

21.03.2011 № 110321-A01

About an independent investigation of the bankruptcy of Atommash OJSC, a large-scale crime in Russia

To the Orders of the President of Russia from 29.06.2010 № Pr-1883 and from 21.08.2010 № Pr-2448.

To the General Prosecutor of Russian Federation

Y.Y. CHAIKA

Russia, 125993, Moscow,
GSP-3, B. Dmitrovka street, 15a

ADDENDUM № 2

to the COMPLAINT of YACONTO LLC (out. № 110201-A01 from 01.02.2011)

on the Resolution of Volgodonsk Internal Affairs, Rostov region from 13.12.2010 “not to institute criminal proceedings” by the Statement of YACONTO LLC to MIA of Russia (out. № 100726-1 from 26.07.2010) about a bankruptcy fraud of Atommash OJSC, Russia’s nuclear engineering flagship

In order to provide a more logical and meaningful from the content perspective representation of the facts stated on “Page 2 of 10” of Addendum № 1 to the Complaint of YACONTO LLC (out. № 110201-A01 from 01.02.2011) previously submitted to you, I rearranged and restructured sentences and paragraphs without changing the content of the text. **I therefore ask you** to treat the updated “Page 2 of 10”, attached to this appeal, as an integral part of the Addendum № 1 to the Complaint, and cancel (consider invalid) the previously attached page under the same number.

In addition to the information found on page 3 of Addendum № 1 regarding the importance of introducing new power capacity through restarting, completion and commissioning of Rostov nuclear power plant (NPP) for the economic development of the Rostov region, I am reporting that according to an agreement with the management of Minatom (Ministry of Atomic Energy) of Russia, which was based on the Law, all consumers of Rostov NPP within the 30-kilometer zone had an opportunity to buy electricity several times cheaper than the market value in the area. This meant that enterprises in the city of Volgodonsk, located 11 km from the Rostov NPP, could develop rapidly and effectively. It became cost-effective to organize energy-intensive production on these enterprises.

Understanding what benefits can be obtained from Volgodonsk businesses in case of an NPP launch, the Head of Administration of Rostov region V.F. Chub and his “team” organized bankruptcy of several enterprises of the city with the support of officials from the federal government and administrative bodies.

Creation of modern industrial centers of the country requires a comprehensive program of regional socio-economic development, where modern enterprises with advanced technology are built alongside an attractive infrastructure which will create conditions for the willful relocation of skilled workers and specialists to their new residence. A peculiar feature of Russian economy is that the development of industries in the regions of the federal subjects of RF is possible only with the support and respective policies from the State, based on the approved development plans for economy branches.

During the Soviet period this topic has been taken care of by Gosplan. A specific example is the city of Volgodonsk, Rostov region. Large modern industrial enterprises of national importance for the nuclear, electronic and chemical industries were built on terms of a comprehensive program of social and economic development. These enterprises consume energy of the Tsimlyansk hydroelectric and two thermal power stations and, as of late, of the newly launched Rostov NPP. According to the general development plan of the city there were built: modern neighborhoods of apartment houses, kindergartens, schools, medical institutions, supermarkets, public catering, consumer services, fitness centers, mass cultural institutions, public and administrative buildings and more.

Many regions of Russia had good reasons to envy the social infrastructure in Volgodonsk, so necessary for the efficient economy development of any city. Volgodonsk is situated on the banks of River Don and the Tsimlyansk Reservoir and has a significant geographical advantage over the regions of southern Russia and beyond. If not for premeditated bankruptcies of the city’s enterprises, Volgodonsk, possessing unique transportation infrastructure and energy, could have become one of Russia’s most promising industrial centers.

The most noteworthy enterprise bankrupted in Russia was Atom mash OJSC, the flagship of nuclear engineering. This industrial giant has been associated with many regions of Russia, CIS and foreign countries by rail, road and air service, as well as by water through the Volga-Don Shipping Canal (VDSK). It was very important that Atom mash had its own heavy duty mooring on the shore of the Tsimlyansk Reservoir, which allowed shipping heavy and oversized goods by water through the Sea of Azov, Black Sea, Mediterranean and Caspian Seas. This was a significant advantage of Atom mash OJSC over its competition in Russia and abroad.

Cities like Volgodonsk are exactly what Russia needs, so it’s necessary to assign earmarked funding for the development of its businesses, in amounts sufficient for the implementation of promising projects and programs of socio-economic

development. This is advantageous both for the industrial city and the federal subject, and also for Russia itself, strengthening its defense and economic security.

If Russia's industry starts to develop, science and scientific achievements will be in demand. Unfortunately, unique achievements in basic and applied science made in the former Soviet Union did not find their application in today's Russia over the period of its existence. Instead those achievements are being successfully used overseas, bringing huge economic benefits, but alas - not for Russia's development. From this it follows that Russia undergoes a leakage of scientific discoveries and "brains" that were not able to find a decent application of their talent and proper appreciation in their own country. The culprits in this case are such functionaries as the Governor of Rostov Region V.F. Chub and "exemplars" like him, who deserve a "dock" and capital punishment (not abolished in the U.S. and effectively used in China).

The important political decision of the higher leadership of Russia to build a "Silicon Valley" in Skolkovo of Moscow region, as one of Russia's most modern scientific and technological complexes for development and commercialization of new technologies, can be a real step towards the introduction of scientific developments and achievements in practical applications. But all this will only be effective for Russia if the domestic industry is saved. Russian industry must be developed in close connection with the creative work of scientists and specialists, applying their achievements and discoveries. Otherwise, what and who will our "Silicon Valley" work for ?

Page 15 of the Letter from YACONTO LLC (out. № 80116-1 from 16.01.2008) to the President of Russia V.V. Putin, which has been concealed from the latter, summarizes how Salyut Design Bureau of Khrunichev State Research and Production Space Center (Moscow) contacted Firm YACONTO LLP in 1994 with a request to construct specific oversized metallic gantry equipment for the space program on Atommash OJSC. At the time it was impossible to order this equipment to the enterprises of the country because planning & cooperation were unreasonably destroyed in Russia. Having been the largest shareholder of Atom-mash OJSC after the State itself, Firm YACONTO LLP organized special-purpose machinery production, ensuring timely payment and early production of the equipment with high quality and delivery of the equipment to the destination point. We should mention an episode when special items could not be transported by roads and railroads to their destination because they greatly exceeded the size allowed for carriage. To address this complex issue we developed a special route and formed a "dedicated convoy" of special vehicles with a fuelling lorry to deliver the special products to their destination. The route has been designed in a way that it passed through roads with tall bridges that allowed low loaders to transport the oversized cargo. There were several orders, and they all have been performed with high quality and on time. Tasks set by the management of Firm YACONTO have always been successfully solved in the interests of the parties.

But I would like to emphasize an important detail. Before signing the first agreement on space program matters with Firm YACONTO, the leadership of Salyut Design Bureau of Khrunichev Center has sent a group of experts to Atom-mash OJSC; they have been brought to the city of Volgodonsk on a plane owned by Atom-mash and placed in an Atom-mash-owned hotel. Leading experts in the field of space subjects were overjoyed with the company's huge fleet of unique machinery for the development of nuclear industry that they carefully examined. Experts have drawn conclusions about the Atom-mash's capability to produce a large range of equipment, units, structures and components for the space program in cooperation, and provided their official resolution in favor of future cooperation. Therefore, Firm YACONTO LLP and Salyut Design Bureau of Khrunichev State Research and Production Space Center signed a Protocol of intent from 15.06.1995 to establish broad cooperation in space matters involving this and other enterprises. This was especially justified because at that time Russia was in the process of choosing the most suitable site for the construction of a promising international space launch complex (SLC) near the equator. And the leadership of YACONTO Corporation had significant possibilities in the Middle East.

If the OGIO and OCG participants had not initiated the deliberate bankruptcy of Atom-mash OJSC in 1995 - 1999, we would have signed promising agreements with potential investors and strategic partners on cooperation in the fields of nuclear engineering and space program, on the basis of long-term and mutually beneficial conditions. Not to mention the production of high-tech products for other sectors of the economy and products of high technical complexity and a wide range of consumer goods. If lawlessness and uncontrolled mess with budget and extrabudgetary funds in Russia persists, there will be neither order nor development. Russia will still depend on the sale of oil and gas, from which Russian citizens do not receive their fair rents, as well as from the sales of other minerals and natural resources. But the consequences in Russia may be more severe than in the countries of the Middle East.

Wicked games played by the OGIO and OCG participants who shamelessly imitate some semblance of legal validity of the transition of the industrial complex formerly owned by Atom-mash OJSC, through accounts payable, from one to allegedly "bona fide" purchaser to another, are a cynical mockery of the law, which is brazenly used to cover the crime of national importance. More information about this can be found in the article: "Nuclear passions around Atom-mash" posted on WWW.YACONTO.RU. Are the "puppet masters" and their "puppets" even thinking of the fact that times may change abruptly, and there comes an hour of reckoning for their deeds, because "nothing is permanent in this world" ?

To carry out his unseemly affairs, "Rostov celestial" V.F. Chub needed proxies. As this activity was illegal in nature, his "comrade in arms" T.A. Gramotenko attracted filth like S.V. Chesskiy to the implementation of those. Addendum № 1

and the Complaint of YACONTO LLC (out. № 110201-A01 from 01.02.2011) briefly provide information about S.V. Chesskiy. But there is every reason to provide more extensive information on the facts of his criminal activities. On top of that, Salut JSC (renamed from VZRTA OJSC) and Atom mash JSC were in the same city of Volgodonsk, and the schemes of assets seizure through bankruptcy frauds were identical. Therefore I hereby provide more detailed information about S.V. Chesskiy, accomplice of T.A. Gramotenko, assigned by her to bankruptcy and liquidation of both companies. Please also find below information about another offense performed by S.V. Chesskiy - the illegal establishment of VZRTA JSC, in which he and his cronies are the shareholders, from the assets of Salut JSC.

In its Resolution from 09.11.1999, Federal Arbitration Court of the North Caucasus District (FAC NCD), declared S.V. Chesskiy's appointment as external manager of Salut JSC at the request of T.A. Gramotenko, the head of Rostov regional Federal Office for Insolvency (Bankruptcy) Proceedings, illegal and cancelled it; hence, all his actions of management of Salut JSC were pronounced judicially void. However, S.V. Chesskiy and his OCG accomplices refused to carry out the resolution of FAC NCD from 09.11.1999 and unlawfully prevented N.V. Zvyagin, the legal external manager of Salut JSC reinstated in his rights, from performing his direct responsibilities by instructing the security not to let him enter the territory of Salut JSC. And that's despite the fact that N.V. Zvyagin has been appointed as the external manager of Salut JSC by the Arbitration Court of Rostov Region (AC RR) on the proposal of the Department of Radio and Communication of the Ministry of Economy of Russia (out. № 38/823 from 05.06.1998), responsible for the management of defense enterprises including Salut JSC.

In its Resolution from 31.01.2000 FAC NCD also declared valid the Lease Contract № 1-2-DFYA from 01.02.1995, which is the cornerstone of the bankruptcy case of Salut JSC. According to this Contract, Firm YACONTO LLP has transferred to VZRTA OJSC an industrial complex, created by YACONTO enterprises in 1992, for the production of civilian goods.

In its Resolution and Definition (both from 29.01.2002), FAC NCD also satisfied the claim of YACONTO LLC on the recognition of rights and reclamation of the property (transferred to VZRTA OJSC on a Lease contract № 1-2-DFYA from 01.02.1995), currently illegally possessed by VZRTA JSC and specified in the Storage Agreement № 56 from 19.06.2001 between Salut JSC and VZRTA JSC. Hence, FAC NCD has confirmed the validity of the Lease Contract № 1-2-DFYA from 01.02.1995 and legal rights of YACONTO LLC on the property under this Contract. This gives every reason to believe that the illegal actions of the participants of OGIO and OCG have been aimed at the intentional bankruptcy of the defense enterprise Salut JSC by unlawful seizure of assets owned by YACONTO LLC and non-recognition of payables to the latter. In fact, those payables made 92 % of the total debt of the company to all creditors. It is this

property (machines, equipment, accessories, components, assemblies and parts) that S.V. Chesskiy, the illegally appointed external manager of Salut JSC, declared as “missing on the territories of Salut JSC” in the Arbitration Court of the Rostov region in 1999. That was 2 years before declaring it bankrupt.

Inspired by their impunity after the criminal capture of Salut JSC, the members of OGIO and OCG cynically decided to fabricate a case against YACONTO LLC. They appealed to the Arbitration Court of Moscow (ACM) with a lawsuit to recover the sum of 350 thousand rubles. ACM took up the case number A40-41697/00-100-402. However, during the trial, YACONTO LLC proved wrong the vicious arguments brought by OGIO and OCG, and has filed a “counterclaim” for a small amount of 524 000 rubles for a start, hoping that certain facts will be uncovered and criminal acts of OGIO and OCG participants will be exposed during the review of the “counterclaim”, which will provide ACM with a basis to initiate a criminal case against them and start a major lawsuit.

Cunning representatives of the seized Salut JSC understood that YACONTO LLC prepared a trap for them, so they didn't attend the meeting of the Arbitration Court of Moscow on 22.05.2001 and decided not to defend their false claim. On the same day they all disappeared from Moscow. YACONTO LLC planned to transfer the proceedings for intended bankruptcies of the Volgodonsk-located enterprises Salut JSC and Atommash OJSC to the Moscow court. It was driven by the impossibility for YACONTO enterprises to achieve a fair and unprejudiced review of the case in the Arbitration Court of Rostov region (AC RR), because the activities of AC RR, police and Prosecutor's Office of Rostov region were under control of V.F. Chub, the Governor of Rostov region, and his “team”, including T.A. Gramotenko. If YACONTO LLC won its “counterclaim” in ACM, the small amount of 524 thousand rubles in dispute would have increased together with the amount of damage caused to YACONTO LLC, Salut JSC and Atommash OJSC, equivalent to several billions of U.S. dollars. And the deal itself would have become a criminal trial of an unprecedented scale. Not only V.F. Chub, T.A. Gramotenko, A.I. Golovin, A.Y. Stepanov, S.V. Chesskiy would have found themselves on the dock, but also those who stood behind those figurants in the Russian Government and the Presidential Executive Office.

Anti-state activities of OGIO and OCG members are being covered on a high federal level. Otherwise it's impossible to explain the cynical formal reply of 7 (seven) lines signed by M.K. Yukov, the First Deputy Chairman of the Supreme Arbitration Court of Russia (out. № 157/00 from 14.05.2001), to the Complaint of YACONTO LLC (out. № 1-10425 from 25.04.2001) and a Statement of YACONTO LLC (out. № 2-10427 from 27.04.2001) without having reviewed the 30 volumes of the bankruptcy case. Both the Complaint and the Statement to the Supreme Arbitration Court (SAC) of Russia have been prepared by General Poymanov I.G., a highly professional and principled investigator, Chief of one of the Departments of the General Prosecutor's Office of USSR (now retired).

General Poymanov also prepared the Letter from YACONTO LLC regarding M.K. Yukov's tricks (out. № 1-10529 from 29.05.2001) and a Complaint to the supervising Chairman of the Supreme Arbitration Court of Russia, V.F. Yakovlev (out. № 2-10529 from 29.05.2001). There is evidence that allows supposing that it's not by accident that M.K. Yukov had signed a formal reply to YACONTO LLC in an expeditious manner a month before the illegal Definition of AC RR, dated 15.06.2001, on the completion of bankruptcy proceedings and forced liquidation of Salut JSC, has been issued.

The above suggests the existence of certain relationships between the participants of OGIO and OCG with law enforcement and judicial authorities, which allows preventing the investigation of a major crime - the premeditated bankruptcy of Atomash OJSC. This is due to huge corruption and the "mutual guarantee" phenomenon, which reached transcendent values in Russia.

Another lawless act performed by OGIO and OCG members. 4 (four) days after the premature and unlawful Definition of AC RR dated 15.06.2001 on the completion of bankruptcy proceedings and liquidation of Salut JSC, its former bankruptcy trustee S.V. Chesskiy has signed with "Volgodonsk plant of radio-electronic equipment" JSC, illegally created by him, a Contract of Storage № 56 dated 19.06.2001 in favor of third parties. Under the Act of property transfer to the Contract № 56, non-existent Salut JSC transfers to VZRTA JSC "some unowned property", allegedly found after the liquidation of Salut JSC. At the same time it's not specified: what are the origins of this property, on whose sites it used to be before the elimination of Salut JSC, when it was discovered and why is it being deposited and disposed of by the non-existent Salut JSC. It is also important to note that in the Act of property transfer from 19.06.2001 № 56 the listed "ownerless property" corresponds to the list of machines (equipment) transferred by Firm YACONTO LLP to VZRTA OJSC on the Lease Contract № 1-2-DFYA from 01.02.1995, the validity of which has been confirmed by another Resolution of FAC NCD from 31.01.2000.

Many machines (equipment, hardware) had their names, marks and serial numbers deliberately changed in the Act of property transfer № 56. But even a small part of the property listed in the Act № 56 was enough to confirm the availability of property located on the territories of Salut JSC under the Lease Contract № 1-2-DFYA from 01.02.1995. This means that S.V. Chessky, illegally appointed external manager of Salute JSC, appealed to AC RR with a knowingly false statement that there is no, and there has never been any leased equipment owned by YACONTO companies on the territory of Salut JSC, and hence, Salut JSC owes nothing to YACONTO. Based on knowingly perjurious testimony by S.V. Chesskiy and his accomplices, AC RR issued illegal judicial acts that led to the deliberate bankruptcy and compulsory liquidation of Salut JSC and the seizure of property belonging to YACONTO enterprises.

Since the names and numbers of many machines have been deliberately changed in the Act of property transfer № 56 dated 19.06.2001, only 54 units of machines (equipment), for which details matched, were noted in the Definition of FAC NCD from 29.01.2002 as to be returned to the YACONTO LLC. But it was enough to initiate the process of exposing the anti-state activities committed by OGIO and OCG participants, their supporters and patrons at a high level.

The Executive Sheet of AC RR № 29285 from 29.01.2002 (shared on 06.03.2002), declared 54 property items subject to be returned to YACONTO LLC, however, the new Executive Sheet of AC RR № 40282 from 05.09.2002 (shared on 14.10.2002), featured only 31 property item. Those two Executive Sheets of AC RR differ not only in the number of units (items) of machines (equipment); some of the machines also had their names and numbers deliberately distorted.

To restore the truth it was enough to conduct an inventory check on the territory of VZRTA JSC in accordance with the Resolution of Volgodonsk Internal Affairs from 01.08.2002 and Notification of Volgodonsk IA from 06.08.2002 at ref. № 8/9153. But they were blocked by a falsified Resolution of Volgodonsk IA from 02.08.2002 and a Notification of Volgodonsk IA from 06.08.2002 at ref. № 8/9155. More information on this topic is can be found on pages 3 - 5 of the Complaint of YACONTO LLC to the General Prosecutor of Russia (out. № 110201-A01 from 01.02.2011).

Inventory check of the machines (equipment) would have allowed verifying and comparing their serial numbers documented by the manufacturers who sold the machines (equipment) to YACONTO companies. But that's exactly what YACONTO LLC wasn't able to obtain by Law, neither from the illegal management of VZRTA JSC, nor from the law-enforcement and judicial authorities, who actively covered up the illegal activity of OGIO and OCG members. This is confirmed by specific facts described in the articles: "Law enforcement or criminal complicity?" (from 23.04.2009) and "Will there be respondents for lawlessness in Russia" (from 29.04.2009) on WWW.YACONTO.RU.

Representatives of YACONTO LLC, even if accompanied by the bailiffs of Volgodonsk, Rostov region, were not allowed to enter the territory of VZRTA JSC and the workshops where the machines (equipment) identified in the said Act of property transfer № 56 from 19.06.2001 and executive sheets of AC RR № 29285 from 29.01.2002 and № 40282 from 05.09.2002 were located. OGIO and OCG members concealed the true information about the seized property owned by YACONTO LLC. They understood that the results of comparisons of property data would have confirmed the validity of claims of YACONTO LLC and would have undoubtedly led to an investigation, but this time on terms of a criminal proceeding on deliberate bankruptcy cases of the defense enterprise Salut

JSC and the nuclear engineering flagship Atom mash OJSC, and therefore, would have brought the guilty to the dock.

The purchasing power of 1 ruble of 1990 was equal to approximately U.S. \$8 in early 2008. And this is while the country has shortages of goods (services). If state-owned enterprises of the USSR in 1990 had their income tax reduced from 65 - 70 % to at least 50 %, and were given the opportunity to determine their economic activity, industrial policy, range and volume of production and set prices themselves, there would have been no “initiated events” in August 1991. Socio-economic development of the Soviet Union would have chosen another scenario, which by 2000 would have turned the country into a world leader with highest standards of living. China, a rapidly developing country where the planned economy uses market relations widely and effectively, and huge foreign investments and targeted loans are used exactly as prescribed, is a great example. There are different forms of ownership in this country. And when you consider that China never had such a powerful industrial, scientific and technology potential as USSR and is poor in natural resources and minerals, in contrast to Russia, its economic development within such a short period of time is truly a “phenomenon” under this background. And all this thanks to the common sense and political will of its leaders, acting in the interests of the state and nation.

Russia’s socio-economic development could have also taken a different route, and we would have witnessed tangible successes of true reforms. However, “exemplars” like S.V. Chesskiy were needed and used by the functionaries at regional and federal levels to achieve certain goals. Therefore, in order to conduct a thorough check of the bankruptcy of Atom mash OJSC, we need a political will of the President of Russia D.A. Medvedev and Russian Prime Minister V.V. Putin. Without their direct participation and control no investigation can possibly give proper results, as all the corrupt officials in the country are linked and tied by “mutual guarantees”.

In order to reveal the truth in the bankruptcy case of Atom mash OJSC, the investigation should start exactly with S.V. Chesskiy’s “deeds”. Stream of information and compromising materials gained from him will be akin to an avalanche. The investigative authorities will obtain irrefutable evidence of the criminal activities of OGIO and OCG, covered by A.I. Golovin, T.A. Gramotenko, A.Y. Stepanov, V.F. Chub and people from their “inner circle”, as well as those “figurants” who continue to conceal and cover up the state criminals on federal level, serving (not without personal benefit) the interests of the “ruling elite” and their “monopoly business partners”.

To effectively develop high-end power engineering in Russia, YACONTO LLC developed the Project-A for restoration of the status quo of Atom mash OJSC. The Project presumes bringing 30 % of the shares of Atom mash OJSC, illegally seized during the bankruptcy and liquidation, back to the State. According to

Project-A, all damage inflicted to Atommash OJSC will be compensated at the expense of the people found guilty of the bankruptcy, who will repay with their own property (assets). The State will accumulate the controlling stake in Atommash OJSC and ensure full restoration of its production capacities, capable of implementing the nuclear engineering development program in Russia and abroad. With this, the State transfers the property (assets) obtained through the compensations for damage dealt to Atommash OJSC, to an appropriate trust authorized by the State. By doing so, the State can reach maximal efficiency from the utilization of the assets and ensure engagement of potential investors, attracted by the said authorized trust for joint implementation of promising projects and comprehensive programs of socio-economic development.

I ask you to attach Addendum № 2 to the Complaint of YACONTO LLC (out. № 110201-A01 from 01.02.2011) and conduct a thorough, independent investigation of the bankruptcy of Atommash OJSC, defending the legitimate interests of the state and its shareholders. **I also ask you** to report the progress and the outcome of the investigation of the bankruptcy of Atommash OJSC to the President of Russia D.A. Medvedev and inform Prime Minister V.V. Putin, so that a unprecedented political decision on restoring the status quo of Atommash OJSC can be made.

(All the documents mentioned above can be found on WWW.YACONTO.RU)

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

Attachment: documents on 520 pages.

Respectfully yours,

President of YACONTO LLC



Sergei P. Yakunin