

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

ILYA YUROV,

Plaintiff,

-against-

OTKRITIE HOLDING JSC, VADIM
BELYAEV, and RUBEN AGANBEGYAN,

Defendants.

Index No. _____

The basis of venue is CPLR
§ 503(a)

SUMMONS

To the above named defendants:

YOU ARE HEREBY SUMMONED to answer the Complaint in this action and to serve a copy of your answer on Plaintiff's attorney(s) within 20 days after the service of this summons, exclusive of the date of service (or within 30 days after the service is complete, if this summons is not personally delivered to you within the State of New York). In case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the Complaint.

Dated: New York, New York
December 30, 2016

DEWEY PEGNO & KRAMARSKY LLP

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COMPLAINT

JURY TRIAL DEMANDED

Plaintiff, Ilya Yurov, by his attorneys, Dewey Pegno & Kramarsky LLP, as and for his Complaint, upon knowledge as to his own actions and upon information and belief as to the actions of others, alleges as follows:

PRELIMINARY STATEMENT

1. Yurov brings this action to obtain relief arising from Defendants' unlawful acquisition of his valuable shares in National Bank Trust ("NBT"), a leading Russian bank, without compensation in violation of their agreement, and as part of an overall scheme to enrich themselves at Yurov's expense.

2. Defendants agreed to pay \$50 million, the approximate value of the shares in NBT that they acquired, in exchange for Yurov's and two other NBT executives' causing Defendant Otkritie Holding JSC ("Otkritie") to be appointed as NBT's takeover partner and successor (and ultimate beneficial owner of the NBT shares) in a specialized Russian bankruptcy proceeding. Yurov and the other executives did exactly what they agreed to do, and ensured that Otkritie was duly appointed as NBT's takeover partner.

3. However, despite acquiring ownership and control over NBT, Defendants never compensated Yurov pursuant to their agreement. Instead, Defendants ended up with the entire value of Yurov's NBT shares and then organized and implemented a smear campaign against him that resulted in the initiation of baseless criminal proceedings, designed to distract governmental and public attention from their wrongful conduct.

4. As of the date of this Complaint, Yurov has not been paid any compensation from Defendants for the shares they received in NBT through the agreement. Instead, Yurov's reputation is in tatters due to the smear campaign that Defendants organized, and Defendant Otkritie is currently the owner of NBT, as Defendants intended.

5. Yurov now brings this action to seek redress for the harm caused by Defendants' wrongful conduct.

THE PARTIES, JURISDICTION & VENUE

6. Plaintiff Ilya Yurov is a Russian and Cypriot citizen and a resident of the United Kingdom.

7. Defendant Otkritie is a Russian company which purports to be the largest Russian financial group by assets. It is engaged in a range of banking activities, including commercial and investment banking services, brokerage, asset-management, and insurance services. Otkritie does business globally through subsidiaries and affiliates, collectively referred to as the Group, including its U.S. affiliate, Otkritie Capital U.S. Inc. ("Otkritie Capital").

8. Otkritie Capital is a federally registered broker-dealer incorporated in Delaware and headquartered at 750 Lexington Avenue, New York, NY. Since 2011, this subsidiary has functioned as the United States branch of Otkritie's investment banking operations; it is managed by the head of Otkritie's investment banking division, is described as one of the Group's

“investment arms”, and pays salaries and expenses for persons nominally employed by other companies of the Group worldwide.

9. Defendant Vadim Belyaev is Chairman of the Board of Directors of Otkritie and owns 28.61% of Otkritie. He acts in his own capacity and on behalf of Otkritie for all matters relevant to the Complaint.

10. Defendant Ruben Aganbegyan is a Member of the Board of Directors of Otkritie and owns 7.96% of Otkritie. He acts in his own capacity and on behalf of Otkritie for all matters relevant to the Complaint.

11. Defendants Belyaev and Aganbegyan are the largest individual shareholders of Otkritie. They are also indirect shareholders of Otkritie Capital.

12. Upon information and belief, Belyaev owns property in Westchester County, New York, where his ex-wife and children reside. In addition to his trips to New York for family and personal reasons, he travels to the United States several times a year to conduct and transact Otkritie-related business in New York County.

13. Upon information and belief, Aganbegyan also conducts and transacts Otkritie-related business in New York County.

14. This Court has jurisdiction because Defendants own property in New York and/or conduct and transact business in New York and/or committed wrongful acts within New York.

15. Venue is proper in this Court because Defendants conduct and transact business and/or committed wrongful acts within New York County.

FACTS

Plaintiff's Shares in NBT

16. Yurov was appointed Deputy Chairman of NBT in 1998. At the time, NBT was a small bank servicing small and medium-sized enterprises.

17. In 2003, Yurov, along with Nikolay Fetisov and Sergey Belyaev, two other executives of NBT (the "Other Executives"), obtained financing from ING Bank to acquire, and thereafter did acquire, majority ownership of NBT for approximately \$100 million.

18. In November 2007, Merrill Lynch acquired an approximate 10% stake in NBT and Trust Investment Bank for \$85 million in anticipation of the two banks' planned merger in 2008, thus valuing NBT post-merger at close to \$1 billion. This acquisition was significant because it demonstrated that NBT was considered to be valuable to a major western investment bank.

19. By December 2014, NBT had grown into a leading Russian mid-sized bank with approximately \$3.5 billion in deposits.

20. At this time, Yurov beneficially owned approximately 42% of NBT shares. The Other Executives each owned approximately 26% of NBT shares.

The Yukos Affair and Arrest of Plaintiff's Shares in NBT

21. Following its growth in the early 2000s, NBT became a target of the Russian government's attention, starting in 2003, when Mikhail Khodorkovsky, a former shareholder of NBT and long-time business associate of Yurov and the Other Executives, was arrested and convicted on charges related to his ownership of Yukos Oil Company ("Yukos"), one of the world's largest non-state oil companies.

22. Once Khodorkovsky was convicted and imprisoned, the Russian government forced Yukos into bankruptcy in 2006 and liquidated its assets in 2007. Most of Yukos's former assets were acquired by Rosneft, the state-owned oil company.

23. After having taken control of Yukos, the Russian government turned its attention to other businesses previously owned by Khodorkovsky. In late 2007, the administrator of the Yukos bankruptcy proceedings brought a lawsuit against NBT to unwind an allegedly unlawful transaction NBT undertook on behalf of Yukos. Eventually, a judgment was rendered against NBT in 2009, ordering NBT to pay \$75 million to Rosneft, as it had come to own the Yukos assets. This judgment had no basis in law because Rosneft was never a party to the lawsuit; NBT was merely Yukos's purchasing agent, and thus not obligated to repay Yukos's debts; and the court's decision was issued in highly unusual circumstances.

24. In an attempt to further disable Yurov's and the Other Executives' ability to operate NBT, leaving NBT more susceptible to efforts to change control away from them, their shares in NBT were "arrested" or "frozen" through unlawful means. In or about April 2008, the Russian government's Investigation Committee executed the arrest of these shares on the ground that they were property of Khodorkovsky when, in fact, his shares in NBT had been bought out in 2004, in a transaction that received significant media attention. Yurov and NBT attempted to challenge the decision to arrest the NBT shares by filing 12 official complaints with the Investigation Committee and an official letter with the then President of Russia, Dmitry Medvedev, as Guarantor of Constitutional Rights, but these challenges were unsuccessful.

25. While the arrest of their NBT shares did not affect Yurov's and the Other Executives' NBT beneficial interests or ownership rights, which were held through multiple

layers of trust structures, the ruling effectively precluded Yurov and the Other Executives from selling or transferring their NBT shares outright.

Defendants' Proposal to Acquire NBT

26. In 2004, Otkritie began to expand its domestic and global presence to grow a full-service financial group which, in addition to brokerage, would also include banking, insurance, and asset management arms.

27. To that end, in 2008, Otkritie acquired a 100% interest in Russian Development Bank, which it rebranded as Otkritie Bank. During 2007 through 2011, Otkritie also became a shareholder in Petrovsky Bank and Sverdlovsky Gubersnky Bank, established a company in London to trade Russian securities, and launched an office in New York.

28. In 2012, Otkritie acquired NOMOS-BANK, subsequently renamed Otkritie Bank FC, to build a private financial group. In 2013, Otkritie consolidated its controlling stake in Otkritie Bank FC and also announced its acquisition of Petrocommerce Bank.

29. In November 2014, Yurov received a call from Defendant Aganbegyan about a possible friendly acquisition of NBT by Otkritie. During this call, Aganbegyan invited Yurov to meet with him and Defendant Belyaev in person to discuss the potential acquisition.

30. Yurov trusted Aganbegyan because he had known him socially for over twenty years, during which time they both worked in the banking industry.

31. Yurov knew that Belyaev also worked in the banking sector and believed that he had a reputation as a trustworthy and successful businessman.

32. As a result of Yurov's acquaintance with Aganbegyan and his familiarity with Belyaev's reputation, when Defendants offered to acquire NBT, Yurov concluded that their offer was genuine.

33. In early December 2014, Yurov and the Other Executives met with Defendants in person. During this meeting, Defendants proposed that the acquisition of NBT be structured through a “financial rehabilitation”, a Russian legal procedure designed to prevent a bank’s insolvency. (NBT, like many banks worldwide, had undergone difficulties following the global financial crisis and faced a domestic financial crisis in Russia throughout 2014 as oil prices deteriorated and Russia was hit with international sanctions following its annexation of Crimea.) Under this proposal, NBT would file an application for financial rehabilitation with the Russian Central Bank (“RCB”) and request that Otkritie be appointed as the “takeover partner” to acquire NBT’s shares. Through this process, the NBT shares that had been “frozen” could be transferred or acquired in a way that a private acquisition could not effect. Yurov was aware that Otkritie had successfully used this procedure to acquire shares in other banks in the past.

The Agreement Between Plaintiff, the Other Executives, and Defendants

34. Yurov and the Other Executives reached an oral agreement with Defendants on or about December 3, 2014 that they would sell their NBT shares to Otkritie for \$50 million through the RCB financial rehabilitation process.

35. In particular, the Agreement called for Yurov and the Other Executives to: (1) permit Otkritie to conduct due diligence of NBT’s books and records, (2) cause NBT to apply for financial rehabilitation with the RCB, (3) formally request in NBT’s application that Otkritie be named as the takeover partner, (4) make the same request informally to officials at the Russian Deposit Agency (“DIA”) and the RCB, and (5) transfer their shares in NBT and other companies related to, affiliated with, or controlled by NBT to Otkritie. In return, Defendants agreed to pay \$50 million in two tranches—\$10 million upon Otkritie’s appointment as the

takeover partner, and \$40 million within one year of its appointment. This two-tranche structure was requested by Defendants to smooth out their payment obligations.

36. The parties to the Agreement agreed that the terms of the Agreement need not be reduced to writing, consistent with practice in their industry and in Russia.

37. At no point during the parties' conversations in December 2014 did Defendants insist that the payments be tied to the occurrence of any other conditions or covenants.

Plaintiff and the Other Executives Perform Their Obligations Under the Agreement

38. In reliance on Defendants' agreement to pay \$50 million for their shares in NBT, Yurov and the Other Executives performed their obligations under the Agreement beginning in December 2014.

39. First, on December 16, 2014, Yurov and the Other Executives arranged for Otkritie to conduct the due diligence process. A team of Otkritie personnel, headed by its CFO, completed the due diligence of NBT's books and records during December 2014.

40. Second, between December 15, 2014 and December 17, 2014, Yurov spoke with Alexei Simanovsky, the Deputy Governor of the RCB, and Yuri Isaev, the General Director of the DIA, and told them that NBT would apply for financial rehabilitation and was amenable to Otkritie's appointment as the takeover partner. Yurov would have never taken any of these steps absent Defendants' commitment to pay \$50 million under the Agreement.

41. Third, on December 16, 2014, Yurov and the Other Executives directed NBT personnel to send a letter to the RCB outlining NBT's financial condition and NBT management's opinion that a merger with a larger bank was important for the bank's long-term survival.

42. On December 21, 2014, Yurov and the Other Executives directed the President of NBT to send a second letter to the RCB officially applying for financial rehabilitation and requesting that Otkritie be named as the takeover partner. Yurov would never have directed that this letter be sent absent Defendants' commitment to pay \$50 million under the Agreement.

43. On December 22, 2014, the RCB granted NBT's application for financial rehabilitation and appointed the DIA as the interim administrator, thereby suspending NBT's executive bodies.

44. On December 23, 2014, Aganbegyan reaffirmed the deal with the Other Executives and confirmed that the initial payment of \$10 million would be forthcoming.

45. On December 26, 2014, Otkritie was appointed as NBT's takeover partner. During an interview with a business journal on this date, Aganbegyan stated: "As a group, we've been preparing for this for a long time. Right now, we're a group that historically has seen 11 banks merge into it, therefore we have pretty good experience specifically in integration".

Defendants Initiate Smear Campaign and Fail to Make Initial Payment of \$10 Million

46. Immediately after Otkritie had been appointed as NBT's "takeover partner," Defendants unleashed a pervasive and well-funded campaign to discredit NBT and Yurov and the Other Executives in the Russian media.

47. The tone of these articles escalated from criticizing the bank for its development strategy to outright accusations against Yurov and the Other Executives of stripping NBT's assets and committing fraudulent acts.

48. The negative publicity included a December 29, 2014 report that the Governor of the RCB, Elvira Nabiulina, wrote a letter to Russia's Minister of the Interior accusing Yurov and the Other Executives of unlawfully stripping NBT of its assets.

49. It was at this point that Yurov and the Other Executives grew suspicious of Defendants, because they were the only other parties that had access to NBT's financial information through the agreed-upon due diligence apart from the RCB. However, when Yurov telephoned Belyaev and Aganbegyan about the issue, they denied having any knowledge of the sources behind this campaign.

50. Three days after Otkritie was appointed as the takeover partner and the initial payment of \$10 million was due, Aganbegyan confirmed to Yurov that "everything [was] underway" with regard to this payment, as well as the transfer of shares in NBT and its affiliated companies to Defendants. However, Defendants failed to make this initial payment.

**Yurov and Belyaev Meet in New York
to Discuss Defendants' Obligations Under the Agreement**

51. As of early January 2015, Defendants still had not made the initial \$10 million payment.

52. Yurov and the Other Executives grew even more concerned when they discovered that Otkritie's CFO, who had been in charge of the due diligence of NBT's books and records under the parties' Agreement, had left Otkritie and begun employment by the DIA in January 2015 to become Head of the Interim Administration, which supervised NBT's financial rehabilitation project.

53. Yurov telephoned Defendants to discuss their obligations under the Agreement, and Yurov agreed to meet Belyaev in New York, at Belyaev's request.

54. On January 12, 2015, Yurov and Belyaev met at the Courtyard Marriot

Manhattan/Central Park Hotel in New York City, located a few blocks from Otkritie's New York office. At this meeting, Belyaev stated that Defendants intended to perform under the Agreement and confirmed to Yurov that the initial \$10 million payment would be made shortly by a minority shareholder of Otkritie, Sergey Gordeev.

55. Despite Belyaev's reaffirmance of Defendants' payment obligations and his representation that payment of the \$10 million owed under the Agreement was imminent, Defendants failed to make any payment in January 2015.

**Defendants Assert That New Condition Must Be Satisfied
Before They Will Make Initial Payment of \$10 Million**

56. On February 6, 2015, Yurov contacted Aganbegyan to arrange another meeting with Defendants. Yurov then met with Defendants at Otkritie's London office on February 13, 2015. At this meeting, Defendants once again confirmed the Agreement. However, they asserted for the first time that they would not make the initial \$10 million payment until Yurov and the Other Executives provided an assurance letter explicitly stating that Defendants would not be liable for any of Yurov and the Other Executives' personal liabilities to NBT.

57. Yurov was surprised by this request because neither NBT nor Otkritie had or was expected to assume any personal liabilities in the RCB rehabilitation process, and the issue had never before been raised. Nevertheless, he and the Other Executives decided to comply with this new request to facilitate prompt payment. To that end, they asked Defendants to send them a draft of the requested assurance letter.

58. Between February 13, 2015 and April 13, 2015, the parties exchanged several drafts of this letter via email. Defendants, through their agent Dimitry Popkov, continued to represent to Yurov and the Other Executives that they would make the required payments.

**Defendants Instigate Escalated Smear Campaign
and Criminal Investigations of Plaintiff and the Other Executives**

59. During the period of these post-Agreement warranty “negotiations,” upon information and belief, Defendants caused public officials to target NBT executives and former owners, including Yurov and the Other Executives.

60. On April 22, 2015 a Russian Member of Parliament accused NBT’s former owners and management, including Yurov, of stripping its assets and bankrupting the bank. The following day, the Ministry of the Interior opened a criminal investigation into NBT’s former management, including Yurov.

61. On April 24, 2015, Yurov called Aganbegyan regarding these accusations and how they might impact the payment. Aganbegyan claimed he did not have any knowledge of them and denied that Defendants were involved in the instigation of the criminal investigations. He also, once again, reaffirmed Defendants’ commitment to perform their obligations under the Agreement.

62. On May 5, 2015, Yurov and the Other Executives’ ownership of NBT was diluted to almost nothing through a secondary offering of NBT shares orchestrated by Defendants. This secondary offering was entirely inconsistent with the Agreement.

63. Pursuant to the Agreement, Yurov and the Other Executives had agreed to transfer their ownership interests in NBT to Otkritie as the final part of the transaction through the RCB rehabilitation after Otkritie had made its first installment payment of \$10 million and an additional \$40 million was paid. Instead of making any payments, however, Otkritie duped Yurov and the Other Executives into taking steps to start the RCB rehabilitation process and to appoint Otkritie as the takeover partner. Then, Defendants conceived of and executed a secondary offering of NBT’s shares within the RCB rehabilitation proceeding, using their

authority and power as the takeover partner. They did so without the knowledge or consent of Yurov and the Other Executives, who at that time remained the majority owners of NBT.

64. Through the secondary offering, Otkritie bought all of the shares offered and became the owner of NBT. Defendants were only able to effect this transaction because Plaintiff and the Other Executives had sought financial rehabilitation and the installation of Otkritie as manager in reliance on the Agreement.

Defendants Fail to Compensate Plaintiff for the Acquisition of His NBT Shares

65. On May 20, 2015, Defendant Belyaev sent Yurov a text message that appeared to accuse him of stealing NBT's assets. Yurov responded within minutes to deny this accusation.

66. Later that day, Yurov received a call from Aganbegyan. Yurov informed Aganbegyan during this call that he would have no choice but to commence legal action against Defendants to collect the amount owed under the Agreement. However, Aganbegyan requested one more in-person meeting to discuss payment.

67. During May 26, 2015 to May 27, 2015, Yurov met with Popkov and other Otkritie officials in Cyprus in a final attempt to obtain the amount owed by Defendants. However, these meetings did not result in any payment from Defendants.

68. By June 23, 2015, as alleged above, Otkritie acquired 99.99% of NBT's shares through the financial rehabilitation process.

69. As of the date of this Complaint, Yurov has not been paid any compensation from Defendants.

Baseless Criminal Charges Related to the Smear Campaign and Criminal Investigations Instigated by Defendants Are Filed Against Plaintiff

70. In August 2015, Russian prosecutors filed fraud charges against Yurov and the Other Executives. These charges were premised on the same baseless allegations that had

received widespread media attention in the preceding months—at Defendants’ instigation—that falsely accused Yurov and the Other Executives of stripping NBT’s assets and committing fraudulent acts.

71. In November 2016, Russian prosecutors dropped the fraud charges against Yurov and the Other Executives and replaced them with theft charges based on the same meritless allegations that had been disseminated in the media as a result of Defendants’ smear campaign and instigation of criminal proceedings.

COUNT I

BREACH OF CONTRACT (Against All Defendants)

72. Plaintiff repeats and re-alleges the allegations contained in paragraphs 1 through 71 as if fully set forth herein.

73. The Agreement between Plaintiff, the Other Executives, and Defendants is a valid and binding contract, pursuant to which Defendants agreed to make an initial payment of \$10 million upon the appointment of Otkritie as NBT’s takeover partner, and a payment of \$40 million within one year of that appointment, in return for Plaintiff and the Other Executives transferring their ownership of NBT through the steps agreed upon between the parties.

74. Plaintiff and the Other Executives performed all of their obligations under the Agreement, and acted in conformance with its existence at all times. As required by the Agreement, they facilitated Otkritie’s due diligence of NBT, applied for NBT’s financial rehabilitation, and requested that Otkritie be appointed as NBT’s takeover partner, which occurred on December 26, 2014.

75. Defendants breached the Agreement by failing to pay the amounts owed under the Agreement.

76. Defendants' breaches were neither justified nor excused.

77. Defendants' breaches caused Plaintiff damages of at least \$21 million.

COUNT II

BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING (Against All Defendants)

78. Plaintiff repeats and re-alleges the allegations contained in paragraphs 1 through 77 as if fully set forth herein.

79. Implicit in the Agreement is the covenant of good faith and fair dealing in connection with the performance of the parties' respective duties thereunder. Defendants at all times were required to act in good faith in meeting their obligations under the Agreement.

80. Plaintiff at all times has acted reasonably and in good faith in performing his contractual duties under the Agreement.

81. By entering into the Agreement, Defendants promised Plaintiff that they would pay \$50 million in exchange for his and the Other Executives' shares in NBT, and thereby agreed not to act in such a way as to prevent Plaintiff from receiving compensation for his shares in NBT.

82. Defendants have breached the implied covenant of good faith and fair dealing by wrongfully, in bad faith and without any basis, failing to pay Plaintiff the amount to which he is entitled and due, and taking active steps to prevent Plaintiff from receiving this amount. In taking these acts, Defendants have acted purposefully and maliciously in denying Plaintiff the benefit of the bargain under the Agreement and of Plaintiff's efforts thereunder.

83. Defendants' breaches caused Plaintiff damages of at least \$21 million.

COUNT III

PROMISSORY ESTOPPEL (Against All Defendants)

84. Plaintiff repeats and re-alleges the allegations contained in paragraphs 1 through 83 as if fully set forth herein.

85. Defendants promised Plaintiff that they would make an initial payment of \$10 million upon the appointment of Otkritie as NBT's takeover partner, and a payment of \$40 million within one year of that appointment, in return for Plaintiff and the Other Executives transferring their ownership of NBT through the steps agreed upon between the parties.

86. Plaintiff reasonably relied on that promise by causing NBT to apply for financial rehabilitation and to request that Otkritie be named as its takeover partner, in order to effect an acquisition of his shares in NBT in exchange for payment.

87. By reason of the foregoing, Plaintiff has suffered damages of at least \$21 million.

COUNT IV

UNJUST ENRICHMENT (Against All Defendants)

88. Plaintiff repeats and re-alleges the allegations contained in paragraphs 1 through 87 as if fully set forth herein.

89. Defendants have received and continue to receive substantial economic benefit and enrichment by virtue of their acquisition of Plaintiff's shares in NBT, through the rehabilitation process agreed to by the parties, including Defendants' promise to Plaintiff to make payments of \$50 million following Otkritie's appointment as takeover partner. This enrichment was caused by Defendants' failure to make payments owed to Plaintiff, as well as Defendants' actions which deliberately were designed to deny Plaintiff such payments.

90. It is against equity, justice, and good conscience, and without excuse or justification, for Defendants to retain these benefits that Plaintiff seeks to recover.

91. By reason of the foregoing, Plaintiff has suffered damages of at least \$21 million.

COUNT V

FRAUDULENT INDUCEMENT (Against All Defendants)

92. Plaintiff repeats and re-alleges the allegations contained in paragraphs 1 through 91 as if fully set forth herein.

93. Defendants knowingly misrepresented to Plaintiff that they would make an initial payment of \$10 million upon the appointment of Otkritie as NBT's takeover partner, and that they would follow this with a subsequent payment of \$40 million within one year of that appointment, in return for Plaintiff and the Other Executives transferring their ownership of NBT through the steps agreed upon between the parties. Defendants made these misrepresentations with the intent to induce Plaintiff's reliance on them.

94. Plaintiff reasonably relied on Defendants' misrepresentations. Plaintiff trusted Aganbegyan because he had known him for over twenty years, during which time they both worked in the banking industry. He also knew that Belyaev worked in the banking industry and believed that Belyaev had a reputation as a trustworthy and successful businessman. Plaintiff was also aware that Otkritie was a growing Russia-based company engaged in a broad range of financial activities and that it had successfully used the financial rehabilitation process to acquire shares in other banks in the past. Plaintiff therefore believed that he and the Other Executives could transfer their valuable shares in NBT to Defendants by directing NBT to apply for financial rehabilitation and requesting that Otkritie be named as its takeover partner, thereby monetizing their NBT shares.

95. Defendants' misrepresentations were false when made because Defendants had no intention of making an initial payment of \$10 million upon the appointment of Otkritie as NBT's takeover partner. Nor did they have any intention of following that payment with a subsequent payment of \$40 million within one year of Otkritie's appointment as NBT's takeover partner.

96. Defendants' misrepresentations induced Plaintiff to enter into the Agreement and perform his obligations thereunder, including taking steps to request Otkritie's appointment as NBT's takeover partner and to relinquish his shares in NBT.

97. Plaintiff reasonably relied on Defendants' misrepresentations to his detriment.

98. As a proximate result of Defendants' wrongful conduct, Plaintiff has suffered damages of at least \$21 million.

COUNT VI

FRAUD (Against All Defendants)

99. Plaintiff repeats and re-alleges the allegations contained in paragraphs 1 through 98 as if fully set forth herein.

100. Defendants commenced their fraudulent scheme by initiating contact with Plaintiff to propose that Otkritie acquire his shares in NBT. Defendants proposed that this acquisition be structured through a financial rehabilitation, a Russian legal procedure designed to prevent a bank's insolvency. Under this proposal, NBT would file an application for financial rehabilitation with the RCB and request that Otkritie be appointed as the takeover partner to acquire NBT's shares.

101. Defendants knowingly misrepresented to Plaintiff that they would make an initial payment of \$10 million upon the appointment of Otkritie as NBT's takeover partner, and that they would follow this with a subsequent payment of \$40 million within one year of that

appointment, in return for Plaintiff and the Other Executives transferring their ownership of NBT through the steps agreed upon between the parties. Defendants made these misrepresentations with the intent to induce Plaintiff's reliance on them.

102. Plaintiff reasonably relied on Defendants' misrepresentations. Plaintiff trusted Aganbegyan because he had known him for over twenty years, during which time they both worked in the banking industry. He also knew that Belyaev worked in the banking industry and believed that Belyaev had a reputation as a trustworthy and successful businessman. Plaintiff was also aware that Otkritie was a growing Russia-based company engaged in a broad range of financial activities and that it had successfully used the financial rehabilitation process to acquire shares in other banks in the past. Plaintiff therefore believed that he and the Other Executives could transfer their valuable shares in NBT to Defendants by directing NBT to apply for financial rehabilitation and requesting that Otkritie be named as its takeover partner, thereby monetizing their shares.

103. On the basis of Defendants' misrepresentations, upon which Plaintiff reasonably relied to his detriment, Plaintiff took a number of steps to cause his shares to be transferred to Defendants. These include, but are not limited to, arranging for Otkritie to perform due diligence on NBT, telling Russian government officials that NBT would apply for financial rehabilitation and was amenable to Otkritie's appointment as takeover partner, and directing NBT personnel to send a letter to RCB officially applying for financial rehabilitation and requesting that Otkritie be named takeover partner. These steps enabled Plaintiff to divest and relinquish control over his NBT shares so that they could be monetized and acquired by Defendants.

104. Defendants misrepresentations continued after Otkritie was appointed as NBT's takeover partner. In particular, Defendants knowingly misrepresented to Plaintiff that they

remained committed to their promise to pay \$50 million following the appointment of Otkritie as NBT's takeover partner, in return for Plaintiff and the Other Executives transferring their ownership of NBT through the steps agreed upon between the parties.

105. Immediately after the appointment of Otkritie as NBT's takeover partner, Defendants unleashed a pervasive and well-funded media campaign to discredit Plaintiff, the Other Executives, and NBT in the Russian media and to influence the Russian public and Russian government officials. By orchestrating this smear campaign, Defendants caused public officials to target NBT executives and former owners, including Plaintiff, who became the subject of a criminal investigation opened by the Ministry of the Interior, as well as criminal fraud and theft charges. Defendants misrepresented to Plaintiff that they had no knowledge of the sources behind this campaign, and continually misrepresented that they intended to perform their obligations under the parties' Agreement.

106. As a proximate result of Defendants' wrongful conduct, Plaintiff has suffered damages of at least \$21 million.

COUNT VII

CIVIL CONSPIRACY (Against All Defendants)

107. Plaintiff repeats and re-alleges the allegations contained in paragraphs 1 through 106 as if fully set forth herein.

108. Each of Defendants was a participant with each other in an illegal, tortious conspiracy. The common purpose of this conspiracy, to which all Defendants agreed, was to obtain Plaintiff's shares in NBT through fraudulent misrepresentations and other wrongdoing and abuse of power and influence.

109. Each Defendant understood this common purpose and intentionally participated in the conspiracy in furtherance of this purpose, including continuing to falsely represent to Plaintiff that the parties' Agreement was binding and in place and that Defendants would honor it, all the while conspiring to divest Plaintiff of his NBT ownership through, among other things, the secondary offering of NBT shares and the smear campaign against him.

110. As a proximate result of this conspiracy, Plaintiff has suffered damages of at least \$21 million.

COUNT VIII

TORTIOUS INTERFERENCE WITH BUSINESS RELATIONS (Against All Defendants)

111. Plaintiff repeats and re-alleges the allegations contained in paragraphs 1 through 110 as if fully set forth herein.

112. Plaintiff had a business relationship with NBT.

113. Defendants knew of Plaintiff's relationship with NBT and intentionally interfered with that relationship.

114. More specifically, Defendants knowingly misrepresented that they would make an initial payment of \$10 million upon the appointment of Otkritie as NBT's takeover partner in the financial rehabilitation process, and a payment of \$40 million within one year of that appointment, in return for Plaintiff and the Other Executives transferring their ownership of NBT through the steps agreed upon between the parties. Defendants' misrepresentations induced Plaintiff to take steps to cause Otkritie to be appointed as NBT's takeover partner and to relinquish his shares in NBT.

115. Defendants further knowingly misrepresented to Plaintiff that they remained committed to their promise to pay \$50 million following the appointment of Otkritie as NBT's takeover partner.

116. In interfering with Yurov's business relationship with NBT, Defendants used improper or illegal means including misrepresentations and concealments.

117. Defendants' wrongful conduct was neither justified nor excused on grounds of necessity or any other basis.

118. As a proximate result of Defendants' interferences, Plaintiff has suffered damages of at least \$21 million and his business relationship with NBT was irreparably damaged.

119. Plaintiff reserves the right to amend or supplement the allegations contained herein and to assert additional causes of action as may be warranted by future discovery or investigation in this action.

