less fees to the Pension Fund.

While ensuring conditions, securing tax evasion, Mr. P.L.Lebedev included the remuneration he received in 2000 amounting to RUR 7,735,750.00 he received under the forged contract concluded with the foreign company 'Status Services Limited' as income from entrepreneurship, in a book of record of income and expenditures of entrepreneurs, applying a simplified system of taxation, accounting and book-keeping for 2000, the form of which had been approved by order of the Ministry of Finance of the Russian Federation dd. 22 February, 1996 No. 18, as Enclosure No. 1. In 2000 in Moscow Mr. P.L.Lebedev included knowingly false data in the indicated document, stating that on 27 June, 2000 he as an entrepreneur earned an income amounting to USD 275,000.00, equal to RUR 7,735,750.00 for the provision of consulting services under the contract on consulting services concluded with the firm 'Status Services Ltd.'. At the same time, Mr. P.L.Lebedev knew for sure that he received the indicated money as remuneration for working in OAO 'Bank 'Menatep', ZAO 'Rosprom' and OOO 'YUKOS-Moscow' and not for the provision of consulting services as an entrepreneur.

On ensuring such conditions, securing evasion of income tax by a natural person and fees to be paid to the Pension Fund, on 27 April, 2001 Mr. P.L.Lebedev submitted an income statement for 2000, the form of which had been ratified by Regulation of the State Tax Service of Russia No. 35 dd. 29 June, 1995 as Enclosure No. 6, to Tax Inspection No. 5 for the Central Administrative District of the City of Moscow, located at: 33 Malaya Ordynka Str., bldg. 1, Moscow. He indicated a sum of gross income from the provision of consulting services amounting to RUR 7,735,328.00, which was exempted from income tax by a natural person and entitling him to pay less fees to the Pension Fund, i.e. a simplified system of taxation, stipulating the value of a patent equal to only RUR 4008.00 was applied instead, on page 'Z', point 4.6 'Income from activity subject to a simplified system of taxation, accounting and book-keeping' in the income statement. However, Mr. P.L.Lebedev was fully aware that RUR 7,735,750.00 he received from the company 'Status Services Limited' actually appeared to be his remuneration for working in ZAO 'Rosprom', OAO 'Bank 'Menatep' and OOO 'YUKOS-Moscow' and according to articles 7 and 10 of Act of the Russian Federation No. 1998-1 dd. 7 December, 1991 On income tax by natural persons had had to be taxed as any income earned by a natural person over a calendar year.

Mr. P.L.Lebedev submitted the following knowingly forged documentation along with the tax declaration: a book of record of income and expenditures of entrepreneurs, using a simplified system of taxation, accounting and book-keeping, containing knowingly false data as to the source of income for 2000, included in Sections I and II 'Income and Expenditures' and 'Estimation of Total Revenue' to

Tax Inspection No. 5 for the Central Administrative District of the City of Moscow, having reported to the official authority as to the taxes and fees paid.

Therefore, in 2000 Mr. P.L.Lebedev unlawfully failed to pay taxes and insurance fees from income by a natural person amounting to RUR 2,356,749.50, including RUR 67,247,50 of fees to the Pension Fund and RUR 2,289,502.00 of income tax.

In 1998-2000 Mr. P.L.Lebedev unlawfully failed to pay taxes and insurance fees by natural persons totaling RUR 7,269,276.00 to the state off-budget funds.

**Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev together with the organized group of persons under preliminary conspiracy arranged for tax evasion by organizations in particularly large amount by means of failure to submit documentation and by means of including knowingly distorted data in the documents under the following circumstances:**

Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, holding the greater part of shares in OAO 'NK 'YUKOS', with Mr. M.B.Khodorkovsky being a majority shareholder of the foreign companies, holding the shares in OAO 'NK 'YUKOS' and thus being Director of OAO 'NK 'YUKOS', and Mr. P.L.Lebedev, being Consultant to the Board of Directors of ZAO 'Rosprom' from 19 April, 1996 till May, 1997, Deputy Chairman of the Joint Board of Directors of ZAO 'Rosprom' from 5 May, 1997 till 13 April, 1998, Deputy Chairman of the Board of Directors of OOO 'YUKOS', then OOO 'NK 'YUKOS' and after that OOO 'YUKOS-Moscow', and also in the same way being Director of OAO 'NK 'YUKOS', governed the previously jointly organized group of persons, and in 1999-2000 arranged for tax evasion by organizations, engaged in sale of oil and oil products and also misappropriated budgetary funds by means of fraud. The organized group performed the indicated crimes, consisted of the following persons: Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the other persons, unidentified by the investigation who were appointed actually directors of OAO 'NK 'YUKOS'. The other persons participating in the organized group were employees of OOO 'YUKOS-Invest', the Division for Accounting of Small-Scale Enterprises of which, located at: 26 Ulansky per., Moscow, kept records as to controlled front companies, which were used for the purposes of tax evasion, misappropriation of budgetary funds by means of fraud by the organized group. Tax declarations and other documents that were to be submitted according to the Tax Code of the Russian Federation, containing knowingly distorted data, had been drawn up in the said Division. Then, the above documents containing knowingly false data were submitted to the Inspection of the Revenue Ministry of Russia, situated in the town of Lesnoy, Nizhneturinsky District, Sverdlovsk Region.

Ms. I.E.Golub was Director-General of OOO 'YUKOS-Invest'. Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the members of the organized group used the front companies OOO 'Business-Oil', OOO 'Mitra', OOO 'Vald-Oil', OOO 'Forest-Oil', OOO 'TK 'Alkhanay', OOO 'Perspektiva-Optimum' and also OOO 'Investproekt' for the purposes of alleged mediation, performance of the indicated activities and commission of the above crimes on behalf of the said legal entities. At the same time, Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the other

persons, participating with them under preliminary agreement in the commission of the said crimes, knew for sure that the above-mentioned limited liability companies had not actually possessed any functions or features of a legal entity, envisaged by articles 48 through 50 of the Civil Code of the Russian Federation, i.e.: did not possess, manage or operate a separate property for processing, storage and sale of crude oil and oil products, were not able to achieve and exercise their rights of property on their own without the orders of Mr. P.L.Lebedev and the other persons, were not able to perform their activity, the main objective of which was to receive profit, since their activity was unprofitable, meant for the purposes of evasion of taxes by the oil-production and oil-refining subsidiary enterprises of OAO 'NK 'YUKOS', engaged in sale of oil and oil products, and profit-making organizations affiliated to it.

OOO 'Business-Oil' was established on 23 December, 1997. OOO 'Spetsproekt' was an incorporator of the company with Mr. L.V.Koval being its Director, together with OOO 'Rasin', bringing 95 % of the nominal capital, Director of which was appointed Mr. Yu.A.Kobzar. That time Mr. A.V.Kraynov was Director-General of OOO 'Business-Oil'. Therefore, the directors of the companies that established OOO 'Business-Oil' appeared to be the persons whose names were used by Mr. M.B.Khodorkovsky together with the organized group for misappropriation of shares of the companies and one of the persons, participating in misappropriation of the shares of OAO 'Apatit' was appointed its First Director. Later on, Director-Generals of that company were appointed such persons, as: an employee of SP 'RTT' Mr. O.I.Khvostikov and from 2 April, 1999 an employee of SP 'RTT' Mr. A.V.Spirichev was appointed Director-General of OOO 'Business-Oil' first and then – of OOO 'UFK'.

In this regard, OOO 'Business-Oil' appeared to be a front legal entity and Mr. A.V.Kraynov, Mr. O.I.Khvostikov and Mr. A.V.Spirichev, registered as its Director-Generals, were false directors of the company.

**OOO 'Forest-Oil' was registered on 22 December, 1997. Director-General of OOO 'A-Trust', holding 95 % of the nominal capital, was registered Mr. E.E.Gorbunov, an employee of SP 'RTT', and Director of OOO 'Spetsproekt' appeared to be Mr. L.V.Koval. In 1999 Ms. A.A.Karaseva was appointed Director-General of that front company by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the other members of the organized group.**

OOO 'MITRA' was reckoned to be established on 10 December, 1997. OOO 'SPETSROEKT' (Director – Mr. L.V.Koval) and OOO 'ALAN' (Director – A.V.Alekseyev, an employee of SP 'RTT' and from 17.12.98 – of OOO 'UFK') were the founders of the company. 95% of the authorized capital stock of OOO 'MITRA' belonged to OOO 'ALAN'. Mr. A.V.Koval was elected Director General of OOO 'MITRA'. On 7 October, 1998 Mr. V.N.Kartashov, an employee of SP 'RTT' and then, from 01.10.99 – of OOO 'UFK', was elected Director General of OOO 'MITRA'.

OOO 'VALD-OIL' was reckoned to be established on 24 December, 1997. OOO 'SPETSPROEKT' (Director – Mr. L.V.Koval) and OOO 'KADET' (Director – Mr. A.V.Zverev), which held 95% of the authorized capital stock, were the founders of the company. Mr. Yu.A.Kobzar, who was a member of OOO 'Business-Oil' and an employee of SP 'RTT', was elected Director General of OOO 'VALD-OIL'. During 1998 the employees of SP 'RTT' Mr. O.I.Khvostikov and Ms. O.B.Kozhevnikova were Directors of OOO 'VALD-OIL'. On 11 November, 1999, Ms. I.V.Chernikova, who had a post in an organization, which was under the control of M. M.B.Khodorkovsky and P.L.Lebedev, was elected Director General of OOO 'VALD-OIL'. On 27 December, 1999, a piece of the authorized capital stock, namely 95% of the shares of OOO 'VALD-OIL' belonged to OOO 'KADET', was transferred to OOO 'AL-SAMOTSVET', where Ms. O.V.Borisova, an employee of SP 'RTT' was Director General. Later, in accordance with the agreement of purchase and sale, 5% of the shares of OOO 'VALD-OIL' were transferred from OOO 'SPETSPROEKT' to OOO 'NEFTEMARKET 2000', where Mr. A.S.Dunaev was Director General.

All financial and bookkeeping documents of OOO 'VALD-OIL' were signed by Ms. I.V.Chernikova.

Under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, members of the organized group specially registered OOO 'BUSINESS-OIL', OOO 'Mitra', OOO 'Vald-Oil', OOO 'Forest-Oil' in the territory of closed administrative and territorial formation (ZATO) Lesnoy, Nizhneturinsky Region, Sverdlovsk Region, because there were tax remissions for legal entities. The above men of straw had a registered address in Lesnoy: 8, K.Marxa Street, and in fact the address was 4A, Mamin-Sibiriyak Street. Moreover, in 1997, in Moscow, Mr. P.L.Lebedev, preparing conditions for achieving the above goals of evasion of tax payment, by instructions of Mr. M.B.Khodorkovsky, using his position of the person to whom the enterprises of refining, storage and realization of crude oil and oil products were affiliated and were under control, because he was one of the managers of OAO NK 'YUKOS', ensured issuing and signing by the directors of the above enterprises agreements of transfer of authorities of executive powers to ZAO 'YUKOS Refining and Marketing' (hereinafter referred to as ZAO 'YUKOS RM'), where he was President. And from the part of ZAO 'YUKOS RM' Mr. P.L.Lebedev signed the above agreements himself. Having created such conditions, necessary for the commitment of the crimes, Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev organized the movement of funds, received by the enterprises of refining, storage and realization of crude oil and oil products of daughter enterprises OAO NK 'YUKOS', through OOO 'BUSINESS-OIL', OOO 'Mitra', OOO 'Vald-Oil', OOO 'Forest-Oil'. As a result of the above actions Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev, together with the members of the organized group, through Mr. Spitichev, Mr. Kartashov, Ms. Chernikova and Ms. Karaseva, reckoned as the Directors General of the above enterprises, organized the presentation on behalf of these commercial organizations to the Inspection Board of the Revenue Ministry of Russia (IMNS) for Lesnoy of tax statements, which stated the following:

As a result of the activities of front company OOO 'BUSINESS-OIL' in 1999, different kinds of taxes were charged in the amount of 72 215 775 roubles. From the above sum 48 570 543 roubles in funds were deposited in the budget towards tax payment for 1999.

As a result of the actions committed under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the members of the organized group and the Administration of Lesnoy, in violation of Article 5 of the Law of the Russian Federation 'On the Closed Administrative and Territorial Formation' of 14.07.1992 No. 3297-1, unlawfully registered OOO 'BUSINESS-OIL', which in fact did not carry out any activity in the territory of the closed administrative and territorial formation Lesnoy, in 1999 in ZATO Lesnoy as a tax-payer, having the right to preferential taxation. After that, under the direction of Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky, the members of the organized group, through Mr. A.V.Spirichev, on behalf of OOO 'BUSINESS-OIL', presented to the IMNS of Russia for Lesnoy (2, Chapayeva Street) the tax statements for 1999 with knowingly false information of tax remissions concerning the following kinds of taxes: value added tax, maintenance of housing facilities tax, road users tax, combustive-lubricating materials realization tax, income tax, and it was unlawfully granted tax remissions for 1999 concerning all the kinds of taxes to the budgets of different levels in the amount of 1.217.622.799 roubles. Thus, OOO 'BUSINESS-OIL' did not pay taxes in the above amount to the budget of different levels, that is also considered evasion of tax payment.

Moreover, with the purpose of evasion of tax payment Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, together with persons not established by the investigation, and acting by the preliminary agreement, instead of tax payments by funds, in violation of Article 45 of the Tax Code of the Russian Federation, in July, August, October, November and December, 1999, organized the transfer of promissory notes of OAO NK 'YUKOS' to Lesnoy, Nizhneturinsky Region, Sverdlovsk Region, through Mr. A.V.Spirichev, on behalf of OOO 'BUSINESS-OIL' in the amount of 1.085.656.694 roubles, through Ms. A.A.Karaseva on behalf of OOO 'Forest-Oil' – in the amount of 1.002.870.264 roubles, through Mr. V.N.Kartashov on behalf of OOO 'Mitra' – in the amount of 1.388.352.583 roubles, through Ms. I.N.Chernikova on behalf of OOO 'Vald-Oil' – in the amount of 1.815.000.000. Promissory notes in the amount of 5.291.879.541 roubles in all were unlawfully transferred as tax payments on behalf of the abovementioned front legal entities under the direction of Mr. M.B.Khodorkovsky.

Thus, in the period of November-December, 1999, 23 655 742 roubles by promissory notes were paid on behalf of OOO 'BUSINESS-OIL' in Lesnoy, Nizhneturinsky Region, Sverdlovsk Region.

After that, under the direction of Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky, Mr. A.V.Spirichev, a member of the organized group, presented a balance sheet as a result of the activities in 1999 on behalf of OOO 'BUSINESS-OIL' to the IMNS of Russia for Lesnoy (2, Chapayeva Street). The balance sheet is a document provided for as form No. 1 by the Provisions on Business Accounting No. 4/96, approved by the Order of the Ministry of Finance

of the Russian Federation of 08.02.96 No. 10; its presentation is obligatory according to subparagraph 4, paragraph 1, Article 23 of the Tax Code of the Russian Federation. The above balance sheet in line 626, column 4 did not state that indebtedness to the budget amounted to 23.655.742 roubles.

In total, considering the use of unlawful tax remissions in the territory of ZATO and the transfer of promissory notes on behalf of OOO 'BUSINESS-OIL' towards tax payment in 1999, Mr. M.B.Khodorkovsky, acting within the organized group, committed evasion of tax payment in total amount of 1.241.278.541 roubles.

Moreover, with the purpose of evasion of tax payment Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and persons not established by the investigation, by preliminary agreement, through Ms. A.A.Karaseva reckoned as Director General of OOO 'Forest-Oil', in violation of Article 45 of the Tax Code of the Russian Federation, in 1999 organized the transfer of promissory notes of OAO NK 'YUKOS' in the amount of 1.282.475.105 roubles on behalf of OOO 'Forest-Oil' to Lesnoy, Nizhneturinsky Region, Sverdlovsk Region, instead of tax payments by funds.

After that, under the direction of Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky, Ms. A.A.Karaseva presented a balance sheet as a result of the activities in 1999 on behalf of OOO 'Forest-Oil' to the IMNS of Russia for Lesnoy (2, Chapayeva Street). The balance sheet is a document provided for as form No. 1 by the Provisions on Business Accounting No. 4/96, approved by the Order of the Ministry of Finance of the Russian Federation of 08.02.96 No. 10; its presentation is obligatory according to subparagraph 4, paragraph 1, Article 23 of the Tax Code of the Russian Federation. The above balance sheet in line 626, column 4 did not state that indebtedness to the budget amounted to 1.282.475.105 roubles.

Also, with the purpose of evasion of tax payment Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and persons not established by the investigation, by preliminary agreement, through Mr. Kartashov reckoned as Director General of OOO 'Mitra', in violation of Article 45 of the Tax Code of the Russian Federation, organized the transfer of promissory notes of OAO NK 'YUKOS' in the amount of 886.570.112 roubles on behalf of OOO 'Mitra' for the 4<sup>th</sup> quarter of 1999 to Lesnoy, Nizhneturinsky Region, Sverdlovsk Region, instead of tax payments by funds.

After that, under the direction of Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky, Mr. Kartashov presented a balance sheet as a result of the activities in 1999 on behalf of OOO 'Mitra' to the IMNS of Russia for Lesnoy (2, Chapayeva Street). The balance sheet is a document provided for as form No. 1 by the Provisions on Business Accounting No. 4/96, approved by the Order of the Ministry of Finance of the Russian Federation of 08.02.96 No. 10; its presentation is obligatory according to subparagraph 4, paragraph 1, Article 23 of the Tax Code of the Russian Federation. The above balance sheet in line 626, column 4 did not state that indebtedness to the budget amounted to 886.570.112 roubles.

Moreover, with the purpose of evasion of tax payment Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and persons not established by the investigation, by preliminary agreement, through Ms. I.V.Chernikova reckoned as

Director General of OOO 'Vald-Oil', in violation of Article 45 of the Tax Code of the Russian Federation, in 1999, organized the transfer of promissory notes of OAO NK 'YUKOS' in the amount of 1.862.828.541 roubles on behalf of OOO 'Forest-Oil' to Lesnoy, Nizhneturinsky Region, Sverdlovsk Region, instead of tax payments by funds.

After that, under the direction of Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky, Ms. I.V.Chernikova presented a balance sheet as a result of the activities in 1999 on behalf of OOO 'Vald-Oil' to the IMNS of Russia for Lesnoy (2, Chapayeva Street). The balance sheet is a document provided for as form No. 1 by the Provisions on Business Accounting No. 4/96, approved by the Order of the Ministry of Finance of the Russian Federation of 08.02.96 No. 10; its presentation is obligatory according to subparagraph 4, paragraph 1, Article 23 of the Tax Code of the Russian Federation. The above balance sheet in line 626, column 4 did not state that indebtedness to the budget amounted to 1.862.828.541 roubles.

Altogether, in 1999, Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the organized group of persons on behalf of the front legal entities, namely OOO 'BUSINESS-OIL', OOO 'Mitra', OOO 'Vald-Oil' and OOO 'Forest-Oil', committed evasion of tax payment in total amount of 5.447.501.388 roubles.

**Mr. P.L.Lebedev and Mr. M.B.Khodorkovsky, with the group of persons, by preliminary agreement, organized evasion of tax payment by organizations in especially large amount, by means of non-presentation of documents, inclusion of knowingly distorted data in documents, under the following circumstances:**

Moreover, with the purpose of evasion of tax payment by funds Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the members of the organized group, through Mr. A.V.Spirichev, reckoned as Director General of OOO 'BUSINESS-OIL', in violation of Article 45 of the Tax Code of the Russian Federation, in Lesnoy, Nizhneturinsky Region, Sverdlovsk Region, organized entering of tax payment by OOO 'BUSINESS-OIL' by promissory notes of OAO NK 'YUKOS' in the amount of 1 056 633 939 roubles.

Thus, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, as well as the other members of the organized group, through the member of the organized group, reckoned as Director General of OOO 'BUSINESS-OIL', repayment of notes in the amount of 37 265 207 roubles was organized during 2000 in Lesnoy, Nizhneturinsky Region, Sverdlovsk Region.

As a result of the actions committed by Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the members of the organized group, the Administration of Lesnoy, in violation of Article 5 of the Law of the Russian Federation 'On the Closed Administrative and Territorial Formation' of 14.07.1992 No. 3297-1, unlawfully granted to OOO 'BUSINESS-OIL', which in fact did not carry out any activity in the territory of the closed administrative and territorial formation Lesnoy, tax remissions for 2000 concerning all the kinds of taxes to the budgets of different levels in the amount of 1.566.046.683, that is also considered evasion of tax payment.

Altogether, considering the use of unlawful tax remissions in the territory of ZATO and the transfer of promissory notes on behalf of OOO 'BUSINESS-OIL' towards tax payment in 2000, Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev acting with the organized group, committed evasion of tax payment in total amount of 1.603.311.890 roubles.

After that, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, a member of the organized group on behalf of OOO 'BUSINESS-OIL' by failure to present to the IMNS of Russia for Lesnoy of the balance sheet for 2000, which is the document provided for as form No. 1 by the Provisions on Business Accounting No. 4/99, approved by the Order of the Ministry of Finance of the Russian Federation of 06.07.99 No. 43n and whose presentation is obligatory according to subparagraph 4, paragraph 1, Article 23 of the Tax Code of the Russian Federation, and by failure to include indebtedness to the budget in total amount of 1.566.046.683 roubles, committed evasion of tax payment by organization in the above amount.

Also with the purpose of evasion of tax payment by funds Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the other members of the organized group, acting with them, through Ms. Karaseva, reckoned as the Director General of OOO 'Forest-Oil', in 2000, transferred promissory notes in the amount of 3.641.689.941 roubles.

After that, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, a member of the organized group on behalf of OOO 'Forest-Oil' by failure to present to the IMNS of Russia for Lesnoy of the balance sheet for 2000, which is the document provided for as form No. 1 by the Provisions on Business Accounting No. 4/99, approved by the Order of the Ministry of Finance of the Russian Federation of 06.07.99 No. 43n and whose presentation is obligatory according to subparagraph 4, paragraph 1, Article 23 of the Tax Code of the Russian Federation, and by failure to include indebtedness to the budget in total amount of 3.641.689.941 roubles, committed evasion of tax payment by organization in the above amount.

Also with the purpose of evasion of tax payment by funds Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the other members of the organized group, acting with them, through Mr. Kartashov, reckoned as the Director General of OOO 'Mitra', transferred promissory notes for 2000 in the amount of 3.627.235.399 roubles.

After that, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, a member of the organized group on behalf of OOO 'Mitra', by failure to present to the IMNS of Russia for Lesnoy of the balance sheet for 2000, which is the document provided for as form No. 1 by the Provisions on Business Accounting No. 4/99, approved by the Order of the Ministry of Finance of the Russian Federation of 06.07.99 No. 43n and whose presentation is obligatory according to subparagraph 4, paragraph 1, Article 23 of the Tax Code of the Russian Federation, and by failure to include indebtedness to the budget in total amount of 3.627.235.399 roubles, committed evasion of tax payment by organization in the above amount.

Moreover, with the purpose of evasion of tax payment Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the persons not established by the investigation, acting with them by preliminary agreement, through Ms. I.V.Chernikova, reckoned as the Director General of OOO 'Vald-Oil', in violation of Article 45 of the Tax Code of the Russian Federation, in 2000, organized the transfer of promissory notes of OAO NK 'YUKOS' in the amount of 3.075.710.664 roubles on behalf of OOO 'Vald-Oil' in Lesnoy, Nizhneturinsky Region, Sverdlovsk Region, instead of tax payment by funds.

After that, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, a member of the organized group on behalf of OOO 'Vald-Oil' by failure to present to the IMNS of Russia for Lesnoy of the balance sheet for 2000, which is the document provided for as form No. 1 by the Provisions on Business Accounting No. 4/99, approved by the Order of the Ministry of Finance of the Russian Federation of 06.07.99 No. 43n and whose presentation is obligatory according to subparagraph 4, paragraph 1, Article 23 of the Tax Code of the Russian Federation, and by failure to include indebtedness to the budget in total amount of 3.075.710.664 roubles, committed evasion of tax payment by organization in the above amount.

Altogether, in 2000, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the organized group on behalf of front legal entities OOO 'BUSINESS-OIL', OOO 'Mitra', OOO 'Vald-Oil', OOO 'Forest-Oil', by failure to present to the IMNS of Russia for Lesnoy a balance sheet, which is the document provided for as form No. 1 by the Provisions on Business Accounting No. 4/99, approved by the Order of the Ministry of Finance of the Russian Federation of 06.07.99 No. 43n and whose presentation is obligatory according to subparagraph 4, paragraph 1, Article 23 of the Tax Code of the Russian Federation, and by failure to include indebtedness to the budget in total amount of 11.947.947.894 roubles, committed evasion of tax payment by organization in the above amount.

**Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev organized fraud, i.e. misappropriation of someone else's property by means of deceit, by an organized group, in large amount, under the following circumstances:**

Altogether, considering the use of unlawful tax remissions in the territory of ZATO and the transfer of promissory notes on behalf of OOO 'BUSINESS-OIL' towards tax payment for 1999-2000, Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, acting with the organized group, committed evasion of tax payment in total amount of 2.844.590.431 roubles. Altogether in 1999-2000, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the organized group on behalf of front legal entities OOO 'BUSINESS-OIL', OOO 'Mitra', OOO 'Vald-Oil', OOO 'Forest-Oil' committed evasion of tax payment in total amount of 17.395.449.282 roubles. In 2000 the promissory notes of OAO NK 'YUKOS' in total amount of 1 048 391 487 roubles remained unpaid, including those transferred towards payment of the following taxes:

- income tax in the amount of 543 000 000 roubles;
- value added tax in the amount of 505 391 487 roubles.

Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev and the other members of the organized group, acting with them, with the purpose of deceit, in December 2000, in Lesnoy, Nizhneturinsky Region, Sverdlovsk Region, presented a statement to the Administration of ZATO Lesnoy (8, Karla Marxa Street) on the return of income tax in total amount of 128.691.355,88 roubles, because of overpayment of income tax, knowing that, in violation of Article 45 of the Tax Code of the Russian Federation, real payment of taxes by funds on behalf of OOO 'BUSINESS-OIL', OOO 'Forest-Oil', OOO 'Vald-Oil' and OOO 'Mitra' hadn't been made, and there wasn't overpayment of taxes, subject to return to tax-payers, as provided for by paragraph 1, Article 78 of the Tax Code of the Russian Federation.

Thus, misleading the Administration of ZATO 'Lesnoye', Mr. M.B.Khodorkovsky, Mr. P.L.Lebedev and the other members of the organized group, during the period of from 25 till 28 December, 2000, ensured the transfer of 128.691.355,88 roubles from the branch of Federal Treasury for Lesnoy (31, Belinskogo Street, Lesnoy, Nizhneturinsky Region, Sverdlovsk Region) to the accounts of the above front legal entities with OAO AKB 'Doveritelny i Investitsionny Bank' in Moscow (4/4, Kolpachny pereulok), which was under the control of Mr. P.L.Lebedev and the organized group, and turned them to their own advantage. Moreover, from 128.691.355,88 roubles, 7.373.274,63 roubles, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the organized group forwarded from the accounts of the Treasury for Lesnoy for the payment of existing back taxes concerning the road users tax.

Because of the beginning of tax revision in Lesnoy, Sverdlovsk Region, with the purpose to evade responsibility for the crimes committed and to commit repeated misappropriation of budget funds, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the organized group struck off the register in the IMNS for Lesnoy, Sverdlovsk Region, front companies OOO 'BUSINESS-OIL', OOO 'Forest-Oil', OOO 'Vald-Oil', OOO 'Mitra', and on 6 March, 2001, incorporated them to front company OOO 'Perspektiva optimum', which had been founded beforehand and registered in a tax agency in the settlement Aginskoye, Aginsko-Buryatsky National Region. In connection with the incorporation, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the members of the organized group ensured the transfer of all the rights and obligations of front OOO 'BUSINESS-OIL', OOO 'Forest-Oil', OOO 'Vald-Oil' and OOO 'Mitra', including the right to receive the return from the budget of unlawfully reckoned overpayment of taxes, to OOO 'Perspektiva optimum'. After that, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the members of the organized group organized the receipt of an unlawful opinion of inter-district IMNS No. 1 for the Aginsko-Buryatsky Autonomous Region (24, Komsomolskaya Street, settlement Aginskoye) concerning the overpayment of taxes. As a result, on 17 and 31 May, 2001, 83.434.323,68 roubles from the federal budget were transferred to the settlement account of OOO 'Perspektiva optimum' with the branch 'Na Vozdvizhenke' of KB 'Impexbank' (30, building 6, Smolensky boulevard, Moscow), which were turned by them to their own advantage.

Continuing their activities on fraudulent acquisition of funds, under the direction on Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the members of the organized group ensured to strike off the register in the IMNS in the town Tryokhgorny, Chelyabinsk Region, in connection with the beginning of tax revision there, the front companies, which was under their control, namely, OOO 'Greys', OOO 'Nortex', OOO 'Alebra', OOO 'Muskron', OOO 'Flander', OOO 'Kolrein', OOO 'Kverkus', and to incorporate them on 16 March, 2001 to OOO 'Torgovaya Kompaniya 'Alkhanay' (OOO 'TK 'Alkhanay'), which had been founded beforehand, and registered in the settlement Aginskoye, Aginsko-Buryatsky National Region. In connection with the above incorporation, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the members of the organized group ensured the transfer of all the rights and obligations of front OOO 'Greys', OOO 'Nortex', OOO 'Alebra', OOO 'Muskron', OOO 'Flander', OOO 'Kolrein', OOO 'Kverkus', including the right to receive from the budget unlawfully reckoned overpayment of taxes, which had earlier been reckoned in payment by promissory notes of OAO NK 'YUKOS', to OOO 'TK 'Alkhanay'. After that, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the members of the organized group organized the receipt of an unlawful opinion of a tax agency concerning the overpayment of taxes. As a result, on 17 and 31 May, 2001, 170.861.817,90 roubles from the federal budget were transferred to the settlement account of OOO 'TK 'Alkhanay' with the branch 'Na Vozdvizhenke' of KB 'Impexbank' (30, building 6, Smolensky boulevard, Moscow), which were turned by them to their own advantage.

Also, continuing their activities on fraudulent acquisition of funds, under the direction on Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the members of the organized group on 20 May, 2001, ensured to strike OOO 'TK 'Alkhanay' and OOO 'Perspektiva Optimum' off the register in the IMNS in the settlement Aginskoye, Aginsko-Buryatsky National Region, and to incorporate them to OOO 'Investproekt', which had been founded beforehand and registered in the IMNS of the Shabalinsky Region, Kirovskaya Region. In connection with the above incorporation, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the members of the organized group ensured the transfer of all the rights and obligations of front OOO 'BUSINESS-OIL', OOO 'Forest-Oil', OOO 'Vald-Oil', OOO 'Mitra', OOO 'Greys', OOO 'Nortex', OOO 'Alebra', OOO 'Muskron', OOO 'Flander', OOO 'Kolrein', OOO 'Kverkus', including the right to receive from the budget unlawfully reckoned overpayment of taxes, which had earlier been reckoned in payment by promissory notes of OAO NK 'YUKOS' to OOO 'Investproekt'. With the purpose to ensure unlawful acquisition of the reckoned overpayment of taxes, under the direction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, the members of the organized group ensured to strike OOO 'Investproekt' off the register in the IMNS of the Shabalinsky Region, Kirovskaya Region, and on 30 August, 2001, to register it in the IMNS of the Chernyshevsky Region, Chitinskaya Region. After that, Mr. P.L.Lebedev and the members of the organized group organized the receipt of an unlawful opinion of a tax agency concerning the overpayment of taxes. As a result, in October-November, 2002,

24.133.042,82 roubles from the federal budget were transferred to the settlement account of OOO 'Investproekt' with the branch 'Bakuninskoye' of KB 'Impexbank' (10/12, Bakuninskaya Street, Moscow), which were turned by them to their own advantage.

Altogether, Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev, acting with the organized group, in the form of unlawful return of the overpayment of taxes to the false companies, plundered by means of fraud budget funds, belonged to the state in the amount of 407.120.540,28 roubles.

**Mr. M.B.Khodorkovsky committed embezzlement – misappropriation of someone else's property which has been entrusted to the guilty party, by an organized group, in large amount, under the following circumstances:**

the organized group, under the direction of Mr. M.B.Khodorkovsky, deposited funds, obtained as a result of theft of apatite concentrate and realization of oil and oil products, including by means of evasion of tax payment, in accounts of foreign companies with foreign banks, as well as in accounts of Russian companies, which were under their control, and with OOO KB 'DIB' and OAO KB 'Menatep Saint-Petersburg', belonged to them. Mr. M.B.Khodorkovsky, managing the organized group, through its members, kept record of the movement of all the above funds, ensuring the making out of consolidated budget. Disposing of the income obtained, Mr. M.B.Khodorkovsky distributed it to his own advantage.

Thus, during the period of from 5 July, 1999, till 28 April, 2000, in Moscow, Mr. M.B.Khodorkovsky, acting within the organized group with other persons not established by the investigation, organized under the guise of operations with promissory notes, the transfer of the funds from the accounts the companies, which were under his control, namely, OAO NK 'YUKOS', OOO 'Greys', OOO 'Mitra', with OAO KB 'DIB' (4/4, Kolpachny pereulok, Moscow) to the accounts of the companies, which were under the control of Mr. V.A.Gusinsky, namely, ZAO 'Media-Most', OOO 'Delf', ZAO 'Biron', ZAO 'Sard-1', ZAO 'Osmet-1', OOO 'GM-2', ZAO 'NTV-Mir kino', with OAO KB 'Most-Bank' (43, Vorontsovskay Street, Moscow). Thus, Mr. M.B.Khodorkovsky, managing the organized group, ensured the following transfers:

- from the accounts of OAO NK 'YUKOS' –funds in total amount of 1.346.200.000 roubles, including: to the accounts of ZAO 'Media-Most', on 05.07.1999 – 121.450.000 roubles, on 30.09.1999 – 250.800.000 roubles, on 18.11.1999 – 263.200.000 roubles; to the account of OOO 'Delf', on 28.04.2000 – 710.750.000 roubles;

- from the accounts of OOO 'Greys' –funds in total amount of 669.314.620 roubles, including: to the account of ZAO 'Biron', on 09.12.1999 – 268.682.260 roubles; to the account of ZAO 'Sard-1' – 400.632.360 roubles;

- from the accounts of OOO 'Mitra' –funds in total amount of 634.392.000 roubles, including: to the account of ZAO 'Osmet-1', on 15.02.2000 – 287.700.000 roubles, to the account of OOO 'GM-2', on 17.02.2000 – 57.420.000 roubles, to the account of ZAO 'NTV-Mir kino', on 23.03.2000 – 289.272.000 roubles.

Altogether, Mr. M.B.Khodorkovsky, managing the organized group, took, unlawfully and gratis, 2.649.906.620 roubles, belonged to OAO NK 'YUKOS' and the companies, which were under his control, and turned them to the advantage of Mr. V.A.Gusinsky, that caused a loss to the owners of the above funds.

**Mr. A.V.Kraynov committed fraud, that is misappropriation of someone else's property or acquisition of the right to someone else's property by means of deceit, by an organized group, in large amount; and he committed infliction of property loss upon an owner by means of deceit, in the absence of indications of misappropriation, by an organized group, inflicting great loss, under the following circumstances:**

in 1997 Mr. A.V.Kraynov, continued his criminal activity within an organized group of persons, created with the purpose of fraudulent acquisition of someone else's property, including that belonged to the state. Except Mr. A.V.Kraynov, there were the other members in the organized group, and other persons, not established by the investigation. In 1997, the above organized group, including Mr. A.V.Kraynov, worked up and committed, by means of fraud, misappropriation of federal budget funds, granted to the Volgograd Region for execution of the federal program on house-building for military men, transferred to the reserve, as well as on the construction of the water pipe in the town Mikhaylovka. According to assignment of roles within the organized group, Mr. A.V.Kraynov and other persons, not established by the investigation, should have carried out financial operations and operations with promissory notes concerning the movement of funds, on behalf of false commercial organizations. In order to fulfill their task, Mr. A.V.Kraynov and other persons, not established by the investigation, under the direction of the other members of the organized group, founded a number of commercial organizations with the purpose to use them as an instrument of commitment of the fraud and concealment of the crime committed. At the same time Mr. A.V.Kraynov and other persons, acting with him within the organized group, knew for sure, that the commercial organizations, used as an instrument of crime, in fact did not have functions and signs of a legal entity, provided for in Articles 48-50 of the Civil Code of the Russian Federation, namely: they did not have separate property in ownership, economic management, or operative administration, could not acquire and exercise property rights, could not carry out activity, the basic purpose of which was extraction of profit, because their activity was unprofitable, meant for misappropriation by Mr. A.V.Kraynov and other members of the organized group. The above legal entities were front; they were founded and headed by the managers – natural persons, who were under the control of Mr. A.V.Kraynov and the organized group because of their subordination to him as employees of SP 'RTT', where Mr. A.V.Kraynov was Deputy Chief Executive. Mr. A.V.Kraynov and the members of the organized group opened banking accounts of the front legal entities with bank 'Menatep', which was under the control of the other members of the organized group. Management and business accounting of these front companies was carried out by Mr. A.V.Kraynov, member of the organized group, from the united center – SP 'RTT'. Employees of SP 'RTT', subordinated to Mr. A.V.Kraynov, were reckoned

as directors general and chief accountants of the above front companies. With the purpose to commit fraud, Mr. A.V.Kraynov and the persons, acting with him within the organized group, made use of the situation that because of the budgeted deficit and the problem of mutual non-payments, on 14.08.97, the President of the Russian Federation issued Decree No. 880 'On Establishment of Settlements during the Implementation of Certain Expense Items of the Federal Budget for 1997', which allowed to implement the settlements in special order between enterprises, organizations and institutions (including the subjects of federation), which had mutual non-payments between them and the federal budget on 1 September, 1997. At the same time Mr. A.V.Kraynov and the members of the organized group, acting with him, knew that the federal budget at that time had indebtedness to the Administration of the Volgograd Region concerning the financing of the federal program in the amount of 76 milliard roubles (here and hereinafter – in the prices before 1998): for the house-building for military men, transferred to the reverse, in the amount of 37,9 milliard roubles, for the construction of the bridge across the river Volga in the amount of 32,1 milliard roubles, for the construction of the water pipe in the town Mikhaylovka in the amount of 6 milliard roubles. Along with the above, Mr. A.V.Kraynov and the members of the organized group, acting with him, knew that the daughter enterprise of OAO NK 'YUKOS' – OAO 'Yuganskneftegaz' at the end of 1997, had indebtedness to the federal budget. Using the above circumstances Mr. A.V.Kraynov and the members of the organized group, acting with him, worked up the scheme of fraudulent acquisition of budget funds and assigned the roles of each participant of the organized group. According to the scheme of the crime, one of the members of the organized group should have misled the Administration of the Volgograd Region by means of negotiations concerning the financing of the federal program for the Volgograd Region with their assistance; the second member should have created a working group, consisting of the employees of OAO NK 'YUKOS', on preparation of the package of fictitious documents, allegedly confirming the indebtedness of the Administration of the Volgograd Region to the daughter enterprise of OAO NK 'YUKOS' for oil products, that had been supplied, in the amount of 76 milliard roubles, and should have controlled the execution. And Mr. A.V.Kraynov and the persons, not established by the investigation, should have fulfilled the movement of the funds through fictitious financial operations and operations with promissory notes through the accounts of the front companies, managed by them. Acting in accordance with the plan coordinated with Mr. A.V.Kraynov and other members of the organized group, at the end of 1997, one of the members of the organized group applied to Mr. V.I.Galushkin, First Deputy Head of the Administration of the Volgograd Region, Mr. B.V.Usov, President of the Committee on Economics, Mr. S.P.Sazonov, Head of the Regional Financial Department, and his Deputy Mr. L.B.Pikman with the offer to solve the problem of the federal financing of the Volgograd Region, if they carried up, on behalf of the Administration of the Region, operations with promissory notes and financial operations with the companies, which introduced to them, and which Mr. A.V.Kraynov and other persons, not established by the

investigation, represented. And at the same time the members of the organized group, acting in agreement with Mr. A.V.Kraynov and other members of the organized group, deceiving the above officials of the Administration of the Volgograd Region, persuaded them that it was necessary to issue documents concerning the indebtedness of the Region to OAO 'Yuganskneftegaz' for allegedly supplied oil products. Having misled in such a way the Administration of the Region as to return to the Region of funds after the federal set-off they persuaded the above persons to carry out these fictitious operations. The plan of the fraudulent operation, worked up by Mr. A.V.Kraynov and the members of the organized group, acting with him, was based on the creation, by means of signature of a number of documents, dated August, 1997, of fictitious indebtedness of the Administration of the Volgograd Region to OAO 'Yuganskneftegaz' in the amount of 76 milliard roubles for allegedly supplied oil products. Following presentation by the members of the organized group, in agreement with Mr. A.V.Kraynov, to the Ministry of Finance of the Russian Federation, of the documents stating the debt of the Administration of the Volgograd Region to OAO 'Yuganskneftegaz' on 1 September, 1997, enabled the organized group to apply the special mechanism of set-off, provided for by the Decree of the President of the Russian Federation. Creation of alleged indebtedness let the members of the organized group, on behalf of the Administration of the Volgograd Region, receive through the Ministry of Finance of the Russian Federation, budget funds in the amount of 76 milliard roubles and forward them to OAO 'Yuganskneftegaz', which was under their control, under the guise of payment of fictitious debt, created by them by means of issuing of knowingly forged documents. According to the assignment of the roles in the organized group, Mr. A.V.Kraynov, as Head of SP 'RTT', issued official documents, including in them knowingly false data concerning fictitious indebtedness of the Administration of the Volgograd Region to front commercial organizations, which were under the control of him and other members of the organized group.

- contract of purchase and sale of oil products No. 543-2 of 25.08.97, including knowingly false data concerning the fact that the Administration of the Volgograd Region shall buy from TOO 'Emitent' oil products to the sum of 76 milliard roubles, and the statement of transfer of oil products, including knowingly false data concerning the fact that the Administration of the Volgograd Region received from TOO 'Emitent' oil products to total sum of 76 milliard roubles;
- contract of storage of oil products of 1.09.97 No. 543-3, including knowingly false data concerning the fact that the Administration of the Volgograd Region shall set up a contract with TOO 'Emitent' on the transfer of oil products for storage, and the statement of transfer of oil products for storage of 1.09.97, including knowingly false data concerning the fact that the Administration of the Volgograd Region transferred to TOO 'Emitent' oil products to total sum of 76 milliard non-denominated roubles;
- contract of commission agency for the sale of oil products No. 543-4 of 12.11.97, including knowingly false data concerning the fact that the

Administration of the Volgograd Region delegated TOO 'Emitent' to sale oil products at the cost of 76 milliard non-denominated roubles with following payment by funds or by promissory notes of the enterprises, carrying out oil production or oil refining to the sum of no less than 53 milliard 200 million roubles and by promissory notes of other organizations to the sum of no less than 22 milliard 800 million roubles;

- contract No. 543-5 of 15.12.97, including knowingly false data concerning the fact that TOO 'Emitent' sold oil products to total amount of 76 milliard non-denominated roubles to OOO 'Vympel' and received as payment promissory notes of OAO 'Samaraneftegaz' series OFZ No. 533 to the sum of 53 milliard 200 million roubles and TOO 'Aval' series M, face-value 22 milliard 800 million roubles, statement of transfer without number and date, including knowingly false data concerning the transfer of the promissory note of OAO 'Samaraneftegaz' series OFZ No. 533 to the sum of 53 milliard 200 million roubles and the promissory note of TOO 'Aval' series M, face-value 22 milliard 800 million roubles from TOO 'Emitent' to the Administration of the Volgograd Region.

At the same time Mr. A.V.Kraynov was fully aware that TOO 'Emitent' did not transfer in fact oil products to total sum of 76 milliard non-denominated roubles to the Administration of the Volgograd Region under the contract of purchase and sale, that the Administration of the Volgograd Region did not transfer oil products for storage to TOO 'Emitent' and did not delegate to sale them, and that the promissory notes of OAO 'Samaraneftegaz' and TOO 'Aval' were not transferred to the Administration of the Volgograd Region as payment for oil products, and the above official documents were issued in order to acquire budget funds. Mr. A.V.Kraynov and the members of the organized group, acting with him, were aware that the promissory note of OAO 'Samaraneftegaz' to the sum of 53 milliard 200 million roubles was issued with the purpose of temporary acquisition of budget funds, and the promissory note of TOO 'Aval', face-value 22 milliard 800 million roubles was non-liquid and wouldn't be paid by them, and thus, they would acquire budget funds to the above sum gratis. Having issued the above official documents, granting the right to receive oil products and funds, Mr. A.V.Kraynov, playing his role, ensured the signature of the above documents by Mr. A.V.Koval, who was his subordinate, Deputy Head of the Department of Accounting and Registration of TOO SP 'RTT', reckoned as Director General of the front companies, namely TOO 'Emitent' and TOO 'Aval', registered at 42, Lenina Street, Mosalsk, Kaluga Region. As for Mr. A.V.Kraynov, he was reckoned as Deputy Director General of TOO 'Emitent' and Chief Financial Officer of TOO 'Aval'. After that Mr. A.V.Kraynov transferred the above forged documents to the member of the organized group for their further transfer to the Administration of the Volgograd Region. Acting in cooperation with the members of the organized group, Mr. A.V.Kraynov and others, one of the members of the organized group prepared statement of revise of mutual settlements No. 15-7 of 26 October, 1997, including knowingly false data concerning the fact that TOO 'Emitent' confirmed its indebtedness to OAO 'Yuganskneftegaz' for the oil products supplied, and the

Administration of the Volgograd Region confirmed its indebtedness to TOO 'Emitent', and acting within the organized group with the above mentioned persons issued contract of assignment of claims No. II-21 of 22 October, 1997, including knowingly false data concerning the fact that TOO 'Emitent' assigned to OAO 'Yuganskneftegaz' claims to return the indebtedness to the sum of 76 milliard roubles to the Administration of the Volgograd Region. After that, the above official documents, including knowingly false data, at the suggestion of one of the members of the organized group, were signed on behalf of OAO 'Yuganskneftegaz', by Mr. D.L.Maruev, who worked in OAO NK 'YUKOS' as Deputy Chief Accountant and was under the control of a number of members of the organized group, who were in fact managers of the oil company and its daughter enterprises and acted within the organized group. Then, one of the members of the organized group transferred the above documents to Mr. A.V.Kraynov for signature, and the latter ensured their signature, on behalf of TOO 'Emitent', by Mr. A.V.Koval, who was subordinated to him at his main work in 'SP RTT'. That let a special set-off be carried out. One of the members of the organized group, acting within the organized group with Mr. A.V.Kraynov and the other members of the organized group, forwarded the above package of forged official documents, granting rights and exonerating from duties, to the officials of the Volgograd Region for signature, and they were signed by Mr. V.I.Galushkin, First Deputy Head of the Administration of the Region. Preparing conditions for misappropriation the organized group, including Mr. A.V.Kraynov and the other persons, OAO KB 'Menatep', which was under the control of the members of the organized group, opened the accounts of the Administration of the Volgograd Region in December, 1997, and of OAO 'Yuganskneftegaz' in November, 1997. On 22 December, 1997, on the basis of forged documents, one of the members of the organized group, acting within the organized group, including Mr. A.V.Kraynov and other persons, prepared a model agreement on special settlement according to Decree of the President of the Russian Federation No. 880, between the Ministry of Finance of the Russian Federation, the Administration of the Volgograd Region and OAO 'Yuganskneftegaz' No. 07-OII/07-429/614. One of the members of the organized group, acting in cooperation with Mr. A.V.Kraynov and the other members of the organized group, ensured the signature of this document by Mr. V.I.Galushkin, First Deputy Head of the Administration of the Volgograd Region, on behalf of the Administration of the Volgograd Region, Mr. D.L.Maruev – on behalf of OAO 'Yuganskneftegaz', and Mr. A.M.Zelinsky, Deputy Minister of Finance – on behalf of the Ministry of Finance of the Russian Federation. On the basis of the above agreement, the organized group, including Mr. A.V.Kraynov, ensured that the Ministry of Finance, on 23 December, 1997, transferred 76 milliard non-denominated roubles from its account No. 129700 with the Main Department of Federal Treasury at the Central Bank of the Russian Federation in Moscow, to account No. 515123197 of the Administration of the Volgograd Region with OAO KB 'Menatep', situated in Moscow, at 17 'a', Dubininskaya Street, and the Administration of the Region by its payment order of 24 December, 1997, from its above account with the above bank transferred the

above sum to the account No. 013149479 with the same bank. Thus, Mr. A.V.Kraynov, within the organized group, by fraudulent means, acquired budget funds in the amount of 76 milliard roubles, from which 53 milliard 200 million in roubles, as temporary loan, i.e. in the absence of indications of misappropriation, and 22 milliard 800 million in roubles – gratis. By his actions Mr. A.V.Kraynov, by means of deceit, unlawfully and gratis, acquired budget funds in the amount of 22 milliard 800 million non-denominated roubles, i.e. committed fraud, that is misappropriation of someone else's property by means of deceit in large amount, by an organized group, and having acquired temporary, by means of deceit, budget funds in the amount of 53 milliard 200 million non-denominated roubles, by an organized group, inflicted great property loss to the owner of the property, by means of deceit in the absence of indications of misappropriation.

On the basis of the above, and following the provisions of Article 307, 308 and 309 of the Code of Criminal Procedure of the Russian Federation, the Court

#### **J U D G E D as follows:**

To find Mr. **KHODORKOVSKY MIKHAIL BORISOVICH** guilty of the crimes stipulated in part 3 Article 147 of the Criminal Code of the Russian Soviet Federative Socialist Republic, part 3 Article 33, Article 315 of the Criminal Code of the Russian Federation (in edition of Federal Law No. 162-FZ of 08.12.2003), paragraphs 'a', 'b' part 3, Article 160 of the Criminal Code of the Russian Federation (in edition of the Federal Law of 13.06.1996), paragraphs 'a', 'b' part 3 Article 165 of the Criminal Code of the Russian Federation (in edition of the Federal Law of 13.06.96), part 3 Article 33, Article 315 of the Criminal Code of the Russian Federation (in edition of Federal Law No. 162-FZ of 08.12.2003), part 2 Article 198 of the Criminal Code of the Russian Federation (in edition of Federal Law No. 162-FZ of 08.12.2003), part 3 Article 33, paragraphs 'a', 'b' part 2 Article 199 of the Criminal Code of the Russian Federation (in edition of Federal Law No. 162-FZ of 08.12.2003), paragraphs 'a', 'b' part 3 Article 159 of the Criminal Code of the Russian Federation (in edition of the Federal Law of 13.06.96), paragraphs 'a', 'b' part 3 Article 160 of the Criminal Code of the Russian Federation (in edition of the Federal Law of 13.06.96) and to impose the following sentence on him:

under part 3 Article 147 of the Criminal Code of the Russian Soviet Federative Socialist Republic – imprisonment for a term of 7 (seven) years

under part 3 Article 33, Article 315 of the Criminal Code of the Russian Federation – imprisonment for a term of 1 (one) year and six months

under paragraphs 'a', 'b' part 3, Article 160 of the Criminal Code of the Russian Federation – imprisonment for a term of 7 (seven) years

under paragraphs 'a', 'b' part 3 Article 165 of the Criminal Code of the Russian Federation – imprisonment for a term of 3 (three) years

under part 3 Article 33, Article 315 of the Criminal Code of the Russian Federation – imprisonment for a term of one year and six months

under part 2 Article 198 of the Criminal Code of the Russian Federation – imprisonment for a term of 1 (one) year and six months

under part 3 Article 33, paragraphs ‘a’, ‘b’ part 2 Article 199 of the Criminal Code of the Russian Federation – imprisonment for a term of 5 (five) years

under paragraphs ‘a’, ‘b’ part 3 Article 159 of the Criminal Code of the Russian Federation – imprisonment for a term of 7 (seven) years

under paragraphs ‘a’, ‘b’ part 3 Article 160 of the Criminal Code of the Russian Federation – imprisonment for a term of 7 (seven) years.

On the basis of part 3 Article 69 of the Criminal Code of the Russian Federation, to impose final sentence for aggregation of crimes by means of partial combination, in the form of imprisonment for a term of 9 (nine) years with the service of the sentence in a correctional colony with general regime.

To find Mr. **LEBEDEV PLATON LEONIDOVICH** guilty of the crimes stipulated in part 3 Article 147 of the Criminal Code of the Russian Soviet Federative Socialist Republic, part 3 Article 33, Article 315 of the Criminal Code of the Russian Federation (in edition of Federal Law No. 162-FZ of 08.12.2003), paragraphs ‘a’, ‘b’ part 3, Article 160 of the Criminal Code of the Russian Federation (in edition of the Federal Law of 13.06.1996), paragraphs ‘a’, ‘b’ part 3 Article 165 of the Criminal Code of the Russian Federation (in edition of the Federal Law of 13.06.96), part 3 Article 33, Article 315 of the Criminal Code of the Russian Federation (in edition of Federal Law No. 162-FZ of 08.12.2003), part 2 Article 198 of the Criminal Code of the Russian Federation (in edition of Federal Law No. 162-FZ of 08.12.2003), part 3 Article 33, paragraphs ‘a’, ‘b’ part 2 Article 199 of the Criminal Code of the Russian Federation (in edition of Federal Law No. 162-FZ of 08.12.2003), paragraphs ‘a’, ‘b’ part 3 Article 159 of the Criminal Code of the Russian Federation (in edition of the Federal Law of 13.06.96), and to impose the following sentence on him:

under part 3 Article 147 of the Criminal Code of the Russian Soviet Federative Socialist Republic – imprisonment for a term of 7 (seven) years

under part 3 Article 33, Article 315 of the Criminal Code of the Russian Federation – imprisonment for a term of 1 (one) year and six months

under paragraphs ‘a’, ‘b’ part 3, Article 160 of the Criminal Code of the Russian Federation – imprisonment for a term of 7 (seven) years

under paragraphs ‘a’, ‘b’ part 3 Article 165 of the Criminal Code of the Russian Federation – imprisonment for a term of 3 (three) years

under part 3 Article 33, Article 315 of the Criminal Code of the Russian Federation – imprisonment for a term of one year and six months

under part 2 Article 198 of the Criminal Code of the Russian Federation – imprisonment for a term of 1 (one) year and six months

under part 3 Article 33, paragraphs ‘a’, ‘b’ part 2 Article 199 of the Criminal Code of the Russian Federation – imprisonment for a term of 5 (five) years

under paragraphs 'a', 'b' part 3 Article 159 of the Criminal Code of the Russian Federation – imprisonment for a term of 7 (seven) years

On the basis of part 3 Article 69 of the Criminal Code of the Russian Federation, to impose final sentence for aggregation of crimes by means of partial combination, in the form of imprisonment for a term of 9 (nine) years with the service of the sentence in a correctional colony with general regime.

To find Mr. Kraynov Anrey Vladimirovich guilty of the crimes stipulated in Article 315 of the Criminal Code of the Russian Federation (in edition of Federal Law No. 162-FZ of 08.12.2003), paragraphs 'a', 'b' part 3 Article 165 of the Criminal Code of the Russian Federation (in edition of the Federal Law of 13.06.96), paragraphs 'a', 'b' part 3 Article 159 of the Criminal Code of the Russian Federation (in edition of the Federal Law of 13.06.96) and to impose the following sentence on him:

under Article 315 of the Criminal Code of the Russian Federation – imprisonment for a term of 1 (one) year and six months

under paragraphs 'a', 'b' part 3 Article 165 of the Criminal Code of the Russian Federation – imprisonment for a term of 3 (three) years

under paragraphs 'a', 'b' part 3 Article 159 of the Criminal Code of the Russian Federation – imprisonment for a term of 4 (four) years

On the basis of part 3 Article 69 of the Criminal Code of the Russian Federation, to impose final sentence for aggregation of crimes by means of partial combination, in the form of imprisonment for a term of 5 (five) years.

On the basis of Article 73 of the Criminal Code of the Russian Federation to consider the imposed sentence conditional with probationary period for a term of 5 (five) years.

To assign control over the behaviour of the convicted person to the agency of internal affairs in the place of residence of Mr. A.V.Kraynov, and to oblige the latter not to change his permanent place of residence without notifying the agency charged with the control over his behaviour.

To calculate the term of serving sentence by Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev from the day of actual arrest, i.e. 25 October, 2003, and 02 July, 2003, accordingly.

To remain unchanged the measure of restriction of Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev – custodial placement, and of Mr. A.V.Kraynov – written undertaking not to leave a place and behave properly, until the present judgement enter into force.

To satisfy the civil claim by the Federal Tax Service (earlier Revenue Ministry of the Russian Federation) against Mr. M.B.Khodorkovsky and Mr. P.L.Lebedev concerning indemnity of property loss in the amount of 17.395.449.282 roubles.

To exact from Mr. Khodorkovsky Mikhail Borisovich and Mr. Lebedev Platon Leonidovich jointly 17.395.449.282 (seventeen milliard three hundred and ninety five million four hundred and forty nine thousand two hundred and eighty two) roubles in favour of the state budget.

To admit the right of IMNS of Russia No. 5 for Moscow and IMNS of Russia No. 2 for Moscow to have their civil claim satisfied concerning collection from Mr. P.L.Lebedev of indemnity of property loss taking into account penalty fee in the state of 15.03.2005, in the amount of 15.987.188.17 roubles, and concerning collection from Mr. M.B.Khodorkovsky of indemnity of property loss taking into account penalty fee in the state of 11.03.05, in the amount of 62.454.453 roubles and 10 kopecks accordingly, and to transfer the item of the amount of the indemnity under the civil claim for consideration in a civil proceeding.

To keep the material evidence, namely, plastic temporary permit 2344, paper permit No. 12209 and credit card of the bank 'Menatep SPb' VISA in the case file.

To turn the funds belonged to Mr. P.L.Lebedev and deposited in the accounts with the branch of bank 'Menatep Saint-Petersburg', namely 42301810600010100111 in the amount of 629739-44 roubles, 42301810717000000622 in the amount of 2979-13 roubles, 42301810819000001422 in the amount of 5201-79 roubles; 42301810321000002919 in the amount of 10627-23 roubles; 9824943433100038640 in the amount of \$ 807,11, and the funds belonged to Mr. M.B.Khodorkovsky, deposited in account 42301840300000003040 with the Investment Bank 'Trust' in the amount of \$ 47210,75, which were seized in covering the civil claim, to the indemnity under the satisfied civil claim.

The present Judgement may be appealed in cassation to the Moscow City Court within 10 days from the day of its announcement, and by the convicts detained – within the same term from the day of delivery of a copy of the Judgement to them. In the case of appeal the convicts have the right to apply for their participation in the consideration of the criminal case by the court of cassation.

President: /signature/

Judges: /signature/  
/signature/