

DECLARATION

Moscow

October 07, 2008

from 10:05 a.m.
to 12:25 p.m.

S.E. Gordievsky, Investigator for Major Cases of the Investigative Department of the Southern Administrative District of Moscow of the Investigative Committee at the RF Prosecutor's Office for the City of Moscow, Class I Advisor, obtained the declaration of the following person in Office No. 29 pursuant to Article 38 of the RF Code of Criminal Procedure:

1. Last name, first name, patronymic: Magnitsky, Sergey Leonidovich
2. Date of birth: 08/04/1972
3. Place of birth: Odessa, Ukrainian SSR
4. Place of residence and/or registration: Moscow, Ulitsa Pokrovka, 20.1, apartment 43, tel. 8-916-675-84-75
5. Citizenship: Russian Federation
6. Education: higher education
7. Marital status: Married
8. Place of work or study: auditor for CJSC Firestone Duncan
9. Military duty: liable for military service
10. Prior criminal record: none
11. Passport or another document confirming the identity of the suspect: 45 05 633943, issued on 15/05/2003 by the Basmanny District Internal Affairs Department of Moscow
12. Other information on the identity of the suspect: claims to be registered with narcological or psychoneurologic outpatients' departments

It was explained to S.L. Magnitsky that pursuant to Article 51 of the RF Constitution, he had the right not to testify against himself, his spouse, or other close relatives.

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The attorney Alexander Gennadievich Morozov, license No. 7304 dated 06/07/2004, registration number 77.7336, order no. 87, was present while the declaration was being obtained.

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I can make the following declarations with respect to the questions posed to me:

As a representative of Glendora Holdings Ltd. and Kone Holdings Ltd. companies, which are partners in the LLCs Parfenion, Makhaon, and Rilend, I am willing to answer pertinent questions with respect to the powers of attorney issued to Attorney E.M. Khayretdinov on behalf of the Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company signed by the directors P. Rench and M.D. Wilson dated 17/10/2007, as well

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as the validity of those powers of attorney and the legality of the manufacture of the stamps that were placed on them.

In this connection I confirm my testimony given on 05/06/2008 under case number 374015 with respect to the circumstances surrounding the issue of the powers of attorney to Attorney E.M. Khayretdinov on behalf of the Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company dated 17/10/2007.

In addition to that testimony, I confirm that as of the date that the powers of attorney issued to E.M. Khayretdinov on behalf of the Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company were drafted (17/10/2007), nothing was known about the fact that the LLCs Parfenion, Makhaon, and Rilend were illegally reregistered and illegal entries had been made in the state registry to appoint new general directors for those companies.

At the same time, it was evident from the documents obtained from the official site of the St. Petersburg and Leningrad Region (Oblast) Arbitrazh Court (www.spb.arbitr.ru) on 16/10/2007 and 17/10/2007 (I attach the copies, numbering six pages, to my declaration) that individuals using falsified powers of attorney were appearing in court on behalf of Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company. Specifically: Y.A. Maltseva appeared on behalf of Parfenion Limited Liability Company under a power of attorney dated 10/09/2007; Y.M. Mayorov appeared on behalf of Makhaon Limited Liability Company under a power of attorney dated 24/08/2007, and A.A. Pavlov appeared on behalf of Rilend Limited Liability Company under a power of attorney dated 24/08/2007. I knew that those powers of attorney could not have been issued by the real directors of the companies and could not have been sealed with the company stamps because the originally manufactured stamps were at the Chief Investigations Authority under the Moscow City Internal Affairs Directorate, and their backup copies were held in the offices of Firestone Duncan and were not used to certify any powers of attorney. Furthermore, it was obvious that Y.A. Maltseva, Y.M. Mayorov, and A.A. Pavlov were openly not acting in the interests of Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company, since instead of defending the interests of the companies, investigating the evidence brought by the claimants, or objecting to the conclusions of the claimants and refuting them, these false representatives acknowledged the claims in full and without any qualifications, which is indicated by the text of the decisions issued by the St. Petersburg and Leningrad Region (Oblast) Arbitrazh Court in September 2007.

As it was subsequently discovered, the powers of attorney indicated in the copies on the website of the St. Petersburg and Leningrad Region (Oblast) Arbitrazh Court could not have been legally issued by Markelov, Khlebnikov, and Kurochkin on the days that are indicated as the date of issue for the powers of attorney, since Markelov, Khlebnikov, and Kurochkin were illegally appointed by Markelov as the directors of Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company in September 2007, and the powers of attorney were issued to Y.A. Maltseva, Y.M. Mayorov, and A.A. Pavlov prior to their appointment, specifically:

The documents for the reregistration of Parfenion Limited Liability Company were submitted by Markelov on 17/09/2007 and were registered by RF Inter-Regional Federal Tax Service Inspectorate No.46 for the City of Moscow on 20/09/2007, and the power of attorney for Y.A. Maltseva is dated 10/09/2007 — in other words, one week prior to the indicated dates.

The documents for the reregistration of Makhaon Limited Liability Company were submitted by Khlebnikov on 06/09/2007 and were registered by RF Inter-Regional Federal Tax Service Inspectorate No.46 for the City of Moscow on 11/09/2007, and the power of attorney for Y.M. Mayorov is dated 24/08/2007 — in other words, a minimum of two weeks prior to the indicated dates;

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The documents for the reregistration of the Rilend Limited Liability Company were submitted by Markelov on 06/09/2007 and were registered on 11/09/2007, and the power of attorney for A.A. Pavlov is dated 24/08/2007—in other words, a minimum of two weeks prior to the indicated dates.

Thus, on 17/10/2008, it was clear that a scam had been pulled on Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company involving their filing claims under falsified documents and acknowledging them through false representatives of the companies, and that the companies needed legal protection, which could only be ensured by representation and protection of the interest of the companies by an attorney appointed by the actual directors, Paul Rench and Martin Wilson, who would defend the interests of the companies in good faith, not by the individuals who obviously had been involved in carrying out a criminal scheme aimed at artificially creating a debt for Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company and enforcing that debt using court decisions by submitting falsified evidence to the court.

I am aware that Attorney Khayretdinov did in fact use the powers of attorney issued to him by Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company on 17/10/2007 to defend the legal interests of the companies. Attorney Khayretdinov submitted cassation appeals, which after being reviewed resulted in the Federal Arbitrazh Court of the Northwest District (Okrug) overturning the illegal decisions on 19/02/2008, 23/01/2008, and 05/02/2008 on acknowledging the debt of Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company to CJSC Logos Plus (Copies of the resolutions (8 pages) are attached to this declaration). Furthermore, thanks to the actions of Attorney Khayretdinov aimed at unveiling the criminal intent of the persons who organized the filing of the statement of claim against Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company with the St. Petersburg and Leningrad Region (Oblast) Arbitrazh Court, it was possible to establish that the statements of claim were submitted by a non-existent person under a falsified power of attorney. This is verified by letter No. 1/vkh19992 dated 26/12/2007 received by Attorney E.M. Khayretdinov from the Yaroslavl Oblast Directorate of the Federal Immigration Service (a copy (1 page) is attached), which confirms that the passport of the person who was acting on behalf of the claimants and who signed the statement of claim was not issued to that person, but was rather lost in 2005. It was this fact in particular that laid the foundation for the decisions in the review of the Arbitrazh cases that were issued by the St. Petersburg and Leningrad Region (Oblast) Arbitrazh Court on 11/06/2008, 17/04/2008, and 12/05/2008 (copies of the resolutions of the court (7 pages) are attached to this declaration).

This circumstance also provides the grounds for the decision of the St. Petersburg and Leningrad Region (Oblast) Arbitrazh Court dated 24 March 2008 (a copy (3 pages) is attached to this declaration) on the case where Attorney E.M. Khayretdinov represented the interests of Parfenion Limited Liability Company and, defending them under the specified power of attorney, obtained a rejection of yet another claim filed by CJSC Logos Plus against the Parfenion Limited Liability Company. It is worth noting that during the session for this case, a representative of Parfenion Limited Liability Company Misyukevich was present under a power of attorney signed by Markelov, and Misyukevich was acting clearly against the interests of Parfenion Limited Liability Company, objected to the petition for dismissing the claim of CJSC Logos Plus, attempted to draw out the trial by petitioning for the postponement of the court proceedings. Despite this, the court accepted the procedural authority of E.M. Khayretdinov based on the indicated power of attorney and added the materials submitted by E.M. Khayretdinov to
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file and granted the motion that he had filed. I would say that in such conditions when a court act that has entered into force leads to acknowledging the authority of E.M. Khayretdinov based on the power of attorney dated 17/10/2007, calling into question the legitimacy of that power of attorney is entirely unfounded.

I would also like to draw attention to the fact that, as indicated in the letter of the Yaroslavl Oblast Directorate of the Federal Immigration Service mentioned above, which is a response to the request of E.M. Khayretdinov dated 24/10/2008 (in other words, immediately after discovering the contradictory actions connected with filing the claims by CJSC Logos Plus and after obtaining the corresponding authorities from the real directors of Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company, Attorney E.M. Khayretdinov undertook actions necessary to uncover the criminals and overturn the illegal decisions that they had managed to obtain from the St. Petersburg and Leningrad Region (Oblast) Arbitrazh Court in September 2007.

All the foregoing bears witness to the fact that the powers of attorney issued to Attorney Khayretdinov on behalf of Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company on 17/10/2007 were issued by the actual directors of those companies and were used with the proper qualifications and in good faith by Attorney Khayretdinov to defend the legal interests of the companies, to repeal the court decisions issued illegally according to falsified documents, and the subsequent discovery of the embezzlement of budget funds in excess of Five Billion rubles (RUB 5,000,000,000), which had obviously been committed by the same group of persons that had used illegal reregistration of the Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company and filed claims against those companies as a tool for embezzling money from the state treasury.

I would like to make the following declaration with respect to the general directors of Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company.

Article 8 of the RF Civil Code and Article 21 of Federal Law No. 14-FZ dated 8 February 1998 "On Limited Liability Companies" stipulates that the rights to shares in the charter capital of a Limited Liability Company exists pursuant to an agreement, not pursuant to the entries in the Uniform state register of legal entities. Pursuant to Article 1 of Federal Law No. 129-FZ dated 8 August 2001 "On State Registration of Legal Entities and Individual entrepreneurs" entries in the Uniform state register of legal entities are acts of recording information on legal entities in the registry but do not by and of themselves give rise to any rights to shares in their charter capital. Thus, illegally recording information on the partners of Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company as done per applications of Markelov, Khlebnikov, and Kurochkin in September 2007 in my opinion does not signify that the rights to shares in the aforementioned companies were transferred to Pluton Limited Liability Company, but rather it only means that the actions of Markelov, Khlebnikov, and Kurochkin resulted in the information on the rights to shares in those companies found in the Uniform state register of legal entities being inaccurate. The current partners in Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company, in my opinion, are still Glendora Holdings Ltd. and Kone Holdings Ltd.

This is confirmed by the testimony given by the directors of Glendora Holdings Ltd. and Kone Holdings Ltd,

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Yianna Alexandrou and Chrystalla Argyridou on 05/06/08 to the Police Department of the Republic of Cyprus. In their testimony, the directors indicate (Points 8.3 and 8.4 in the testimony of Yianna Alexandrou and Points 8.1 and 8.2 of the testimony of Chrystalla Argyridou; copies of their respective testimonies (6 and 5 pages respectively) are attached in English) that they never issued powers of attorney to Gasanov, who, as far as I'm aware, illegally signed agreements with the Pluton Limited Liability Company for the sale of the Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company on behalf of Glendora Holdings Ltd. and Kone Holdings Ltd. Similar petitions were made by Yianna Alexandrou and Chrystalla Argyridou on 21/04/2008 (copies of the petitions (6 and 6 pages respectively) are attached with a translation). Consequently, since I do not consider Gasanov to have had the authority to act on behalf of Glendora Holdings Ltd. and Kone Holdings Ltd. and since those companies obtained no rights or obligations under the agreements that had been concluded by him on behalf of those companies with Pluton Limited Liability Company by virtue of Article 183, Clause 1 of the RF Civil Code, but rather those rights and obligations fell upon Gasanov—in other words, Glendora Holdings Ltd. and Kone Holdings Ltd. both have been and are to this day the true owners of the shares in the charter capital of the Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company.

Pursuant to Article 40, Clause 1 of Federal Law No. 14-FZ dated 08 February 1998 “On Limited Liability Companies,” “the chief executive officer of a company (general director, President, etc.) shall be elected by the General meeting of the company members.” Since the lawful members of Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company are Glendora Holdings Ltd. and Kone Holdings Ltd., those companies alone could appoint new general directors to Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company. It follows from the testimony of the Directors of Glendora Holdings Ltd. and Kone Holdings Ltd. that they had never appointed Markelov, Khlebnikov, and Kurochkin to be the general directors of Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company and that the directors confirmed that the general directors of those companies continued to be Martin Wilson and Paul Rench (Point 5 of the testimony of Yianna Alexandrou and Point 5 of the testimony of Chrystalla Argyridou, English-language documents). Based on the foregoing, I consider Martin Wilson to have been the real general director of the Parfenion Limited Liability Company and Rilend Limited Liability Company on 17 October 2007 and to the present, and Paul Rench to have been the real general director of LLC Makhaon on 17 October 2007 and to the present.

With respect to the use of the backup copies of the company stamps when drafting powers of attorney, I would like to draw attention to the following fact: despite the fact that the initially manufactured stamps for Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company were seized by the employees of the Chief Investigations Authority under the Moscow City Internal Affairs Directorate on 04/06/2007, the seizure of the stamps does not stop the activity of the legal entity nor deprives the legal entity of the rights and obligations provided for by the Russian legislation. These rights include manufacturing stamps following the decision of the executive body of the legal entity and the obligations include submitting accounting and tax

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statements to the tax authorities; furthermore, pursuant to the current rules, these statements are to be signed by the executive officer of the company and sealed with his/her stamp. Therefore, having new stamps manufactured to replace the confiscated ones was not only a right but an obligation of the legal entity, since not having new stamps manufactured would unavoidably lead to a violation of the Russian legislation. The new stamps that were to replace those seized by the employees of the Chief Investigations Authority under the Moscow City Internal Affairs Directorate on 04/06/2007 were manufactured at the end of June or beginning of July 2007. From that time forward, only the new stamps were the valid stamps of those companies. Those stamps were first used in July 2007 when they were applied to accounting, tax, and statistical statements signed by the general directors of Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company Paul Rench and Martin Wilson (copies of the reports submitted to the tax authorities (23 pages, 28 pages, and 20 pages respectively) are attached). This fact can be verified easily by contacting the tax authorities, the statistics authorities, and the Social Security authorities where Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company were registered in July 2007.

These facts are confirmed by the written petition made by Martin Wilson on 06/10/2008 (a copy of the affidavit in English, one page, is attached). In that petition, Martin Wilson confirms that he has been the general director of Rilend Limited Liability Company from 01/12/2005 to the present and he has been the general director of Parfenion Limited Liability Company from 26/07/2006 to the present, and he confirms that on 15/06/2007 he gave an order to have backup copies of the stamps seized on 04/06/2007 by the offices of the Moscow City Internal Affairs Directorate manufactured and that the official dates that the new stamps were placed into service were 03/07/2007 and 27/06/2007 respectively. The petition of Martin Wilson also confirms that the stamps were first used when applied to the reporting of the said companies submitted to Moscow City Federal Tax Service Inspectorates Nos. 10 and 15, the Moscow Division of the State Statistics Commission, and Social Security Offices Nos. 13 and 19 in July 2007. Furthermore, Martin Wilson confirms the fact that I indicated previously in connection with him signing the power of Attorney for Attorney E.M. Khayretdinov dated 17/10/2007 and sending it from the island of Guernsey via DHL to the address of Firestone Duncan, attention of E.M. Khayretdinov. I am awaiting receipt of the original of this petition by Martin Wilson as well as that of the similar petition by Paul Rench on the stamp and the power of attorney issued on behalf of Makhaon Limited Liability Company within the coming week. If it proves necessary, I'm willing to send notarized copies of those petitions as soon as they are translated into Russian.

Question from the Investigator: please explain where the "backup copies" of the stamps for Makhaon Limited Liability Company, Parfenion, and Rilend were manufactured, whether there are documents confirming their manufacture, where the "backup copies" of the stamps of the two organizations are at present, whether they are used for the reporting of Makhaon Limited Liability Company, Parfenion, and Rilend, who gave the instructions to manufacture the backup copies, and whether there is documentation of this.

Response: I do not know exactly where the backup copies of the stamps for those companies were manufactured, and I have no documents confirming their manufacture. I do not know where the backup copies of those stamps are

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now, I do not know if they are being used at this time. I assume that they were used in July 2008 when applied to the accounting and tax statements for Makhaon, Parfenion, and Rilend. The instructions to manufacture the backup copies of the stamps were given by the directors of the companies, P. Rench and M.D. Wilson, which is confirmed by the petition of M.D. Wilson dated 06/10/2008, a copy of which is attached to this declaration in English. I do not remember exactly whether written instructions were given to manufacture the backup copies after the stamps had been seized during the search on 04/06/2007, but [sic]

I think they were; however, I cannot provide written confirmation of this. I can confirm that in June and July 2007, P. Rench and M.D. Wilson issued orders to begin using the backup copies of the stamps for Makhaon Limited Liability Company, Parfenion, and Rilend, and I will provide copies of those orders in the course of the week.

In connection with the foregoing, I consider the very calling into question the validity of the powers of attorney issued to Attorney E.M. Khayretdinov for Parfenion Limited Liability Company, Makhaon Limited Liability Company, and Rilend Limited Liability Company on 17/10/2007 to be a provocation aimed at discrediting the lawful counsel of Attorney Khayretdinov as well as having the objective of providing an opportunity for the persons whose actions were uncovered as a result of the work of Attorney Khayretdinov based on those powers of attorney to escape liability.

*Transcribed accurately according to my words, read by me.
I have nothing to add to the declaration. I am attaching copies
of the documents indicated [above]*

Sergey Leonidovich Magnitsky

[Attorney] Morozov was present during the declaration.

Declaration obtained
by major cases investigator

[signed] S.Y. Gordievskiy

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CERTIFICATE

I, Svetlana Vladimirovna Skachkova, a certified translator, diploma PPK 021751, registration number 00070, certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Russian into English of the original Russian document Declaration...

17 April 2013

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