

08.11.2011 № 111108-A01

About the consequences for Russia from the actions of the Russian ruling elite and their partners in the monopoly businesses.

**In addition to a Letter by YACONTO LLC
out. № 110915-A02 from 15.09.2011 based on
Presidential Decree № 352 from 28.03.2011**

**To the President
of Russian Federation**

D.A. MEDVEDEV

personally

Dear Dmitry Anatolyevich !

Following your 4 Orders: from 29.06.2010 № Pr-1883, from 21.08.2010 № Pr-2448, from 19.05.2011 № Pr-1413 and from 08.07.2011 № Pr-1948, an investigation of bankruptcy and liquidation of Atom mash OJSC (Volgodonsk, Rostov region), in which the State owned 30% shares, is being carried out.

In responses from the Presidential Control Directorate to YACONTO LLC from 08.02.2011 № A8-771-5 and from 19.04.2011 № A8-2669-5 it is reported that the investigation is led by the General Prosecutor's Office of Russia. In responses from the Presidential Control Directorate to YACONTO LLC from 12.07.2011 № A8-5038-5 it is reported that in accordance with the order of the President of Russian Federation from 08.07.2011 № Pr-1948 it is "prescribed" to the Russian Ministry of Internal Affairs to conduct an additional inquiry of the Atom mash OJSC's bankruptcy materials, presented by the General Prosecutor's Office of Russia.

Concern YACONTO CJSC (Moscow, Russia) owned 28.5% shares of Atom mash OJSC, so the deliberate bankruptcy of the flagship company of Russia's nuclear machinery resulted in a property loss for both the State and for Concern YACONTO CJSC.

Being the founder and the owner of YACONTO LLC (Russia, Moscow), which is the full and sole successor of Firm YACONTO LLP, Trade House YACONTO SE and Concern YACONTO CJSC, I am fully aware of what was really happening in Atom mash OJSC.

YACONTO LLC has submitted to the General Prosecutor of Russia Y.Y. Chaika a Complaint (out. № 110201-A01 from 01.02.2011), Addendum № 1 (out. № 110303-A01 from 03.03.2011) and Addendum № 2 (out. № 110321-A01 from 21.03.2011) to the said Complaint; a Statement (out. № 110418-A01 from 18.04.2011), Addendum № 1 (out. № 110607-A01 from 07.06.2011), Addendum № 2 (out. № 110808-A01 from 08.08.2011) and Addendum № 3 (out. № 110915-A01 from 15.09.2011) to the said Statement. In these appeals and the documents

attached thereto, irrefutable facts and evidence of anti-state activities of bankrupting and bringing apart the Russian nuclear industry giant Atommmash OJSC, performed by specific officials at regional and federal levels, are presented.

In the interim responses from the General Prosecutor's Office of Russia to YACONTO LLC from 18.10.2011 and 20.10.2011 (single outgoing № 69/1-349-2011), it is reported that in addition to the previously submitted referrals for verification of deliberate bankruptcy of Atommmash OJSC, the Prosecutor of Rostov region is requested to organize a thorough investigation of the materials, including pre-investigation checks by the regional office of the Russian Ministry of Internal Affairs.

Everything related to the verification of bankruptcy of Atommmash OJSC is clearly opposed by those who participated in this anti-state crime. A number of them even today retain high positions in the government or have moved to top management positions in high-yield businesses. Therefore there is a reasonable doubt in the capabilities of the state leadership to oppose illegal actions of officials from law enforcement and other structures, obstructing the investigation of the bankruptcy of Atommmash OJSC. If that's not the case, we struggle to explain the fact that state criminals are behaving so confidently, boldly and freely in Russia.

It is truly contemptible to see a seat in the Federation Council of Russian Federation from Murmansk region to be offered to a major offender like V.F. Chub – a former governor of the Rostov region, who directly influenced the bankruptcy of Atommmash OJSC. Chub has clearly deserved severe punishment, but instead was awarded with a high position mentioned above with a help from his "patrons" in the Russian President's Administration and the Staff of Russian Government; it's impossible to believe there was no worthier candidate.

Anti-state activities performed by Chub were explicitly described and confirmed by facts in the earlier communications from YACONTO LLC to federal executive and legislative branches, as well as to the intelligence, law enforcement and supervisory authorities of Russia.

To solve the problem of returning the property, expropriated illegally from the State and other shareholders during the deliberate bankruptcy of Atommmash OJSC that took place in 1995-1999, YACONTO LLC developed the Project-A, implementation of which will provide a successful solution of problems and challenges faced by Russia in the interests of the state, society and business. Implementation of Project-A will restore the status quo of Atommmash OJSC and bring back 30% of its shares to the State, as well as ensure payment of all its debts to third parties and compensate the inflicted damage in account of the guilty. The State will accumulate the controlling stake in Atommmash OJSC through exchanging the 28.5% share owned by YACONTO LLC for property agreed with the investors and partners. The State accumulated interest in Atommmash JSC and other assets may be transferred to an appropriate trust authorized by the state to

carry out the development of nuclear engineering and implementation of socio-economical development in Russia and abroad.

If the higher leadership of the State provides support to the implementation of Project-A or the alternative option, the foreign strategic partners of YACONTO LLC will attract investments of hundreds of billions of U.S. dollars in Russia for implementation of the large-scale, multi-industry YACONTO International Program that has no analogy in the world and consists of promising and highly effective projects and programs. Currently YACONTO LLC considers providing detailed data about the Program premature due to the possible information leakage.

As a possible alternative to the Project-A, developed in the interest of the State, YACONTO LLC offers another option in which YACONTO LLC buys at bargain price 30% of the Atommas OJSC stock that the State previously owned. This requires nothing but a political will and decision of the supreme leadership of the State.

Haughty and cynical reaction of Russia's "ruling elite and their monopoly business partners" to the reasonable and rational proposal of the President of Ukraine V.F. Yanukovych to abandon the "South Stream" gas pipeline project of transporting Russian natural gas to Europe through the Black Sea bypassing Ukraine merely confirms the folly of those who only pursue personal benefits. They do not realize what would happen if Ukraine, like Russia, will root on a principal position and, with the help from the international society, will dissolve the strategically important – predominantly for Russia – Agreement to prolong the Black Sea Fleet's lease in Sevastopol by 25 years, till 2042, which was signed in Kharkov on 21.04.2010. But nature abhors a vacuum. Hence, in the critically important region for Russia things will be evolving according to a scenario which is different from what would have been desirable for the Kremlin. Modern Navy ships of NATO countries will be ensuring safety and maintaining peaceful coexistence of all Azov-Black Sea basin states, having replaced the old Russian Black Sea Fleet ships. More detailed information on the "South Stream", the "imperial" Russian project for transporting transit gas to Europe bypassing Ukraine can be found on Page 11 of Addendum № 3 (out. № 110915-A01 from 15.09.2011) to the Statement of YACONTO LLC to the General Prosecutor of Russia Y.Y. Chaika (out. № 110418-A01 from 18.04.2011).

The subsequent fate of Russian Black Sea Fleet can be extremely unenviable. Apart from Tsemesskaya bay, suffering from specific winds called "bora" (directions of which cannot be changed and negative impact of which cannot be avoided or mitigated) the Black Sea Fleet has nowhere else to relocate.

Specific officials, who actively opposed YACONTO LLC in the creation of the modern Tuapse Naval Base (TVMB) and were engaged in anti-state activities, have not yet been prosecuted for their crimes. Key people involved are mentioned in the letter from YACONTO LLC to the Russian President V.V. Putin

(out. № 80116-1 from 16.01.2008) which was hidden from him. And one cannot seriously count on the possibility to deploy ships and vessels of the Russian Navy in the Mediterranean in Syria or Libya anymore. Therefore, the deliberate disruption of the non-state investment YACONTO Integrated Program of construction of the modern YACONTO Black Sea Trade Port which was planned to handle over 100 million tons of cargo annually in the Tuapse district of the Krasnodar Territory and creation of the TVMB as the primary or back-up dislocation and repair point for the Black Sea Fleet, has caused serious problems. This indicates that the problem of the “South Stream” pipeline most definitely needs to be solved in favor of Ukraine’s economic interests.

The matter of the modern Nabucco gas pipeline in Turkey, which will make the transit of natural gas from Caucasus, Central Asia and Middle East to European states possible, is equally important. Instead of taking an active part in this promising – for Russia as well – project, the previously mentioned “ruling elite” tries to oppose the Nabucco project by all possible means, including methods unworthy of a great State and disinformation in the mass-media. More detailed information about the Nabucco pipeline for diversifying the natural gas delivery routes to Europe can be found on pages 10-12 of Addendum № 3 (out. № 110915-A01 from 15.09.2011) to the Statement of YACONTO LLC to the General Prosecutor of Russia Y.Y. Chaika (out. № 110418-A01 from 18.04.2011).

Disruption of the YACONTO Integrated Program has also impacted the YACONTO International Program with its unprecedented projects and programs, by holding it down. If the construction of YACONTO Black Sea Trade Port had been started, its infrastructure would have been created with the involvement of the biggest Turkish company – same company which was supposed to lead the construction of the artificial water canal parallel to the Bosphorus, Sea of Marmara and the Dardanelles Strait transport line. At the same time, financial coverage of the YACONTO Integrated Program and the new water canal in Turkey was not an issue at all, as both constructions were allied with mutual interest and economical effectiveness. This was described on Page 5 of the Addendum № 2 to the Statement of YACONTO LLC to the General Prosecutor of Russia Y.Y. Chaika (out. № 110808-A01 from 08.08.2011). The Government of Russia should be aware of the fact that Turkey is fully capable of creating the artificial canal for simultaneous traffic in opposite directions by itself, without any involvement from Russia; however, in this case the construction may be associated with a restriction of traffic for Russian Navy. Turkey has more than enough reasons for that, and the “ruling elite” and their monopoly business partners should be aware of that.

Opponents of normalization of relations between the U.S. and Iran through the Arab-Israeli conflict on the Palestinian issue take an advantage in maintaining a hotbed of tension in the Near and Middle East. The mechanism of the behind the scenes diplomacy is set to prevent rapprochement between Iran and Israel, and thus exclude the possibility of its economic cooperation with the U.S. In case of

settling the matter between Iran and Israel through relations with Palestine, the whole Middle East affair will develop in a different scenario. To make that happen, Iran must change the nature of its support to Palestine towards humanitarian and socio-economic help. That will become a basis for a détente, abolition of the economic blockade and political settlement between the U.S. and Iran which will undoubtedly lead to a large-scale cooperation of the parties on mutually beneficial terms. Furthermore, the construction of a modern water canal, connecting the Caspian Sea and the Persian Gulf will allow all the Caspian states and other countries to develop their socio-economical base with maximal efficiency, bring end to their dependency on Russia, and become notable participants of geo-economics and geopolitics. It's easy to fathom the consequences of a Navy strike group of NATO ships entering the Caspian Sea for supporting the peace and order in the interest of the Caspian states. But apparently the "ruling elite and its monopoly business partners" cannot imagine this – completely realistic – scenario to unfold in the nearest future. Information on this topic can be found on pages 10-12 of the Addendum № 3 (out. № 110915-A01 from 15.09.2011) to the Statement of YACONTO LLC to the General Prosecutor of Russia Y.Y. Chaika (out. № 110418-A01 from 18.04.2011).

Another fact worth mentioning is that the individuals who are clearly opposing the project of constructing a new water canal between the Caspian Sea and the Persian Gulf, are also not in the least interested in the construction of a new, modern canal between the Azov-Black Sea basin and the Caspian Sea, which would be much shorter than the existing Volga-Don Canal which requires major reconstruction. Most of the Caspian countries expressed avid interest in the new canal, which is not the case for the said "ruling elite and its monopoly business partners".

Speaking about the opinion of the ordinary citizens of Russia, it won't be a mistake to say they grew indifferent about who is in charge of their own country – their key concern is the possibility to live a decent life, so different from the way they are doomed to live today after 20 years of the so-called "political and democratic achievements". No propaganda about the 'bright future' or horror stories about the 'expansion from East and West plus Asia' can anymore influence the minds of those who came to realize the true goals of the pseudo-reformers that carried out privatization of the common property in their own interest under the banner of 'reforms'.

Russia must make Belorussia, Kazakhstan and Ukraine subjects to special, privileged conditions in economics and politics. All those sovereign states must co-exist in a single economic space.

Russia must integrate into the world's economy and become a member of the WTO. This is why the importance of implementation of the YACONTO International Program is hard to overestimate for Russia – especially considering the fact that world's leading companies will become its members, potential investors and strategic partners of YACONTO LLC.

In case if Project-A is supported and the status-quo of Atom mash OJSC is restored, YACONTO LLC and its partners and investors get a real possibility to attract enterprises from different industries of Russian economy to the YACONTO International Program. Implementation of the Program is aimed at accelerated development of the businesses from Asia, Africa, Europe, North and Latin Americas, Near and Middle East, as well as the republics of the former Soviet Union which are now independent states. Giving more information on the projects and participants of the YACONTO International Program is premature for a number of objective reasons.

The implementation of Project-A does not imply a relocation of the State assets, but rather their redistribution in favor of effective owners in the interest of stakeholders, and foremost of them, the State itself. Project-A also creates conditions for the people who are interested in solving the problems associated with the bankruptcy of Atom mash OJSC to settle the matter through arbitration instead of a criminal process, via an agreement of the parties and with an outcome that will satisfy all parties in the Atom mash OJSC bankruptcy case. Materials submitted by YACONTO LLC to the General Prosecutor's Office of Russia contain a description of the scheme of restoring the status quo of the Atom mash OJSC through the implementation of Project-A developed by YACONTO LLC, which will also attract hundreds of billions of U.S. dollars in investments in Russian economy.

Based on the Decree of the President of Russian Federation from 28.03.2011 № 352 **I hereby ask you** to take a decision to restore the status quo of Atom mash OJSC through the implementation of Project-A, that allows to protect the legal rights and interests of its shareholders, of which the State is the core one. **I also ask you** to bring up and review the topic of the prospects of nuclear power engineering development and restoring the status quo of Atom mash OJSC on the Security Council of the Russian Federation, in the interest of the State.

Attachment: documents on 10 (ten) pages.

(The Russian text of this letter is an original.)

Regards,

Sergei P. Yakunin
President of YACONTO LLC



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КОПИЯ РЕЕСТРА № 111108-A01

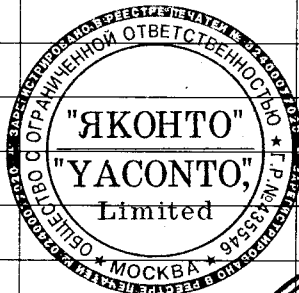
на местную корреспонденцию, направляемую через
Государственную фельдъегерскую службу Российской Федерации

08 ноября 2011 года

Отправитель:

ООО «ЯКОНТО» (РФ, г. Москва)
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№№ п/п	Кому адресован пакет	Номер и дата письма, указанные на пакете	Важность	Примечание
1.	Президенту	№ 111108-A01	Сл.	
	Российской Федерации	от 08.11.2011 г.		
	МЕДВЕДЕВУ Д.А. (лично)			
	Россия, г. Москва, Кремль			



Всего пакетов ОДИН Сдал: Якунин С.П.
(количество прописью)

Всего пакетов ОДИН Принял (а): Ерофеева
(количество прописью)

Оформленная расписка на ОДИН пакет
(количество прописью)

08 ноября 2011 года 11 час. 10 мин.

Подпись Ерофеева

