

Printed on 26/3/2010

#### General information

As already mentioned above, in 2001 the AUDEH GROUP entered into a joint venture with JTI to form JT INTERNATIONAL (JORDAN) LTD, which manufactures and distributes cigarettes.

According to the website of the AUDEH GROUP, the manufacturing and distribution company incorporates state-of-the-art manufacturing equipment with a yearly capacity of 2.8 billion cigarettes.

The address and contact details of the company are:

Moyaad Al-Shaar Street  
Al-Muqablain Area  
P.O.Box 630025  
Amman 11163  
Jordan

Tel: + +962 64204130

Fax: + +962 64204136

JT INTERNATIONAL (JORDAN) LTD (Register N° 5972) was registered on 13 January 2000.

The registered capital of the company is 250,000 Jordan Dinars but the current capital is 2,100,000 Jordan Dinars.

#### Management Committee and signatory powers

According to the information provided by the Jordan Companies Control Department, it was unanimously decided on the General Assembly Meeting held on 10 June 2006 that the Management Committee shall be composed of the following members:

JT INTERNATIONAL HOLDING B.V. CO. represented by Mr. ZIAD FAWAZ (as from 19 April 2007)

ADVANCED INTERNATIONAL ENTERPRISES CO. represented by Mr. ISSA AUDEH

J.T. INTERNATIONAL HOLDING B.V. represented by NICOLAS SENIC (as from 1 January 2009)

The Management Committee at its meeting held on 19 April 2007 decided to elect a Chairman and Deputy Chairman:

Printed on 26/3/2010

Mr. ZIAD FAWAZ representative of JT. INTERNATIONAL HOLDING B.V. CO as Chairman as from 19 April 2007

Mr. ISSA AUDEH representative of ADVANCED INTERNATIONAL ENTERPRISES COMPANY LTD. CO. as Deputy Chairman

The Management Committee in its meeting held on 14 April 2009 decided that any two members of the Committee were authorized to sign on behalf of the company and their power to sign shall be as follow:

Mr. ZIAD FAWAZ and/or ISSA AUDEH and/or Mr. NICOLAS SENIC jointly shall sign in all matters whatever they may be including financial matters and/or administrative and / or judicial litigation matters and/or the appointment of advocates.

The Chairman of the Management Committee jointly with any member of the Management Committee members shall have the right to grant some and / or all signatory powers to sign on behalf of the company in all matters by virtue of a delegation and/or writing empowerment (by general or special power of attorney) to any other person whether he is a member of the Management Committee or from outside the Company.

The document obtained from the Companies Control Department states that any two of the following (jointly) individuals are authorized to sign on behalf of the company on the money transfer agreement and on the loan agreement with Citibank Amman up to a maximum of six million (6.000.000) Jordan Dinars:

Mr. GRAHAM GIBBONS  
Mr. RAMI KHOURY  
Mr. YVAN GEISER

The General Manager Mr. GRAHAM GIBBONS is authorized to sign on behalf of the company jointly with Mr. RAMI KHOURY and / or Mr. YVAN GEISER in certain cases.

#### Company aims

The registered aims of the company are:

Manufacturing of all kinds of tobacco  
Manufacturing of all cigarettes and their ingredients  
Import & export the components and materials to realize the company's objectives  
Acquiring the movable and immovable properties for executing the purposes of the company

#### Ownership

The current capital of JT INTERNATIONAL (JORDAN) LTD is 2,100,000 Jordan Dinars represented by 2,100,000 shares held by the following entities:

JT INTERNATIONAL HOLDING BV. CO with 1,260,000 shares (60% of the capital)

ADVANCED INTERNATIONAL ENTERPRISES CO with 840,000 shares (40%)

Printed on 26/3/2010

#### Vision Active SA (Switzerland)

The information collected about this company registered in Switzerland is displayed further down in the report, in the chapter dedicated to the mandates of members of the AUDEH family, and more precisely those they hold in Switzerland.

#### Phoenicia Group (Lebanon)

According to an article published in The Moodie Report on 11 March 2007, WALID SALEH, Managing Director of PHOENICIA TRADING (AFRO-ASIA), has been named Habanos Man of the Year.

According to the article, PHOENICIA TRADING is an acclaimed cigar store retailer at Beirut Airport (and partner in Beirut Duty Free) and the world's leading Cuban cigar distributor.

The article continues by saying that PHOENICIA is best known for its long-established and successful joint-venture distribution relationship with Cuban cigar house HABANOS (extended to a number of new markets in 2005, including Africa, the Middle East, all Arab countries, Turkey, Iran and some European countries including Greek, Malta and Cyprus).

PHOENICIA has signaled its intentions to expand its duty free presence beyond Lebanon in recent times, bidding aggressively on contracts in Egypt and Singapore.

WALID SALEH received his award during the annual Festival del Habano on 2 March 2007. On the picture, we can see both BASSAM AUDEH and WALID SALEH posing together at this very same festival.

Besides the company PHOENICIA TRADING (AFRO-ASIA) in Lebanon, there are "PHOENICIA" companies in Cyprus and in Ukraine. We have displayed here under the basic information we found on those three companies.

#### Phoenicia Trading (Afro Asia) Sal (Lebanon)

The company started in Lebanon in 1980 (Companies Register N° 2462 Saida) and is located at the following address with the following contact details:

PHOENICIA TRADING AFRO ASIA SAL  
New Starco Building, 5th and 6th Floors  
Minet El Hosn  
P.O. Box: 11-8284  
Beirut, Lebanon

Tel: (961 1) 367 200

Fax: (961 1) 374 674

E-Mail: [dutypaid@inco.com.lb](mailto:dutypaid@inco.com.lb) <<mailto:dutypaid@inco.com.lb>>

The company trades under the name "La Casa Del Habano".

Originally established as a partnership, PHOENICIA TRADING converted into a Societe Anonyme Libanaise (Joint Stock Company) on 23 December 2003.

Printed on 26/3/2010

Originally, the capital was LEB PNDS 2,500,000 and it was increased on 12 April 2006 to LEB PNDS 4,410,000,000. Today the authorized capital is 100% paid-up and amounts LEB PNDS 4,410,000,000.

The shareholders of the company are:

MOHAMED HASAN ZEIDAN, majority shareholder

RAMI MOHAMED ZEIDAN, recently deceased

DANIA MOHAMED ZEIDAN

The senior company personnel is composed of the following individuals:

MOHAMED HASAN ZEIDAN, Chairman and Managing Director

WALID SALEH, Managing Director

GEORGE MATAR, Financial Manager

RAMI MOHAMED ZEIDAN, Board Member

DANIA MOHAMED ZEIDAN, Board Member

The company would employ 120 people.

According to local sources, M. ZEIDAN owns, besides investments in multi companies, properties in Ras Beirut, Nabatieh, Majdelyoun, Gharifeh, Abra, several plots in Dekerman and other several plots in Wastani in the Saida area plus properties and liquid money abroad estimated in millions of US Dollars.

The company is involved in the import and wholesale of tobacco and cigars (515 types of Cuban cigars), and other related items.

According to the European credit rating agency COFACE, no complaints against this company have been heard regarding payments from local suppliers or banks.

COFACE considers it is acceptable to deal with the subject company for medium amounts, although it is normal accepted practice for international suppliers to deal on secured terms with Lebanese importers. Their opinion on maximum credit is LEB PNDS 400,000,000 (€ 174,521) and their opinion following their trade risk assessment is normal.

The principal bankers of the company are the BANQUE AUDI (AUDI SARADAR GROUP) BANK SAL in Beirut and the EMIRATES LEBANON BANK SAL.

Private companies in Lebanon are not required to publish or disclose balance sheets so we have very little information about the financial figures of the company.

Sales Turnover: US DLRS 15,000,000 - 2007 - exact

US DLRS 17,000,000 - 2008 - exact

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Printed on 26/3/2010

Total Invested Capital: US DLRS 6,000,000

The affiliated companies of PHOENICIA TRADING AFRO ASIA SAL include the following subsidiaries in Lebanon:

1. PHOENICIA-AER RIANTA SAL
2. INFI GAMMA (HOLDING) SAL
3. DEE TAX FASHION (OFFSHORE) SAL
4. DEETAX FASHION SARL
5. MULTIMEDIA ONLINE CONCEPTS SAL
6. PHOENICIA-AER RIANTA MANAGEMENT SAL
7. GOLDEN TOWER SAL
8. LYNN REAL ESTATE DEVELOPMENT SAL

The Company has the following facilities in Lebanon: the head office premises located at heading address and retail outlets under the name of "La Casa Del Habano" in Beirut (see Branch Offices" below).

Branch offices:

1. Notre Dame Center, Sassine Square, Achrafieh, Beirut
2. Zalka, Highway, Metn area, Lebanon  
Tel: (961 4) 712 600
3. Beirut Central District area, Emir Bechir Street, Capitol Building, Beirut Tel: (961 1) 996 969
4. Beirut International Airport, Duty Free Shop, Beirut  
Tel: (961 1) 629 207

Phoenicia Trading Afro Asia Ltd

Based on our information, PHOENICIA TRADING AFRO ASIA LTD is a representative office in Kiev of PHOENICIA TRADING AFRO ASIA (PREDSTAVNITSTVO "FOENITSIYA TREYDING AFRO-AZIYA") but we do not know which one at this point (the company in Lebanon?). The official document mentions that it is a commercial representative office of a foreign-registered company.

The principal address of the Ukrainian company and its phone number are:

Gorkogo str. 150

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Printed on 26/3/2010

01021 Kyiv  
Ukraine  
Tel: +380-44-2698763

The registered office of the company is located on:

Instytuts'ka str. 25, ap. 1  
01021 Kyiv  
Ukraine

PHOENICIA TRADING AFRO ASIA LTD was established in 1998 and it has the following national ID number 21692440.

According to available information sources the company is not in an insolvency/preliminary/debt regulation proceeding.

The identified principal of the company is AKHMAD MOKHAMMED EL'-MAUL, Director.

Our contact in the region sent us the following remark along with the information displayed above:

"The company has a legal form -representative office, which is not an independent judicial entity and is a subdivision of a foreign company.

According to the Ukrainian legislation, as a rule, representative offices of foreign companies in Ukraine cannot carry out any commercial activities.

There are two types of representative offices and the difference between them is the right to carry out commercial activities. Since limited information is available on this company, this representative office is not authorized to conduct commercial activities. Such representative offices are not obliged to submit to Authorities their financials and the scope of their reporting to official Authorities is very limited.

Thus, the only available information is provided here above. The telephone of the company was not answered and therefore there was no possibility to get information directly from the company."

Phoenicia T.A.A. (Cyprus) Limited

The company in Cyprus, PHOENICIA T.A.A. (CYPRUS) LIMITED (C 105919), registered on 26 October 1999.

Based on the information obtained from the Cyprus Trade Register, the directors of the company are as follow:

MANUEL GARCIA MOREJON of Cuban nationality and contact address in Habana, Cuba

FRANCISCO JAVIER TERRES DE ERCILLA of Spanish nationality and address in Madrid, Spain

FARES NASR of Lebanese nationality and address in Limassol, Cyprus

Confidential PC

Printed on 26/3/2010

MOHAMED H. ZEIDAN of Lebanese nationality and address in Ras Beirut, Lebanon

The secretary of the company is the company WEBSTAR LIMITED registered in Limassol, Cyprus.

According to the same source of information, the shareholders of the company PHOENICIA T.A.A. (CYPRUS) LIMITED are:

PHOENICIA INTERNATIONAL HOLDING S.A.L. (Lebanon) with 100,000 shares of 0.17 EUR of value each

ALTABANA S.L. (Spain) with 100,000 shares of 0.17 EUR of value each

The Audeh Group in Ukraine

In the course of our investigations, we have come to realize that AUDEH's activities in Ukraine seemed a bit "off" compared to the development of its other businesses. So, we have tried to answer the fundamental question:

"What is ISSA AUDEH doing in Ukraine?"

In order to answer to that question we have started to collect several pieces of information but more could be done into that direction once we discuss the matter with the Client.

Phoenicia Trading Afro Asia Ltd

We have already talked about the representative office PHOENICIA TRADING AFRO ASIA LTD based in Kiev in the previous chapter dedicated to the PHOENICIA group of companies.

Consumer Trading Company Ltd (CTC)

The company KONSUMER TREIDING KOMPANI LTD LIMITED (National ID number 24254389) was registered on 9 July 1996. The VAT number of the company is 242543826501. The address and contact details of its principal and registered office are as follow:

Chervonoarmiyska 62-A

03035 Kyiv

Ukraine

Telephone: +380 442342010, +380 442946416,

+380 442016414, +380 442016413, +380 503102998

Fax: +380 445286068

According to a local source that provides credit ratings for Ukrainian companies, the company is not in an insolvency/preliminary/debt regulation proceeding. The attributed credit rating is "high risk", mostly due to the company's negative equity. Payments from the company are apparently made slowly.

Printed on 26/3/2010

As far as the capital of the company is concerned, the nominal capital is of UAH 8,568,915.00 since 24 May 2004. Prior to this change, it was UAH 5,370,915.00 from 16.12.2002 and UAH 9,380.00 before.

The shareholders of the company are the two sons of ISSA AUDEH:

BASSAM ISSA NASSIF AUDEH of British nationality, holder of 50% of the shares

SAAD ISSA AUDEH of British nationality also, holder of the other 50% of the shares

The management of the company KONSUMER TREIDING KOMPANI is in the hands of:

NESMIYANOV VLADIMIR VLADIMIROVICH - Managing director (nationality: UA)

IVANOV VLADIMIR ARKADIEVICH - Contact - Finance and Accounting (nationality: UA)

The company is active in the sector "Agriculture, meat, agro food and wines". According to the documents obtained from Ukraine, the company is active in the wholesale of food, beverages and tobacco.

The key operational data of the company are as follow (amounts shown in Ukraine Hryvnia).

2008	Turnover:	583,600
	Noncurrent assets total:	763,300
	Capital and reserves total:	-8,563,400
	Operating result - loss:	3,860,800
	Total workforce:	31

2007	Turnover:	896,000
	Noncurrent assets total:	857,800
	Capital and reserves total:	-4,920,300
	Operating result - loss:	2,450,800
	Total workforce:	31

2006	Turnover:	3,154,700
	Noncurrent assets total:	1,002,300
	Capital and reserves total:	-3,494,200
	Operating result - loss:	2,698,600
	Total workforce:	29

The available financial figures of the company are available in Annex I.

The company imported food products from the United Arab Emirates for a value of EUR 35,082 in 2006.

The company exported food products to Jordan for a value of EUR 22,294 in 2007 and of EUR 60,226 in 2006.



Printed on 26/3/2010

According to local informants in Ukraine, the major customer of the company is apparently the company ABADIA TRADING CO.LTD (JO) and its major supplier is the company IBCS TRADING & DISTRIBUTION O.A. (OE).

#### Miscellaneous

In the course of our investigations on the Group's activities in Ukraine, we found the resume of a certain MIRAN YOUSUF who apparently worked for CONSUMER TRADING COMPANY LTD. in Ukraine between June 2001 and December 2002.

According to the information he provides on his on-line resume (see: <[http://miranyousuf.com/business\\_development\\_country\\_manager](http://miranyousuf.com/business_development_country_manager)>), here is a brief description of his responsibilities: "To establish an importing, trading and Distribution Company in Ukraine with a national distribution network representing the full product portfolio, on exclusive basis, of renowned international food brands such as: Heinz, Nabisco, United Biscuits, Ritter Sport, Storck, Bel, Christinnen Brunnen, Kotanyi, Rhinos Energy Drink, Cafe Pele".

Here are some of his claimed accomplishments that bring some information:

Operations Setup: recruited, trained, departmentalized and managed 65 adept local staff, administered and supervised Sales Training Programs, Trade & Consumer Programs as well as Sales Commission Scheme

Distribution Network Design: Lead the implementation of the then state-of-the-art field sales ordering and processing system using portable handheld devices in combination with GPS tracking to improve sales-force efficiency, measure distribution rate. Exceeded listing target for 1st Trimester of business operations by listing over 80% of the Portfolio with 3,000 outlets nationwide. This number grew over 300% to 10,000 outlets by end of FY.

He even displayed a distribution flow chart of the company, which we have displayed here after even if, in itself, it doesn't bring much information.

#### The Audeh family

##### Generalities

ISSA N. AUDEH is a businessman of Jordanian origin. In the 1980s, ISSA AUDEH was an employee of R.J.REYNOLDS TOBACCO INTERNATIONAL, INC. and served as Regional Director, Middle East/Near East Region for RJR. Around the late 1980s or early 1990s, ISSA AUDEH set up a group of companies located in Cyprus, including as just explained AUDEH TRADING & CONSULTANCY SERVICE and IBCS TRADING AND DISTRIBUTION COMPANY LIMITED ("IBCS").

ISSA N. AUDEH has two sons as mentioned on the AUDEH GROUP's website ([www.audeh-group.com](http://www.audeh-group.com) <<http://www.audeh-group.com>>): BASSAM and SAAD, who work with him.

Printed on 26/3/2010

On the picture (see left) published with the article dated 21 January 2007 and available on the website of The Moodie Report, SAAD AUDEH is the third from right in the picture and BASSAM is pictured on the left of his brother.

According to the results of our searches in the Arabic and international press, nothing negative and recently published was found on any of these three individuals (ISSA, SAAD and BASSAM).

BASSAM has studied at the Richmond University in London and is more reserved than his brother SAAD who is more open on the internet about his various activities. We know for example that he plays polo and races cars. He is also mentioned on the Web for having bought 265 cigars for 80.000€.

Searches in the UK

We found traces of the AUDEH family in the UK so we consulted the 2009 Electoral Roll's database and found the information displayed here under.

To start with, we found that four AUDEH "adults" of relevance to the objectives of the present mission were listed in the 2009 UK Electoral Roll:

BASSAM I AUDEH

Address as House in the Wood, Larch Avenue, Ascot, Berkshire, SL5 0AP 494435, 168014

Born on 24 June 1959

Married MARTINA M STUMPF in July 1987

They have four children together

Other occupants at that address:

MARTINA AUDEH (between 45 and 49 years old),  
CHRISTOPHER I AUDEH (born December 1987), ANNABEL C AUDEH (born November 1989) and most likely  
ALEXANDER F AUDEH (born July 1998) and ROSALIE E AUDEH (born July 1993).

Here on the right, we have displayed the picture of BASSAM as available on his facebook profile.

SAAD I AUDEH

Address as Old Beams, Sturt Green, Holyport, Maidenhead, Berkshire, SL6 2JF 488537, 177535 (which is the address of the company WREN TRADING LIMITED, see further down in the text)

Born on 28 May 1966

Married RACHAEL E. CONNETT in September 2002

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Printed on 26/3/2010

They have one child together: TRISTIAN-LUKE SAAD AUDEH born on April 2003

CAROLINE AUDEH-CHBAT (ISSA's daughter?)

Blue cedars, 19 Woodlands Ride, South Ascot, Berkshire, SL5 9HP 492082, 167394

Born on 11 July 1962

Married NAZIH H. CHBAT in December 1992

They have two children together: SEBASTIAN A CHBAT (born October 1994) and STEPHANIE L CHBAT (born January 1996)

DOLLY AUDEH

17 Woodlands Ride, Ascot, Berkshire, SL5 9HP492082, 167394

Age guide: 65+ (Electoral Roll 2009)

DOLLY AUDEH is most likely the wife of ISSA AUDEH. This has been confirmed by several references across the internet like for example the following:

"...it was an Antiochian Church dedicated to St. Ignatius Theophorus of Antioch. After the service we made ourselves known and were treated very hospitably and invited to take coffee. We learned that the building of the church had been made possible by the generosity of Mr. and Mrs Issa, Dolly Audeh and family..."

Remark about Michael Saba

The aforementioned Church is located in Cyprus. The fact that the church was built thanks to the generosity of the AUDEH family is also confirmed by this small video made about the church:

<[http://www.iguidez.com/Limassol/st\\_ignatius\\_of\\_antioch\\_church/](http://www.iguidez.com/Limassol/st_ignatius_of_antioch_church/)>

It is important to note that the abstract displayed above comes from a document describing a visit in Cyprus in which we can also read: "Fr MICHAEL SABA presented us with an icon from Mt. Athos of the Theotokos." From the text, it would appear that Father SABA is linked with the church presented as having been sponsored by the AUDEH family.

According to an article published in 2006 in the newspaper Al Bawaba ([www.albawaba.com](http://www.albawaba.com) <<http://www.albawaba.com>>), Father MICHAEL SABA is also a lecturer on educational affairs. What is surprising is that according to the information presented on the website of the St. Mary Antiochian Orthodox Church (<<http://www.stmaryorthodox.com>>), Father MICHAEL SABA's first recorded Baptism was in March 1904...which makes him rather old.

SABA is a rather common family name in Cyprus but it was relevant to make the above parenthesis on this Father since, according to information found on Facebook, AUDEH's sons are in relation with two "SABA" who themselves are in relation with many other people. This may sound a bit confusing at this point but we are being more specific in the chapter dedicated to the potential link between the AUDEH and other families, link that we have not yet clearly established up to the date of the present report.

## Mandates

### In Jordan

ISSA AUDEH and his two sons have several mandates in Jordan. One, two or the three of them are involved in the following companies in Jordan:

Id	Companies	Reg. N°	Registration date	Activities	Capital
1	JT INTERNATIONAL (JORDAN)	5972	13.01.2000	- Manufacture of tobacco and cigarettes - Import and export	Registered: 250000 Issued: 2100000 Cash Share: 2100000
2	ADVANCED INTERNATIONAL ENTERPRISES CO.	6564	22.02.2001	- Participate in other companies - Trade company	Registered: 840000 Issued: 840000 Cash Share: 840000
3	AL-KANDOUR FOR INTERNATIONAL TRADING	5845	30.08.1999	- Import and export - Marketing - Trade company - Retail	Registered: 30000 Issued: 30000 Cash Share: 30000
4	AUDEH FOR INVESTMENTS	19670	14.09.2009	- Manufacture and production of tobacco, cigarettes and components	Registered: 100000 Issued: 100000 Paid-in: 50000 Cash Share: 100000
5	ISSA AUDEH & ASSOCIATE	5877	14.01.1995	- Import and export - Marketing - Trade company	Registered: 5000 Issued: 5000 Cash Share: 5000
6	INTERNATIONAL FOR CIGARETTES DISTRIBUTION (in liquidation)	3850	09.02.1995	- Production tobacco and cigarettes - Import and export - Real Estate	Registered: 200000 Issued: 50000 Cash Share: 50000
7	ZUMUROUD FOR PLASTIC INDUSTRIES (Liquidated)	9803	09.03.2005	- Plastic industry	Registered: 30000 Issued: 30000 Paid-in: 15000 Cash Share: 30000

The owners of these seven companies are as follow:

Id	Companies	Shareholders	Function
1	JT INTERNATIONAL (JORDAN)	JT INTERNATIONAL HOLDING BV. CO (established in The Netherlands)	-Partner (Associate)
		ADVANCED INTERNATIONAL ENTERPRISES CO (established in Jordan)	-Partner
2	ADVANCED INTERNATIONAL ENTERPRISES CO. AUDEH (Jordan)	BASSAM ISSA NASSIF SAAD ISSA NASSIF AUDEH (Jordan)	-Partner -Chairman, Board of directors -Director General -Partner -Deputy chairman, Board of directors
3	AL-KANDOUR FOR INTERNATIONAL TRADING (Jordan)	ISSA NASSIF AUDEH	-Partner

Printed on 26/3/2010

- BASSAM ISSA AUDEH (Jordan)-Partner -Director General  
SAAD ISSA AUDEH (Jordan) -Partner
- 4 AUDEH FOR INVESTMENTS ISSA NASSIF AUDEH AUDEH (Jordan) -Partner -  
Chairman, Board of directors  
BASSAM ISSA NASSIF AUDEH (Jordan) -Partner -Deputy chairman,  
Board of directors  
SAAD ISSA NASSIF AUDEH (Jordan) -Partner -Member, Board of  
directors
- 5 ISSA AUDEH & ASSOCIATE ISSA NASSIF AUDEH (Jordan) -Partner  
BASSAM ISSA NASSIF AUDEH (Jordan) -Partner
- 6 INTERNATIONAL FOR CIGARETTES DISTRIBUTION (in liquidation) ISSA  
NASSIF AUDEH (Jordan) -Partner -Director General  
ISSA AUDEH & ASSOCIATE (Jordan) -Partner
- 7 ZUMUROUD FOR PLASTIC INDUSTRIES (Liquidated) ISSA NASSIF  
AUDEH AUDEH (Jordan) -Partner  
ADIB SAMI ADIB HABAYEB (Jordan) -Partner

In the United Kingdom

The three AUDEH children (BASSAM, SAAD and CAROLINE) hold mandates in the UK in rather small companies.

BASSAM AUDEH (recorded as BASAM AUDEH with British nationality) has been appointed on 15 May 2009 as company director of RICHMOND, THE AMERICAN INTERNATIONAL UNIVERSITY IN LONDON, INC (company number FC008955). His recorded occupation is CEO, the AUDEH GROUP.

SAAD AUDEH (of British nationality) on 9 September 1991 has been appointed company director of the company WREN TRADING LIMITED (company number 02644212). His recorded occupation is electronic engineer/consultant.

On 9 September 1991, CAROLINE AUDEH-CHBAT (of British nationality) has been appointed secretary of the company WREN TRADING LIMITED.

On 23 February 1995, she was appointed director and secretary of the company SEB TRADING LIMITED (company number 03025516). She resigned on 15 May 1995 from her position as secretary and on 10 March 1995 from her position as director.

WREN TRADING LIMITED (company number 02644212) was incorporated on 9 September 1991. The registered office of the company is located on Old Beams House, Stud Green Holyport, Maidenhead, Berkshire SL6 2JF, United Kingdom.

The issued capital of the company is £2 and the sole shareholder is SAAD AUDEH. The financial figures of this company are completely irrelevant since this company is really not in any activity at all.

SEB TRADING LIMITED (company number 03025516) was incorporated on 23 February 1995. The registered office of the company is located on Andrew Hill Cottage, Andrew Hill Lane, Hedgerley, Buckinghamshire SL2 3UL, United Kingdom.

Confidential PC

Printed on 26/3/2010

The registered activity of the company is "Agent involved in the sale of a variety of goods". The issued capital of the company is £ 100 represented by 100 shares. The shareholders of the company are the two brothers:

NAZIH HANNA CHBAT with 2 shares

RAFIC H. CHEBAT with 98 shares

The latest filed accounts of the company dates back to 31 May 2005. The company has faced several County Court Judgments between January 2004 and December 2007 totaling the sum of £ 6224.

The current director of the company is NAZIH HANNA CHBAT (of Lebanese origin, born 29/01/1956) and the current secretary is EDWARD THERCAJ, both said to reside in the UK.

We have not found anything particular about MARTINA M STUMPF and RACHAEL E CONNETT.

In Switzerland

In Switzerland, only BASSAM AUDEH has a corporate mandate. The official records show that BASSAM AUDEH resides on Chemin de Pierraz-Portay 30, 1009 Pully, Switzerland since 26 June 2008.

His telephone number is apparently 021 729 66 06.

BASSAM is president of the board of directors in the company VISION ACTIVE SA, based in Lausanne. He has individual signatory power and he holds this position since 26 June 2008.

VISION ACTIVE SA (company number CH-550-1054673-5) was registered on 5 June 2008. The company's address is: Avenue du Tribunal-Federal 34, c/o KENDRIS private SA, 1005 Lausanne.

The registered object of the company is the promotion, sale and distribution in Switzerland of the product line « CAMEL ACTIVE » and the exploitation of all the sales points.

The issued capital of the company is CHF 100 000 represented by 100 bearer shares of CHF 1000 value each. The two directors of the company, both having sole signatory power, are:

BASSAM AUDEH, from the UK and residing in Pully, Switzerland

ESSIA AESCHLIMANN, from Switzerland and residing in Pully as well

ESSIA AESCHLIMANN (born on 25 April 1953) does not hold any other mandates in Switzerland.

Printed on 26/3/2010

Potential links

The SABA family

As we have seen previously in this report, MANOLLY DIMITRI SABA is the sole director of the company TRUTRADE HOLDING LIMITED, in fact the principal shareholder of the two main companies of the AUDEH GROUP: AUDEH TRADING & CONSULTANCY SERVICES LIMITED and I.B.C.S. TRADING & DISTRIBUTION CO LIMITED.

MANOLLY is also one of the two directors, the other being ISSA's son SAAD, of another company of the AUDEH GROUP: TRUTRADE & CONSULTANCY SERVICES LIMITED also owned by TRUTRADE HOLDING LIMITED.

All the above to underline that MANOLLY DIMITRI SABA must be well aware of AUDEH's business activities and the man must be trusted by ISSA for ISSA to give him these positions and his holding companies.

As we will see below several searches undertaken on the internet uncovered that the families AUDEH and SABA are true friends (if not relatives of some kind) and they have shared many happy moments together as shown on the numerous pictures available on the web.

Considering the role played by MANOLLY SABA in the structure of the AUDEH GROUP we have gathered more information about this family.

MANOLLY SABA is married with HANA KARAM, we have displayed here on the left a picture of the couple.

HANA KARAM is a writer and plenty of information about her and her family are available on her personal website (see: <<http://www.hanakaram.net>>). For example, we learn on that website that: she is married to MANOLLY SABA and mother of two boys and a girl, she obtained her degree from the University of Aleppo in Syria, she wrote several articles for newspapers and magazines in Kuwait, she headed the Human Resource Department in a trading company in Limassol (Cyprus) for 15 years and she founded an Arabic teaching school in Cyprus.

The most interesting is that they both have published numerous personal pictures on the website <<http://community.webshots.com>>. We have commented the most interesting ones in Annex II of the present report.

The website mostly show that the AUDEH and SABA families share some good time together as well as important family events like Christmas, birthdays and weddings. Considering the objective of the present mission, the most important picture is the following:

<<http://family.webshots.com/photo/1505370763063936400WEUxnK>>

This picture taken on HANA KARAM's 50th birthday party in 2005 shows HANA KARAM with friends and family.

Miscellaneous

Confidential PC

In the course of our investigation, we found a Memorandum of Understanding regarding the trade of tobacco products signed on 20 October 2004 in Cyprus by the Chief Customs Officer, Mr. DIMITRIOS HAJICOSTIS and the Director of JT INTERNATIONAL COMPANY (CYPRUS) LTD, Mr. FADOUL PEKHAZIS, and the Vice President, Corporate Affairs of JT INTERNATIONAL S.A., Mr. ANDRE BENOIT.

The small text aims at further cooperation between the Department of Customs and Excise of Cyprus and JTI, for the prevention and suppression of illicit importation, exportation, movement and trade of tobacco products.

#### Cigarettes contraband and counterfeit

Despite our extensive searches in the international, specialized and Arabic press, we could not find any information that could lead us to believe that the AUDEH family has recently been involved in dubious commercial activities. Of course, public sources have their limit but the difference between the abundant literature on AUDEH's grey activities ten years ago and the one available today is striking.

As it is well known to the Client, ISSA AUDEH has been reported to be involved in the smuggling of cigarettes into Iraq between March 1993 and December 1996.

As summary, we have displayed an abstract of a study ("The Nexus of Organized Crime and Terrorism: Two Case Studies in Cigarette Smuggling") published in the spring of 2008 going over the roots of the relation between ISSA AUDEH and JTI. The Client might already know this abstract but we find it interesting to display it in the framework of the present report.

#### Others

In the course of our investigation, we found that ISSA AUDEH has been listed in 2001 as a donor to the American Foundation for Saint George Hospital. The Saint George Hospital is located in Beirut, Lebanon (see [www.stgeorgehospital.org](http://www.stgeorgehospital.org) <<http://www.stgeorgehospital.org>>). In 2001, ISSA AUDEH apparently gave US\$10,000 or more (benefactor sponsor) to the foundation. The hospital's history is related with Lebanon's Orthodox community.

According to the newsletters available on the hospital's website, ISSA AUDEH also donated in 2000 to the foundation (if not the same amount, he is listed in the same category of donors).

#### Miscellaneous

##### JT International Company (Cyprus) Limited

In the course of our investigation, we found that a company JT INTERNATIONAL COMPANY (CYPRUS) LIMITED was registered in Cyprus under company number 34962. The company was registered on 2 March 1989.

According to the information obtained from the Cyprus Trade Register, the Director and Secretary of the company are respectively:



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ZIAD FAWAZ, Director, of Canadian nationality with contact address in Limassol Cyprus

STELIOS TRIANTAFYLLIDES, Secretary, of Cypriot nationality with contact address in Nicosia, Cyprus

The sole shareholder of the company is:

JT INTERNATIONAL HOLDING BV in The Netherlands with 855 shares of EUR 170.86 of value each

There are also two other "JT INTERNATIONAL" companies registered in Cyprus but we didn't gather any information on them at this point:

JT INTERNATIONAL (CONSULTS) LIMITED (C 77060), registered on 16 February 1996

JT INTERNATIONAL (CYPRUS) LIMITED (C 39562), registered on 29 March 1990

Abdel Hamid Damirji

In 1997, Mr. ABDEL HAMID DAMIRJI sued RJR's international unit and Mr. AUDEH's distributorship, IBCS TRADING AND DISTRIBUTION CO, claiming that they were selling to his competitors despite the existence of an exclusive agreement.

Mr. DAMIRJI used to be the exclusive distributor of RJR in Baghdad.

The case of Mr. DAMIRJI is interesting because despite his revelations about RJ REYNOLDS' scheme to avoid the embargo on Iraq of the nineties, it provides interesting information on ISSA AUDEH's role in this business.

According to an article published on the website of CBS news on 12 February 2003, Mr. DAMIRJI built the business in Iraq entirely and created a market for RJR cigarettes in the country all by himself. According to Andy Kerman, a British lawyer representing DAMIRJI, he started importing RJR cigarettes in 1989. "And that went on until the Gulf War started," Kerman says.

After the Gulf War and the trade ban, importing goods into Iraq became a tricky business. So, DAMIRJI moved his distribution company to Turkey. And the cigarettes went from the U.S. to Spain to Cyprus to Turkey to Iraq. According to an investigator, who gathered the evidence for the lawsuit, the money from the sales in Baghdad moved back up the same exact route.

"They're acting in unison and the money comes from the consumer back up the chain, back to RJR," says Toal.

But RJR claims the money never reached its bank accounts, and that REYNOLDS executives in the United States didn't even know what RJR INTERNATIONAL was doing. Which is interesting, considering the fact that both the domestic company and the Swiss subsidiary were run out of the same building in Winston-Salem, North Carolina.

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Kerman says in the article that RJR knew about it very well and was very pleased with DAMIRJI selling around 750 million cigarettes a month in Iraq. Three years after the president announced the trade ban, RJR INTERNATIONAL invited DAMIRJI for a visit to Winston-Salem.

According to the article, the investigative journalists tried to direct some of their questions to the RJR's international unit but in 1999 RJR INTERNATIONAL was sold to JAPAN TOBACCO, which now runs the business from Switzerland. In response to their questions, the new owners said that they would not discuss the ways in which the company operated when it was still under American ownership.

In less than three years, DAMIRJI says he bought over \$200 million worth of RJR cigarettes and sold them in Iraq. But starting in 1995, he says RJR and IBCS TRADING in Cyprus (ISSA AUDEH) started to divert part of the Iraqi business to other distributors who had a very powerful, partner: UDAI HUSSEIN, SADDAM HUSSEIN's eldest son, who muscled in on the trade.

"He controlled the trade completely. All the Iraqi businessmen, all know that this is Udai's area now, this is Udai's field, nobody can come and put himself in, in a dangerous situation," says ABAS AL-JANABI in the article (he was UDAI's personal secretary, the man UDAI sent to collect his share of the profits from the illegal trade).

This lawsuit between RJR INTERNATIONAL and DAMIRJI is a very different lawsuit from the one the European community filed. DAMIRJI is simply looking for compensation for the very profitable business he lost. And he wasn't breaking any law. It is not illegal for an Iraqi businessman to move cigarettes from Turkey to Iraq. But that would not be the case if an American company was breaking the trade ban.

We have reproduced here below an abstract of an article published in The Wall St. Journal on October 30th, 2002:

In his affidavit in the Cyprus case, Mr. DAMIRJI says that with the full knowledge of R.J. REYNOLDS TOBACCO INTERNATIONAL, he set up a distribution network for the company's products in Baghdad in 1990. Business went well, Mr. DAMIRJI says, and in August of that year, when Iraq invaded Kuwait, Mr. DAMIRJI relocated his operations to Jordan. From there, he says in the affidavit, he continued to supply the Iraqi market "with stocks of RJR products obtained from RJR direct and sources to which RJR directed" him. Mr. DAMIRJI declined to comment for this story.

According to Mr. DAMIRJI, a number of RJR executives, including some at the company's headquarters in Winston-Salem, N.C., were aware of his activities and met with him in the U.S. and abroad. "What there's no question about is this: R.J. REYNOLDS in the U.S. was well aware of DAMIRJI's operations. So if they wish to say, 'We have no idea what was going on,' that horse will not run," says ANTHONY D. KERMAN, Mr. DAMIRJI's lawyer in London.

Mr. MARCUSS, the tobacco lawyer, declines to comment about Mr. DAMIRJI's activities. However, he says generally that RJR's international unit and JAPAN TOBACCO simply

sold to a distributor who determined where to resell the company's goods. Mr. MARCUSS says: "The nature of the cigarette business is such that distributors typically act independently. They are independent businessmen."

In his view, only the last distributor in the chain selling into Iraq would need to get official permission.

Mr. DAMIRJI, who grew up in Iraq as a member of a prominent family, says in his affidavit that his shipments to Iraq quickly grew after he moved to Jordan. He says that in June 1991 alone, he ordered 50,000 "master cases" of products from RJR's international unit for Iraq -- half-a-billion cigarettes. Because his supplier in Cyprus couldn't fulfill such a large order, he says, the RJR unit directly transported 17,000 cases to him, filling seven airplanes. In a court filing, RJR's international unit doesn't dispute shipping such a huge quantity of cigarettes to Mr. DAMIRJI in Jordan, but the company claims not to know what happened thereafter.

In October 1992, Mr. DAMIRJI's affidavit says, the border between Iraq and Jordan closed to cigarette traffic, and he had to move his inventory and operations to Mersin, Turkey, a port city on the Mediterranean. Mr. DAMIRJI says that a consultant to R.J. REYNOLDS INTERNATIONAL named ISSA AUDEH, who was also a former executive of the unit, orally offered to make Mr. DAMIRJI the "sole and exclusive supplier and distributor of RJR products in Iraq" if Mr. DAMIRJI would establish secure warehousing facilities in Mersin.

Mr. Damirji says he built two warehouses in Mersin, at a total cost of \$976,000, and began purchasing RJR cigarettes through a company that Mr. AUDEH set up in Cyprus in early 1993 called IBCS TRADING AND DISTRIBUTION CO. Until then, Mr. DAMIRJI says, Mr. AUDEH had arranged for him to purchase RJR products through another Cypriot distributor. In court filings, RJR's international unit denies knowing anything about Mr. DAMIRJI's exclusive agreement. In his court filings, Mr. AUDEH's company denies that there was any exclusive agreement.

At this point, Mr. DAMIRJI says, his business got even better. Between March 1993 and December 1996, he says, he purchased RJR cigarettes valued at more than \$213 million. They were shipped to Iraq via a dangerous route across the Turkish border into northern Iraq. "During the period, Aspen was established as the premier brand in Iraq" through his sales efforts, Mr. DAMIRJI says, referring to a RJR brand.

Mr. DAMIRJI says RJR executives in Europe and the U.S. were fully aware of his activities. He says EDWARD TOUMA, then a R.J. REYNOLDS TOBACCO INTERNATIONAL vice president, visited him twice in Mersin and also met him in Baghdad, Amsterdam, Geneva and Cannes. Mr. DAMIRJI says he met with seven other RJR executives at various times.

In 1994, he says, RJR paid for him to attend a meeting of Middle East distributors in New York and at RJR's headquarters in Winston-Salem. The court file contains a copy of a 1995 RJR INTERNATIONAL magazine, called "RJR News," with photographs taken at that meeting that include Mr. DAMIRJI, and with an accompanying article written by Mr. TOUMA. Mr. TOUMA now works for JAPAN TOBACCO in Geneva; the company declined to make him available to comment.

C. STEPHEN HEARD JR., a New York attorney for R.J. REYNOLDS TOBACCO INTERNATIONAL and JAPAN TOBACCO, says that Mr. AUDEH, the former RJR

international executive, invited Mr. DAMIRJI to the meeting but adds that "technically you could say he was RJR's guest."

In 1997, Mr. DAMIRJI sued RJR's international unit and Mr. AUDEH's distributorship, IBCS, claiming that they were selling to Mr. DAMIRJI's competitors. Mr. AUDEH's response to this claim provides an intriguing glimpse into how in some corners, at least, the fierce hatred between the Iraqis and the Kurds appears to have been set aside so both can reap the spoils of the tobacco trade.

Specifically, Mr. AUDEH, in a series of interviews, claimed that he couldn't continue selling cigarettes to Mr. DAMIRJI because of demands imposed on Mr. AUDEH by the Kurdish Democratic Party, or KDP, which controls the northern part of Iraq that borders Turkey. This is a crucial artery through which foreign cigarettes flow into Kurdish-controlled Northern Iraq. From there, local traders re-export the cigarettes to Iran and even to parts of Iraq controlled by Saddam Hussein.

In early 1997, the KDP set up a company called KANI, which was given a monopoly on all cigarette exports to the Kurdish-controlled area. The company collects a tax imposed by the KDP of \$20 to \$25 for every master case, or 10,000 cigarettes. Mr. AUDEH says KANI directed him to sell to a company that competes with Mr DAMIRJI's. A KDP spokesman says KANI officials couldn't be reached for comment.

According to U.N. records, Japan Tobacco got approval to sell 401,000 master cases of Winston, Magna and Winchester -- more than five billion cigarettes -- to Kani, the Kurdish tobacco monopoly, via Mr. Audeh and a Turkish distributor.

We now try to get an update of the legal proceedings in Cyprus about the case initiated by Mr. Damirji but it will take a few more weeks before having new documents.

#### Annexes

Annex I: Konsumer Treiding Kompani financial figures

Annex II: SABA's family album

Annex III: AUDEH's old relationship with JTI

Annex I: Konsumer Treiding Kompani financial figures

Annex II: SABA's family album

HANA KARAM is MANOLLY SABA's wife. As explained in the core of the text of the present report, they both have created virtual photo albums on the website <<http://community.webshots.com>>.

The pictures are available for everyone to see without passwords or protection of any kind. In this Annex, we will go through some pictures of interest selected from the couple's albums.