

Seal:  
Republic of Bulgaria  
Administration of the President  
Ref. No. 9200 - 309  
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PLEA

By Attorney-at-law Katya Rusaliyska-Ivanova  
and Attorney-at-law Hristo Hristov  
Sofia Bar Association,  
Sofia, 44, Evlogi Georgiev Street, app. 1.

As attorneys-in-fact of Russian Opportunity Fund, registered on Cayman Islands

Dear President,  
Dear Public Prosecutor,

We represent a foreign investor who has invested over EUR 4,600,000 in the purchase of land and construction of a building at the Bulgarian Seaside, and who lost his investment as a result of criminal actions on part of certain Bulgarian citizens, lawyers and notaries.

In 2004, the shareholders of the Russian Opportunity Fund (registered on the Cayman Islands) were convinced to invest in Bulgaria in the purchase of land and construction for the purpose of selling apartments. For this purpose, a Bulgarian legal entity was registered in Sofia ("Bulgaria Development Fund EOOD", Company File 4250/2004) to channel and manage all investments. After the completion of a site with a gross built-up area of 13,000 sq. m. on the sea coast of the village of Ravda, the foreign investor became the victim of a criminal group which, by means of false signature, misappropriated the ownership of the shares and assets of the Bulgarian Legal Entity amounting to over EUR 15,000,000.

This fraud was forwarded to the Sofia District Prosecution in February 2006, and a preliminary investigation was launched by the District Prosecution Body (Registry Number 9008/2006). In the same year, a second investigation was launched by the Capital Police Directorate (Registry Number 3355/2006). Subsequently, inquiry number 7697/2007 was also initiated.

The inquest ended in the Spring of 2008. The Prosecution lodged an indictment with the Sofia District Court (Criminal Case Number 3445/2008), yet it concerned only a documentary crime against Notary Public Slavi Kashevski of Sofia and his accessory Attorney-at-Law Plamen Tsvetanov Stoynovski (Montana Bar Association), the individuals who misappropriated the property of Bulgaria Development Fund EOOD. For other crimes described by us – among them fraud on a large scale and financial crimes by related individuals of an organized criminal group – in a series of pleas, including to the Public Prosecutor, no result has been achieved yet. The only informal

reply we have received is that the crime ended on the territory of the Burgas, due to which the investigation will end there.

At the same time, the criminal case against Notary Public Slavi Kashevski and his accessory Attorney-at-Law Plamen Tsvetanov Stoynovski is at the risk of being cancelled before initiation due to the opportunities provided by the National Procedure Code to this effect: After the lodging of the indictment with the court, the court, in its sitting, found a breach of process and turned the indictment to the Prosecution.

The Prosecution can eliminate any infringements and again lodge the indictment with the court, but if the court finds any breach for a second time, it has the right to terminate the case, which would result in the criminals remaining unpunished. The only possible recourse for the foreign investor then would be to assert his claim against our country in Strasbourg.

Meanwhile, Sofia District Court tried civil case N305/2006 and issued a verdict that declared the sale of the Bulgaria Development Fund as null and void. The decision of the District court was sustained by the higher authority of the Appeals Court as well, which tried case N653/2008 and confirmed that the sale is invalid. This time, we expect the decision to take effect and become final. After the verdict comes into effect, Burgas District Court will try two more civil cases pertaining to the illegal nature of the sale of assets of Bulgaria Development Fund. There are two penal cases regarding the sale of the company. One is in Sofia Regional Court (N8401/2008), to be tried on September 30, 2008 and deals with fraud and fraudulent documents used for the sale of Bulgaria Development Fund. The second is in the District Prosecutor's Office (N7697/2007) regarding the investigation of large-scale fraud in the sale of assets of Bulgaria Development Fund.

Dear President,  
Dear Public Prosecutor,

We hereby appeal for your personal attention for the protection of our impaired rights and interests, and for protection and assistance against the slow work of the Prosecution with respect to detection of a criminal group that has committed a grave crime.

Please find attached copies of previous appeals to the Supreme Cassation Prosecution and the Public Prosecutor.

May 2008

Yours sincerely:

Signature: (sgd.ill.)  
Attorney-at-law Katya Rusaliyska-Ivanova

Signature: (sgd.ill.)  
Attorney-at-law Hristo Hristov