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CLERK OF DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

LUKOIL-LANGEPASNEFTEGAZ,  
a Russian company,

CASE NO: 98-8309-CIV-MOORE

Plaintiff,

v.

**AFFIDAVIT OF  
LARISA AFANASYEVA**

YOX WARENHANDELSGESELLSCHAFT  
m.b.H., a foreign corporation,  
RAMOIL HOLDING COMPANY,  
a Cayman Islands company,  
RAMOIL MANAGEMENT COMPANY,  
RODOLJUB RADULOVIC, individually, and  
JASNA RADULOVIC, individually,

Defendants.

I, Larisa Afanasyeva, am an attorney with the firm of Coudert Brothers. I make this affidavit based on my personal knowledge of the facts as I state them herein. I state as follows:

1. In 1994, while I was an attorney in the Washington, D.C. office of Pepper, Hamilton & Scheetz, Lukoil-Langepasneftegaz ("Lukoil") retained my colleague, Edward H. Lieberman, and me to represent it in connection with a debt Yox Warenhandelsgesellschaft m.b.H. ("Yox") owed Lukoil under a sales contract for the deliver of 165,000 metric tons of crude oil.

2. The dispute between Lukoil and Yox arose when Yox failed to make full payment under a contract for the sale of crude oil entered into between V/O Rosvneshtorg ("Rosvneshtorg") and Yox in 1991.<sup>1</sup>

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1. In 1991, under Russian law, Russian companies could not enter into contracts themselves. Instead, in order to enter into contracts, Lukoil had to use the state trading organization Rosvneshtorg as an intermediary. Therefore, though the contract was between Rosvneshtorg and Yox, effectively, the parties under the contract were Lukoil and Yox.

3. Rosvneshtorg and Lukoil demanded payment from Yox several times. Each time, while recognizing the debt, Rodoljub Radulovic ("Radulovic") stated that Yox was excused from payment under the contract because of an Austrian and United Nations embargo on transactions involving Yugoslavian citizens. Radulovic maintained his contention regarding the embargo until 1994 when Lukoil retained our legal services.

4. When we became involved in 1994, we explained to Lukoil that Radulovic's contention regarding the embargo was false, because it was not applicable to Yox, and did not affect the contract between Lukoil and Yox. Lukoil then insisted that Rosvneshtorg initiate arbitration against Yox in Moscow.

5. On June 6, 1994, Rosvneshtorg commenced legal proceedings on behalf of Lukoil against Yox in the International Commercial Arbitration Court of the Chamber of Commerce and Industry of the Russian Federation ("Moscow Arbitration Court").

6. In early 1995, Rosvneshtorg assigned its rights under the contract to Lukoil, and Lukoil became the plaintiff in the arbitration proceedings against Yox.

7. In early 1995, Yox's Moscow representative informed us that Radulovic was the only person who had authority to make decisions for Yox. Yox's Moscow representative gave us Radulovic's telephone and facsimile numbers where we could reach him in Boca Raton, Florida.

8. On March 7, 1995, we contacted Radulovic, as Yox's representative, in Boca Raton, Florida, about the ongoing arbitration in the Moscow Arbitration Court. Attached hereto as Exhibit A is a true and correct copy of letter dated March 7, 1995 from Edward H. Lieberman to Rodoljub Radulovic. Thereafter, all communications regarding Yox's outstanding debt and all efforts to settle the arbitration proceeding were conducted with Radulovic in Boca Raton, Florida.

9. Radulovic never informed us that he did not have authority to negotiate for Yox. In fact, Radulovic conceded Yox's liability under the contract, and promised payment to Lukoil. From his office in Boca Raton, Florida, Radulovic repeatedly attempted to negotiate a resolution to the dispute with Lukoil in order to prevent the arbitration from going forward.

10. On behalf of Yox, Radulovic invited us to Boca Raton, Florida to negotiate a settlement of Yox's debt to Lukoil. On April 24, 1995, Edward Lieberman and I met with Radulovic at his offices in Boca Raton, Florida.

11. During discussions at his Florida office, Radulovic urged us to cease the arbitration in the Moscow Arbitration Court and promised immediate payment on the oil contract. Later, we

learned that Radulovic did not want a judgment or arbitration award entered, because at that time, he was seeking financing from the Export-Import Bank.

12. During that meeting in Boca Raton, Florida, we told Radulovic that we had discovered that Yox had no real assets and was insolvent. Radulovic admitted that Yox lacked sufficient funds, but failed to explain how the proceeds from the sale of crude oil had been used.

13. Radulovic stated that if we ceased the Moscow arbitration, then he would insure that Lukoil would receive payment under the contract. We told Radulovic that we would withdraw the arbitration claim in the Moscow Arbitration Court if the debt were paid before May 15, 1995, the date scheduled for the arbitration hearing in the Moscow Arbitration Court. We also told Radulovic that if he provided sufficient guarantees that Yox's debt to Lukoil would be paid, we would reduce the amount of the debt.

14. Radulovic then proposed that the debt would be paid through Ramoil Holding Company ("Ramoil Holding"). At all times, Radulovic represented himself as having authority for Ramoil Holding to assume Yox's debt to Lukoil. We continued to negotiate settlement of Yox's debt to Lukoil with Radulovic in Boca Raton, Florida, but now as representative of Ramoil Holding. Thus, the only change during the negotiations was the corporate name Radulovic was using.

15. Radulovic never disclosed that Ramoil Holding was located in the Cayman Islands, nor did we ever send anything to the Cayman Islands, nor did we have any knowledge of any location in the Cayman Islands in connection with Radulovic, Yox, or Ramoil Holding.

16. On May 2, 1995, as per Radulovic's instructions, we delivered drafts of the proposed agreement between Lukoil and Ramoil Holding to Boca Raton, Florida to satisfy Yox's debt to Lukoil. Attached hereto as Exhibit B is a true and correct copy of letter dated May 2, 1995 from Edward Lieberman and Larisa Afanasyeva to Rodoljub Radulovic.

17. Since, Radulovic did not sign the proposed agreement expeditiously nor did he make payment to Lukoil for Yox's debt, we allowed Moscow arbitration to proceed. On May 15, 1995, Lukoil obtained an award in the Moscow Arbitration Court against Yox in the amount of \$12,162,453.23, plus interest and arbitration costs.

18. On May 22, 1995, we delivered to Radulovic in Boca Raton, Florida, a final version of the proposed agreement between Lukoil and Ramoil Holding to pay for the debt Yox owed Lukoil at a reduced amount.

19. On May 23, 1995, Rodoljub Radulovic, on behalf of Ramoil Holding in Boca Raton, Florida, and Edward H. Lieberman, on behalf of Lukoil, signed an agreement for Ramoil Holding to pay Yox's debt to Lukoil in the reduced amount of \$11,417,877.00. Mr. Radulovic returned the signed agreement to us from Boca Raton, Florida.

20. After May 23, 1995, Radulovic in Boca Raton, Florida, continued to communicate with us via telephone, and gave us assurances that payment to Lukoil was forthcoming. We did not immediately seek to enforce the Moscow arbitration award based on Radulovic's representations.

21. On June 2, 1995, we sent a letter to Radulovic to Boca Raton, Florida, providing him with wire transfer information. Attached hereto as Exhibit C is a true and correct copy of letter dated June 2, 1995 from Edward H. Lieberman to Rodoljub Radulovic.

22. By the middle of 1995, with the debt still outstanding, Radulovic stated that he had not paid Lukoil because he was negotiating directly with Lukoil for the purchase of certain trucks, which was false.

23. On August 2, 1995, we sent a letter to Radulovic in Boca Raton, Florida, and advised him that we would seek enforcement of the Moscow arbitration award if he did not make payment under the agreement we negotiated in Boca Raton, Florida. Attached hereto as Exhibit D is a true and correct copy of letter dated August 2, 1995 from Edward H. Lieberman to Rodoljub Radulovic.

24. Neither Ramoil Holding nor Radulovic have made any payments under the agreement negotiated in Boca Raton, Florida.

25. I have no knowledge of any other location for Yox or Ramoil Holding other than the Boca Raton, Florida address with which Radulovic provided us.

I certify under penalty of perjury under the laws of the United States of America, and pursuant to 28 United States Code, Section 1746, that the foregoing is true and correct.

Executed on February 17, 1999.

  
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LARISA AFANASYEVA