

Eighth Respondent
AK Altman
First Affidavit
Exhibit "AKA-1"
28 July 2013

IN THE HIGH COURT OF JUSTICE
QUEEN'S BENCH DIVISION
COMMERCIAL COURT

Claim No. 2013 – 659 / 699 / 757

- (1) KONSTANTIN KAGALOVSKY
- (2) WILCOX VENTURES LTD

Claimants

and

- (1) BALMORE INVEST LIMITED
- (2) INVEST INFO ONE LIMITED
- (3) INVEST RATING TWO LIMITED
- (4) INVEST MEDIA THREE LIMITED
- (5) INVEST CREATIVE FOUR LIMITED
- (6) INVEST ACTIVE FIVE LIMITED
- (7) CREDIT INVESTBANQUE PLC
- (8) ALEXANDER ALTMAN

Respondents

FIRST AFFIDAVIT OF
ALEXANDER KIMOVICH ALTMAN

I, ALEXANDER KIMOVICH ALTMAN, of 9 Kingdom Ridge Road, Bedford, New York 10506, United States of America, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Eight Respondent in these proceedings and an American citizen. I am an entrepreneur with interests in the energy and consumables sectors, and I have lived in America for more than 20 years.

2. Save as otherwise indicated the facts and matters set out in this affidavit are derived from my own knowledge. Matters derived from my own knowledge are true to the best of my information and belief. Where I rely on matters which are not within my own knowledge I have indicated the source of my knowledge.
3. Where I have referred to communications with my solicitors Kerman & Co LLP (“Kermans”) nothing I say should be treated as a waiver of privilege.
4. I exhibit hereto paginated documents marked Exhibit “AKA-1” to which I shall refer. All page references in this affidavit are to page numbers in this Exhibit, unless stated to the contrary.
5. At paragraph 28 of the affidavit dated 8 July 2013, which I authorised my solicitor Mr Anthony D. Kerman of Kermans to swear, he confirmed on my behalf that I was not at that time minded to make an affidavit in reply. I did not see why I should dignify the wild accusations that were being made against me by responding to them at all, and I was also concerned about the additional cost of preparing a detailed affidavit to address the factual evidence which has been put forward by the Claimants. In spite of its sheer volume, this evidence has always seemed extremely weak to me, particularly as I understand that the Claimants have to prove their case beyond reasonable doubt.
6. The sequence of events that has unfolded over the last three months has been literally incredible, and I could not understand how anyone could take the Claimants’ allegations against me seriously, least of all the High Court of England. I would however like to make it clear that I have never intended any discourtesy to this Court. My view has always been, and remains, that the Court orders made against the First to Seventh Respondents simply have nothing to do with me.
7. My unequivocal position, which I understand Kermans have repeatedly made clear on my behalf, is that the documents filed electronically at Companies House between 14 and 28 May 2013, which appear to record my consent to becoming a director of the First Respondent (“Baltimore”) and the Second to Sixth Respondents (the “**five Invest companies**”), as well as the named shareholder of the five Invest companies,

were filed entirely without my knowledge or consent, and therefore fraudulently. I do not accept that I am the controlling mind or the director (statutory, de facto or otherwise) of Balmore or any of the five Invest companies, or that I am the legal owner of any of the shares in the five Invest companies. I have no knowledge of how these companies were incorporated, who incorporated them, how they are run or what they have done since they were incorporated. Furthermore, I have no knowledge of or control over the Seventh Respondent, and all that I know about this company is what has been shown to me in the context of these proceedings.

8. However, in light of the new evidence that has been put forward by the Claimants, and in particular the assertion made by Ms Olena Turevych in a letter which I understand was first disclosed to Kermans on 18 July 2013 (please see paragraphs 24-29 below), I believe that I have now been left with no choice but to respond to this evidence, and to record my position formally for the Court. That is the purpose of this affidavit, and I set out below a summary of my involvement in the events which have led to these proceedings.
9. On 12 April 2013 I received a call from Mr Oleg Radchenko, a director of the Ukrainian television channel TVi. Most if not all of our calls were done using Viber, a free internet telephone service that operates like Skype and can be used from mobile phones to make free calls, even internationally. I first met Mr Radchenko briefly in or around June 2012, at a social event, and I had no other dealings with him between then and April 2013.
10. Mr Radchenko told me that an opportunity had arisen for me to become an investor in TVi. He asked if I was interested and I said I would be. Mr Radchenko explained that Mr Kagalovsky was intending to give up most of his stake in the Ukrainian company Media Info LLC ("**Media Info**"), but that he did not want it to end up in Ukrainian ownership, because that could expose the owner to political pressure. Mr Radchenko explained to me that Media Info was just one of a number of companies controlled by Mr Kagalovsky which formed the TVi group. It had no net assets and simply owned another Ukrainian company called TRS, which held the broadcasting licence under which TVi operated. I understood that this in itself was not a significant

asset because obtaining a broadcasting licence in the Ukraine is relatively cheap and straightforward.

11. Mr Radchenko said that I would become the beneficial owner of 95% of Media Info, with 94% being transferred by Mr Kagalovsky's company Wilcox Ventures Limited ("Wilcox"), and 1% by Mr Radchenko himself, and that Wilcox would retain 5%. There was no suggestion that Mr Kagalovsky was intending to dispose of any other companies in the TVi group. Mr Radchenko told me that he could make available to me an entity called Balmore to hold the 95% of Media Info for me beneficially. I knew nothing about Balmore or who owned it, and I assumed he was talking about an offshore company.
12. I believed Mr Radchenko when he said that the proposal to acquire 95% of Media Info was being made on Mr Kagalovsky's direct and explicit instructions. I believed this for a number of reasons, including the following:
 - 12.1. Mr Radchenko was at the time a director of TVi, with responsibility for the channel's legal affairs;
 - 12.2. the proposal was that a company wholly owned by Mr Kagalovsky (Wilcox), would remain the 5% shareholder of Media Info, which would make me and Mr Kagalovsky partners;
 - 12.3. Mr Kagalovsky's media holding company Tomkins still owes my Czech company UNIX s.r.o. just over €305,000 against a loan made to Tomkins at his request on 18 June 2012, and I thought Mr Kagalovsky might finally be trying to make amends for this (please see attached at **page 1** a copy of the bank record of the payment to Tomkins);
 - 12.4. Mr Radchenko was not just the only other shareholder of Media Info but also a director of that company, and my understanding was and remains that he was installed in that position by Mr Kagalovsky;

- 12.5. Mr Radchenko was a director of the Ukrainian entity Interprofit LLC, which is effectively the production centre supplying content and staff to TVi, and is owned by Mr Kagalovsky; and
- 12.6. Mr Radchenko told me that if I agreed to the proposal a power of attorney from Wilcox would be sent to me so that I could complete the transaction and arrange for the relevant documents to be executed, and shortly afterwards I did then receive a power of attorney from Wilcox, by DHL, which appeared to have been signed by Doxia Nikia.
13. I saw the original Wilcox power of attorney only once, when I received it on or around 15 April 2013. I would like to make it absolutely clear to the Court that I had no involvement in or knowledge of the preparation of this power of attorney, and I had no reason to doubt that it was legitimate. As I have said, the document appeared to have been signed by Ms Nikia, and I was familiar with her role as one of Mr Kagalovsky's trusted advisers from my previous dealings with him (please see at **pages 2-10** a sample of some of the email exchanges I had with him and his advisers in 2010 and 2011 which refer specifically to "Doxia").
14. On 16 or 17 April 2013 I met with Mr Radchenko at the Tarantino Bar in Kiev, and I handed the Wilcox power of attorney to him. He then produced a number of documents which he said he needed me to sign on behalf of Wilcox in order to register the transfer of the Media Info shares, and which he said the power of attorney authorised me to sign.
15. When I first became aware of Mr Kagalovsky's claims that he had been defrauded of his shares in Media Info and that the Wilcox power of attorney was a forgery I immediately contacted Mr Radchenko who said that he was as shocked as I was by Mr Kagalovsky's apparent U-turn, and that he would deal with Mr Kagalovsky direct to resolve it. Mr Radchenko said that in the meantime we must hold a press conference in Kiev to reassure both TVi's valued journalists and the general public that the channel would keep its independence. On 25 April he told me to come to the channel's headquarters and we met there for about half an hour before the press conference began. Mr Radchenko showed me a number of documents which he said

proved that 95% of Media Info had now been legally transferred to Balmore, which I was surprised to see was an English company. He said that arrangements would be put in place for me to become the beneficial owner of Balmore, but as this was all just a formality I could effectively consider myself its owner already, and should make that clear at the press conference. I remember he also showed me a copy of the Media Info charter and said that this gave him full legal authority to register the transfer of shares, and also to dismiss Natalya Katerinchuk as managing director of TVi and replace her with Artem Shevchenko, which Mr Kagalovsky was claiming had been done unlawfully as well.

16. Looking at the transcript of the press conference I am reminded that I was first asked about "Balmore Ventures Limited" (rather than "Balmore Invest Limited") and I confirmed that this was the name of my company. I only corrected my mistake after being prompted to check the name in Mr Radchenko's documents. I was also asked by one of the journalists about the five Invest companies, and I truthfully answered that I knew nothing about them.
17. At that time I was completely unaware of the incorporation on 23 April 2013 of the five Invest companies to hold shares in Balmore, and I did not and still do not understand how the shares in these companies could then have been transferred into my name without my knowledge or consent. Initially, however, the fact that this appeared to have happened did not particularly concern me, because the practical effect was the same as what I had agreed with Mr Radchenko, namely that I was the ultimate beneficial owner of Balmore and therefore of 95% of the shares in Media Info.
18. Mr Radchenko called me on 29 April 2013 and asked me to provide a scanned copy of my passport, which he said was needed to deal with the registration formalities in relation to Balmore. He asked me to scan the main page from my passport but as I was travelling at the time I took a photograph of it using my mobile phone, which I then forwarded from the phone itself. I have still got that image in my phone's memory and I have now printed a copy which is exhibited at **page 11**.

19. I first became aware of the High Court proceedings when I received a letter dated 17 May 2013 from the Claimants' solicitors, Bryan Cave, which attached the two Orders of Mr Justice Blair of the same date. I could see that the Orders were against Balmore and the five Invest companies rather than me personally but because I had agreed to become the beneficial owner of Balmore I wanted to check my legal position. I made enquiries of an acquaintance in England who recommended I speak to Kermans. I called them on 17 or 18 May, and it became clear to me from that conversation that the companies would be well advised to instruct English solicitors as a matter of urgency, and I confirmed this in a call to Mr Radchenko on the same day, when I also gave him Kermans' contact details. Mr Radchenko told me that as proceedings had been started in the Ukraine everything would be sorted out there, and that the English solicitors who had arranged for the companies to be incorporated would be dealing with the proceedings in the High Court.
20. I wrote back to Bryan Cave on 19 May 2013, making clear that I did not consider myself to be a party to the proceedings but asking that they send all the relevant documents to my email address and to my address in the Ukraine. On 21 May 2013 Bryan Cave replied saying that as I was the shareholder of Balmore and the other companies I should make my own arrangements for them to be forwarded to my address in the Ukraine. When I responded to Bryan Cave by email on 22 May 2013 I pointed out that my understanding of the Court order was that I could only provide the information requested if authorised to do so by a "responsible officer" of the five Invest companies. I assumed that the order would allow the responsible officers to authorise me, as the ultimate beneficial owner of the companies, to assist the Court, but I simply did not know who the responsible officers were.
21. Shortly after this I was contacted by Kermans who told me that although they had not been instructed to act for Balmore or the five Invest companies, nor received any communication from anyone at all on behalf of these companies, Kermans had started receiving at their offices boxes of papers which appeared to have been forwarded by the companies. I understood that Kermans were unwilling to open the boxes as they had not been instructed by any of the companies, but they were worried that they might contain urgent documents which the companies would need

to see. I tried repeatedly to get hold of Mr Radchenko to discuss this but he seemed to be avoiding my calls.

22. It was only when I was informed by Bryan Cave on 5 June 2013 that I had been appointed director of Balmore and the five Invest companies, entirely without my knowledge, that I realised something very sinister was going on, and when Bryan Cave served papers on me about a week later I grew increasingly concerned and tried to contact Mr Radchenko again. When he finally got back to me he assured me that he would provide me with full details of the instructions he had received from Mr Kagalovsky. However, when this information still had not been provided by 20 June 2013 I decided to instruct Kermans to act for me personally.
23. My next contact with Mr Radchenko was around the beginning of July 2013, when he called me and said that he would provide a full written statement for the High Court. However, on 16 July 2013 he told me that he would not be providing a statement after all as he had been advised not to give evidence in these proceedings. I do not know whether Mr Radchenko ever actually intended to help me, or whether pressure has been put on him to prevent him from doing so.
24. As I have made clear, I have no knowledge of how Balmore, the five Invest companies or the Seventh Respondent were incorporated, or on whose instructions. However, Kermans have recently provided me with a copy of an undated letter which I understand was first disclosed to them by Bryan Cave on 18 July 2013. The letter appears to have been written by someone called Olena Turevych, who describes herself as a designated member of an entity called T&T Incorporators LLP. Ms Turevych alleges that she incorporated Balmore and the five Invest companies on my behalf. This is completely untrue. I have never heard of or had any dealings with Ms Turevych or T&T Incorporators LLP, nor have I instructed anyone to have dealings with either of them on my behalf. I do not understand why Ms Turevych should lie about this, and I can only think that either someone has persuaded her to make this false statement or she has somehow been deceived into believing that she was instructed by me in a further crude attempt to implicate me in the actions of Balmore and the five Invest companies.

25. I would like to make it absolutely clear that I have never provided electronic signature details to anyone to file documents at Companies House on my behalf. Whether it was Ms Turevych or somebody else, it is clear that whoever filed the electronic forms appointing me as director of Balmore and the five Invest companies simply used information about me that was already recorded at Companies House. I say this because the first line of my address in America is incorrectly recorded on each of these electronic forms as "11 Kingdom Ridge Road". This is the address that I gave on paper forms which were filed at Companies House on my behalf (and with my knowledge and consent) in respect of a company called B.2.B. INFORMATION TECHNOLOGY SERVICES LIMITED, the subsidiary of a New York company which I was involved with several years ago. I attach at **pages 12-15** copies of the documents I signed in 2002 and 2004 to record my consent to becoming company secretary and subsequently a director of this company, and I confirm that this is the only English company of which I have ever agreed to act as an officer. The fact is that although I have lived at the same physical address in America since 1999, in around 2011 the local authorities changed the number of my house from 11 to 9 because the house numbers in our road had up till then been out of sequence.
26. I did not understand the significance of this discrepancy before, but my solicitors have drawn my attention to the fact that when Bryan Cave first wrote to me they also gave the first line of my address as "11 Kingdom Ridge Road". As well as being the only address recorded for me at Companies House, I would point out that this is also the only address that Mr Kagalovsky and his advisers would have for me, because most of my dealings with them preceded the address change and I do not recall that I ever needed to inform them of the change. When I wrote to Bryan Cave on 19 May 2013 and told them that the US address they had for me was wrong, I was not misleading them, as I understand they have tried to suggest. There was no reason to give them my correct address in America as I was asking them to send all the relevant documents to me at my Ukrainian address, which is where I was going to be at that time. I attach at **pages 16-17** a copy of a cheque recently sent to me by my insurance provider, MetLife, as well as a notice from the IRS, both of which are addressed to me at 9 Kingdom Ridge Road.

27. I also do not know how Ms Turevych got hold of the copy of my passport which she has attached to her letter, but I certainly did not provide it to her or instruct anyone else to do so. While I cannot claim to be an expert in such things the image attached to her letter does look very similar to the photograph I took on my phone on 29 April 2013 at the request of Mr Radchenko (see paragraph 18 above), and my solicitors have prepared a side-by-side comparison at **page 18**.
28. Ms Turevych also refers to a Serhiy Kaper for whom she says she incorporated the Seventh Respondent, Credit InvestBanque Plc. I do not know whether or not this is true, but I confirm that I have never met or had any dealings with this individual, and I had not heard his name before I was shown Ms Turevych's letter.
29. Ms Turevych does not say anything in her letter about the four individuals who were recorded as the first shareholders and directors of Balmore and the five Invest companies (Rachel Erickson, Ian Taylor, King Howard Cordero Enriquez and Angelique Elizabeth Lilley). I confirm that I have absolutely no idea who any of these people are. Nor do I know anything at all about the people recorded as directors of Credit InvestBanque Plc (Gunther Jens and Kuster Carsten) or its shareholders (Boyle & Domes Invest Ltd and Great Fin-Hold Ltd).
30. While I am not able to provide the information sought in the various Court orders dated 8, 17, 31 May and 7 June 2013, and entirely without prejudice to my position that I am not and never have been a responsible officer of any of the companies, I confirm that my personal understanding of the shareholding structures is as follows:
- 30.1. I have been recorded as the shareholder of record of all the shares in the five Invest companies, each of which holds 20% of the shares in Balmore, which in turn owns 95% of the shares in Media Info. As I have mentioned above, I did not agree to be the registered shareholder of the five Invest companies, and I do not know how these transfers came to be recorded.
- 30.2. Media Info itself did hold the shares in the Ukrainian company TRS, but according to the Claimants those shares have been transferred to Credit InvestBanque Plc. I have no knowledge of when or how this transfer took

place, and I have not seen any evidence to show what documentation was filed at the Ukrainian Registry of Companies in connection with this. If someone has transferred any shares in TRS, and whether this was done lawfully or otherwise, it was certainly not done on my instructions.

30.3. I have no knowledge of the shareholding structure of Credit InvestBanque Plc, other than what I have seen in the records held at Companies House.

31. I reiterate my position that I:

31.1. have never given my consent to become the shareholder of record of any of the Respondent companies;

31.2. have never given my consent to be appointed a director of any of these companies;

31.3. have never had any dealings of any description with any company formation agents, lawyers or any professionals or other persons concerned with these companies other than Mr Radchenko, who told me that Balmore would be provided to me as a vehicle for holding 95% of Media Info on my behalf; and

31.4. had no involvement in or knowledge of the preparation of the power of attorney granted to me by Wilcox, and believed that it was legitimate as it appeared to have been signed by Doxia Nikia, whom I know from first hand experience to be an authorised representative of Mr Kagalovsky.

32. The Claimants say that they have been the victims of a fraud. I do not know whether or not that is the case, and my understanding is that this is ultimately a matter for the Ukrainian courts. What I do know, however, is that I have myself been deceived. Mr Kagalovsky is claiming that he did not agree to any transfer of any of his interests in TVi, which means that he denies giving his blessing to the proposal made to me by Mr Radchenko on his behalf. Therefore either Mr Radchenko was lying when he said that the proposal came from Mr Kagalovsky, or Mr Kagalovsky is lying now. Either way, through no fault of my own I find myself in the middle of a challenge against Mr Radchenko and others in the Ukrainian courts to the 95% ownership of Media

Info by Balmore. I am not a party to those proceedings, but I confirm that I would be prepared to give evidence to the Ukrainian courts if it would assist in getting to the bottom of this dispute.

33. Incidentally, my solicitors have shown me a copy of the criminal complaint Ms Nikia says she issued against me in the Ukraine on 29 April 2013 through Mr Kagalovsky's lawyer, Inna Moskalenko. I confirm that I have not been made aware of any such complaint, nor have I received any request for information or assistance from the police in relation to this complaint or this matter generally.
34. The Claimants say that because somebody without my knowledge or consent filed documents at Companies House which name me as the shareholder of record of the five Invest companies, and as a director of Balmore and the five Invest companies, I must be the controlling mind of all of these companies, and indeed Credit InvestBanque Plc. I know nothing at all about Credit InvestBanque Plc and I have never considered myself to be the controlling mind of Balmore or the five Invest companies. The fact is that I have never even had the first idea about how to go about contacting anyone connected with any of these companies, other than Mr Radchenko.
35. I would finally like to make it clear to the Court that I would be more than happy to be put back into the position I was in before I was approached by Mr Radchenko in April of this year. Mr Kagalovsky is saying that he had no knowledge of the proposal that Mr Radchenko made to me on his behalf, and if this is true, and if I had known it at the time, I certainly would not have agreed to it. Regardless of the difficulties I have had with Mr Kagalovsky in the past I would never have agreed to participate in any scheme to deprive him unlawfully of his shares in Media Info or anything else. These committal proceedings have cost me a very substantial amount of money, and I do not believe Mr Kagalovsky had any justification whatsoever for issuing them against me. While my reputation has certainly been damaged by his allegations, which I am expecting him to withdraw, other than the cost of these proceedings I have not suffered any financial loss as a result of the failure of this venture. Given the events that unfolded almost as soon as I had agreed to become an investor in TVi I

obviously did not invest any capital in the channel. I therefore confirm that I would gladly submit to any order of this Court which nullifies my purported appointment as a director of Balmore Invest Limited and the five Invest companies, and to the extent that it is possible and/or necessary unwinds the purported transfer into my ownership of shares in each of the five Invest companies.

SWORN BY:
Alexander Kimovich Altman

On: _____ July 2013

Before Me:
.....

Eighth Respondent

AK Altman

First Affidavit

Exhibit "AKA-1"

28 July 2013

IN THE HIGH COURT OF JUSTICE

QUEEN'S BENCH DIVISION

COMMERCIAL COURT

Claim No. 2013 – 659 / 699 / 757

- (1) KONSTANTIN KAGALOVSKY
- (2) WILCOX VENTURES LTD

Claimants

and

- (1) BALMORE INVEST LIMITED
- (2) INVEST INFO ONE LIMITED
- (3) INVEST RATING TWO LIMITED
- (4) INVEST MEDIA THREE LIMITED
- (5) INVEST CREATIVE FOUR LIMITED
- (6) INVEST ACTIVE FIVE LIMITED
- (7) CREDIT INVESTBANQUE PLC
- (8) ALEXANDER ALTMAN

Respondents

FIRST AFFIDAVIT OF
ALEXANDER KIMOVICH ALTMAN

Kerman & Co LLP
200 Strand
London
WC2R 1DJ
Tel. 020 7539 7272
Fax 020 7240 5780