

----- Forwarded Message -----

From: Fred Harrison <fharrison@gmail.com>

To: paul@occrp.org

Sent: Monday, December 17, 2012 4:26 PM

Subject: Magnitsky List case

Dear Mr Radu,

On 12 Aug., 2012, OCCRP published an article headlined "Following the Magnitsky Money". My firm, a London consultancy called Wellington International, represents an individual named in the article, Mr. Denis Katsyv. Mr. Katsyv feels strongly that, with respect to factual assertions about him, OCCRP's article was seriously flawed. Mr. Katsyv maintains that he has had no connection whatever with any transactions related to the alleged frauds behind the Magnitsky matter and specifically neither he nor any members of his family have "benefited from the Magnitsky case," as the OCCRP article suggests. As the article correctly reports but fails to explain, Mr. Katsyv purchased Prevezon Holdings Ltd. after the reported transfers to Prevezon occurred. His involvement was as a property investor and manager who acquired a property management business in 2008 for US\$50,000. That is all there is to it.

Mr. Katsyv would like OCCRP to acknowledge these errors and to publish a correction. If necessary, I can forward further details corroborating Mr. Katsyv's position.

Kind regards

Fred Harrison

Wellington International

<http://wellingtonstreetpartners.com>

On 17 December 2012 14:52, Drew Sullivan <drew@cin.ba> wrote:

Mr Harrison.,

Thank you for your email. We work hard to always be fair and to report all information correctly. Before publishing our story, we talked to Mr. Katsyv and he promised to send us all documentation and information to explain this issue to us. Then he did not and he did not return our follow up calls. We would be happy to continue our discussion with him and to review all data he may have. Naturally, if we have inadvertently misrepresented something or got something wrong, we'd be happy to clarify or correct any information as soon as we make that determination.

Drew Sullivan - Editor

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From: Fred Harrison [mailto:fharrison@wellington-international.com]
Sent: Tuesday, February 26, 2013 2:20 PM
To: Drew Sullivan
Subject: Re: Changes

Drew - Attached is a copy of OCCRP's article with my client's annotations, as requested.

Kind regards

Fred

Drew - As promised, the following reviews the facts excluded from OCCRP's article:

When Mr Katsyv was interviewed by a reporter for Novaya Gazeta, he knew nothing about these payments and assumed there had been some mistake. He naturally offered to secure the relevant bank statements. But Novaya Gazeta refused to wait.

Subsequently, Mr Katsyv confirmed that the payments really had occurred and, although they did so prior to his involvement and ownership, he undertook a full review of where they had come from and how the funds were used.

The funds derived from a deal between Prevezon owner Timofei Krit and his friend, a Mr. Petrov. In January 2008, they agreed jointly to develop a business based on investments in and management of property. Under the agreement Mr. Petrov was to transfer funds to Prevezon for this purpose. The companies Bunicon and Elenast are named in the agreement. This was because Mr. Petrov was anticipating repayment through these companies of a debt owed him by a third party, a Mr. Kim. The payments were made on 5 and 13 February 2008.

Mr. Krit, director of the firm, found himself unable to run the company on his own. Through a mutual friend, he arranged to sell it to Mr. Katsyv for \$50,000. He agreed to stay on as Mr. Katsyv's employee.

Subsequently, Mr. Petrov's funds, the \$850,000, were invested in various New York properties, and it was agreed that Prevezon would manage these assets for five years and then transfer the properties to Mr. Petrov in full.

The article makes reference to Boris Lemper, implying that his role as founder of Prevezon suggests an earlier involvement by Mr. Katsyv. There was absolutely no involvement by Mr. Katsyv until his purchase of the company. Boris Lemper is an Israeli-Russian attorney who is in the company formation business. Mr. Krit purchased Preveson as a shelf company from Mr. Lemper's firm. The fact that Mr. Katsyv occasionally engages the same law firm in his business

is unremarkable.

Prevezon has at no time had any direct commercial relations with Bunicon or Elenast. Neither Mr. Katsyv nor Mr. Krit know anything about these companies or have dealt with them in the past. From a Prevezon perspective, the payments from Bunicon and Elenast arose from a legal and proper agreement between business associates prior to Mr. Katsyv's involvement, an agreement which duly formed part of subsequent compliance disclosures to UBS in Switzerland, provoking no questions either when Mr. Krit owned the company or later, when Mr. Katsyv owned it.

To suggest that Mr. Katsyv had something to do with the funds connected to the Magnitsky case or derived from fraud in any way is clearly defamatory and represents an attempt to drag the Katsyv family into this international conflict

Having essentially republished Novaya Gazeta's article, OCCRP has misrepresented the situation to a wider international audience, and continues to do so. Mr. Katsyv is, understandably, very upset. He has asked me to pass along the following personal note:

The only person who benefits from this is a Mr. Baranovsky who was put in jail for 12 years for an attempt to extort a major sum from Mr. Katsyv for stopping a black PR campaign against him. Journalists representing the international community should be more careful with those who supply them information based not on facts but on assumptions (not speculation but also fantasy) which are submitted as real facts only due to the grounds that PROBABLY someone was somewhere, and that PROBABLY something happened in that place, and that allegedly every person in that place must have been connected, even those who came to that place six months later.

The golden rule of every investigation is to check "cui bono". This guarantees that one will not become exploited.

Clearly, my client wants the OCCRP article corrected. In addition, his reference to Mr. Baranovsky suggests a further back story which should be of interest, a matter he would be prepared to discuss with you.

I look forward to your response.

Kind regards
Fred

On 26 February 2013 14:44, Drew Sullivan <drew@cin.ba> wrote:

Hi Fred,

We are looking at your comments. The information is somewhat contradictory. We have some issues we would like to resolve. I think it best that Paul Radu, our executive director, talk to Mr. Katsyv to clarify the issues. Then we can respond more completely. He will be calling Mr. Katsyv tomorrow from a Romanian number. If you want to make some other arrangements on the time, please let me know.

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From: Fred Harrison [mailto:fharrison@wellington-international.com]
Sent: Tuesday, February 26, 2013 3:48 PM
To: Drew Sullivan
Cc: paulradu26@yahoo.com
Subject: Re: Changes

Does Paul speak Russian?

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On 26 February 2013 14:52, Drew Sullivan <drew@cin.ba> wrote:

He can probably make arrangements to have a translator.

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From: Fred Harrison [mailto:fharrison@wellington-international.com]
Sent: Tuesday, February 26, 2013 3:54 PM
To: Drew Sullivan
Cc: paulradu26
Subject: Re: Changes

Which "he"?

I suggest you put your questions or requests for clarification into writing.

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From: Drew Sullivan <drew@cin.ba>
Sent: 26 February 2013 15:32
To: Fred Harrison <fharrison@wellington-international.com>
CC: paulradu26 <paulradu26@yahoo.com>
Subject: RE: Changes

I meant Paul. But you are right. Lets make this simple. We can have Vlad Lavrov of the Kyiv Post interview him.

He can call tomorrow from the Ukraine. Can you notify Mr. Katsyv he will call?

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From: Fred Harrison [mailto:fharrison@wellington-international.com]
Sent: Tuesday, February 26, 2013 4:42 PM
To: Drew Sullivan
Subject: RE: Changes

No. Let's make it simpler. You asked for Mr Katsyv's objections to your article. He took the time to examine it in detail. He has listed a number of errors, both of fact and of interpretation. The article needs to be corrected. If you need further clarifications, please submit them in writing.

Regards

Fred

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On 26 February 2013 16:11, Drew Sullivan <drew@cin.ba> wrote:

Our policy is to do interviews. We don't do written questions for precisely the reason your comments have led to more questions. We can get this done once or spend six weeks going back and forth. We are not seeing any factual errors at this point – just requests for clarifications and we need to better understand of what you are saying. Our story is written from documents and we know what they say. We're not sure what you are saying.

Drew Sullivan

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From: Fred Harrison [mailto:fharrison@wellington-international.com]

Your policy appears to be to hope these complaints simply fade away.

The story states that the Katsyv family "has run afoul of the law." That is incorrect.

The article claims the family "benefited from the Magnitsky case". It did not.

Do you plan to publish corrections?

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On 26 February 2013 16:51, Drew Sullivan <drew@cin.ba> wrote:

We have more questions to determine what your claims are. You see it your way. We are looking at what the records say. We always bend over backwards to investigate claims that something is wrong. But you have not provided documents that you say prove your points, we have a lot of mysterious Mr's running around and no, I can't correct anything on your word alone. It is against our policy but in this case I will give you the questions. I hope we can stick just to the facts and documents. PR isn't going to help matters and will slow down the process:

Dear Mr. Katsyv,

1) We are not very clear about your version of the relationship between Prevezon Holdings Limited and the two Moldovan companies, Bunicon and Elenast. Maybe Mr.Kim and Mr.Petrov can answer those questions. Can you please tell us how you met them and how they got involved. Can you provide more details on who they are and contact information so they can explain some of this to us.

2) Could you please send us copies of any and all the agreements between Mr. Petrov, Mr. Krit and Prevezon Holdings Limited as you had promised?

3) Could you please elaborate on the deal between Prevezon Holdings Limited and Mr. Petrov? Who is Mr. Petrov, what is his full identity? Can we speak to him? What about Mr. Kim? What is Mr. Kim's full identity? Could you please put us in touch with Mr. Kim?

4) You say Mr. Krit was unable to run the company (Prevezon Holdings Limited) on his own and that you bought the company from Mr. Krit for 50,000 USD. How did Mr. Katsyv know Mr. Krit? Who was the mutual friend who arranged this deal?

5) You said: "Subsequently, Mr. Petrov's funds, the \$850,000, were invested in various New York properties, and it was agreed that Prevezon would manage these assets for five years and then transfer the properties to Mr. Petrov in full." That's a sizeable investment. How did you meet Mr. Petrov and what brought about the deal? How are you exactly managing the property for Mr. Petrov?

6) According to documents in our possession, the other shareholder of Prevezon Holdings, namely Martash Investment Holdings had to make a 35 million shekels payment to the Israeli authorities after the accounts of the company at branch 535 of Bank Hapoalim were frozen on money laundering charges. Could you please let us know what happened? Why was Martash Holding accused of money laundering? What did you know about this. Do you have any role or stake in Martash. If you are a legitimate businessman, why would your partner be accused of money laundering?

7) As you also mention in your email, Mr. Boris Lemper was an early director and shareholder of Prevezon. Could you please specify what is exactly your relationship to Mr. Lemper? Do you have other investments or businesses together? How did you meet?

8) According to banking statements, the beneficiary of Prevezon from the start of the company was Mr. Alexander Litvak, who represents Katsyv's interests in many foreign businesses. Doesn't that mean that Katsyv was involved in the company from the beginning?

9) Why did Swiss authorities freeze accounts of Mr Katsyv and Mr. Litvak, if Katsyv had no connection to Prevezon before those transactions occurred?

Please provide documentation for your statements. Thank you.

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Thank you. I will pass your questions on.

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Editors Note – Neither Wellington Partners nor Mr Katsyv answered any questions.