

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

Doc # 1

00 CIV. 9627

JUDGE KOEHL

BASE METAL TRADING, S.A.;
BASE METAL TRADING, LTD.; and
ALUCOAL, LTD.;

COMPLAINT

Docket No: 00 Civ. _____

Plaintiffs,

v.

PLAINTIFFS DEMAND
TRIAL BY JURY

RUSSIAN ALUMINUM;
SIBIRSKY ALUMINUM PRODUCTS USA CORP.
a/k/a SIBIRSKY ALUMINUM (US);
SIBIRSKY ALUMINUM (Russia);
BAUXAL MANAGEMENT, S.A.;
METCARE MANAGEMENT, S.A.;
UNIMETAL LIMITED, S.A.;
OLEG DERIPASKA;

Doc # 1

FILED
U.S. DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
JUL 12 2000

MIKHAIL CHERNOI;
CHERNOI COMPANIES 1 TO 10;

and

NOVOKUZNETSK ALUMINUM ZAVOD,

Defendants.

COMPLAINT

Plaintiffs Base Metal Trading, S.A. ("BMT SA"), Base Metal Trading, Ltd. ("BMT Ltd."), and Alucoal, Ltd. ("Alucoal") (collectively, "Plaintiffs"), by and through their counsel, hereby complain, as follows:

INTRODUCTION

1. The instant case concerns a conspiracy beginning in the 1990's (the "Conspiracy") among, *inter alia*, business mogul Oleg Deripaska, the head of Sibirsky Aluminum (collectively, with its affiliates, including Russian Aluminum, "Sibirsky"); his partner, Mikhail Chernoi and his American companies, identities unknown (collectively, the "Chernoi Side"); and the Izmailovo Russian-American Mafia group (the "Izmailovo Mafia") to take over and monopolize the Russian aluminum industry (the "Illegal Scheme").
2. In furtherance of the Conspiracy, Deripaska, Chernoi, and their allies (the "Conspirators") have directly or indirectly committed numerous criminal acts, including murder, extortion, mail and wire fraud, and money laundering.
3. These acts included threats of physical violence and the laundering of monetary proceeds of the illegal conduct in the United States in order to carry out the scheme.
4. These acts included attempted murder and murder, including the murder of American Felix Lvov.
5. Most recently, in February 2000, Sibirsky took over the Novokuznetz Aluminum Zavod ("NKAZ"), which maintains one of Russia's largest aluminum factories, through rigged bankruptcy proceedings in the Kemerevo Region of Russia (the "Illegal Takeover").
6. Once in control of NKAZ, Sibirsky terminated contracts between NKAZ and the Plaintiffs, with the intended purpose to divert profits rightfully belonging to Plaintiffs, and compelled NKAZ to enter into less favorable contracts with Sibirsky affiliates in order to seize the profits of NKAZ, to the detriment of Plaintiffs.

7. In order to effect and maintain the Illegal Scheme, the Conspirators, through Russian Aluminum, are selling aluminum produced by NKAZ and other plants under their control through their offices in the United States and diverting and then laundering the proceeds from NKAZ and the other plants through banks in the United States to places unknown.
8. Following successful efforts in Louisiana and Maryland federal and New Jersey state courts by BMT Ltd. to arrest aluminum belonging to NKAZ pursuant to a \$12 million-dollar arbitration award, Sibirsky's ally, Kemerovo regional governor Aman Tuleyev ("Tuleyev"), falsely accused Russian businessman Mikhail Zhivilo of conspiring to murder him and arranged for a warrant for Zhivilo's arrest from the corrupt Russian authorities.
9. Zhivilo had served as president of MIKOM, which had managed NKAZ prior to the Illegal Takeover, recruited Plaintiffs to trade with NKAZ, and assisted Plaintiffs in their litigation in the United States.
10. The preposterous (but frighteningly serious) nature of Tuleyev's allegations is evidenced, in part, by the arrest of Zhivilo's friend and alleged conspirator, Alexander Tikhonov, a four time Olympic biathlon (skiing and shooting) gold medal champion, as the purported "triggerman" because of his (not unsurprising) alleged possession of rifles.
11. False criminal charges have become a way of doing business in Russia by Sibirsky in order to extort concessions from business competitors in the Russian aluminum industry.
12. In his new book, Midnight Diaries, published October, 2000, former Russian President Boris Yeltsin says succinctly that sham bankruptcies are regularly used in Russia to illegally takeover legitimate businesses.

13. This conduct is directly aimed at punishing Plaintiff BMT Ltd. for its resort to the United States courts.

14. As a result of the Illegal Scheme, Plaintiffs have suffered losses, including lost profits, in excess of \$900 million.

15. As compensation for their losses, Plaintiffs seek compensatory and treble damages in excess of \$2.7 billion for violation of the RICO Act, 18 U.S.C. § 1961, et seq., tortious interference with and breach of contract, punitive damages, costs, and attorney fees.

PLAINTIFFS

16. **Plaintiff Base Metals Trading, S.A.** ("BMT SA") is a company organized under the laws of Switzerland.

17. BMT SA has suffered damages arising from NKAZ's breach of contracts Nos. 56-00, BSA-R-066/99, BSA 924-99, Framework Agreement, BSA-R-003/99, BSA-R 014/99, 640-99, 641-99, and N-RM-0002/99, which breaches were caused by the Conspirators and resulted in damages to Plaintiffs in an amount in excess of \$400 million.

18. **Plaintiff Base Metal Trading, Ltd.** ("BMT Ltd.") is a company organized under the laws of Guernsey, Channel Islands.

19. BMT Ltd. has suffered damages arising from NKAZ's breach of contracts Nos. 41/98, 50/98, and 60/98, which breaches were caused by the Conspirators and resulted in damages to Plaintiffs in an amount in excess of \$30 million.

20. BMT Ltd. has also confirmed in New Jersey state court an arbitration award issued in Moscow (the "Award") against NKAZ for an amount in excess of \$12 million.

21. **Plaintiff Alucoal, Ltd.** ("Alucoal") is a company organized under the laws of Cyprus.

22. Alucoal has suffered damages arising from NKAZ's breach of contracts Nos. Framework Agreement, 58-00, 57-00, 923-99, 275-99, AL10-99, 478-99, 607-99, 99/25, and AL-R-005/99, which breaches were caused by the Conspirators and resulted in damages to Plaintiffs in an amount in excess of \$400 million.

DEFENDANTS AND RELATED PERSONS

The Sibersky Defendants

23. **Defendant Russian Aluminum** ("Russian Aluminum") is a company organized under the laws of the Russian Federation, which conducts or maintains a place of business in the United States.

24. **Defendant Sibirsky Aluminum Products USA Corp., a/k/a Sibirsky Aluminum (US)** ("Sibirsky US") is a company organized under the laws of a state of the United States, and it maintains a place of business in New York.

25. **Defendant Sibirsky Aluminum** ("SibAl") is a company organized under the laws of the Russian Federation, which conducts or maintains places of business in the United States.

26. **Defendant Oleg Deripaska** ("Deripaska") is a Russian citizen who owns and controls, indirectly or directly, SibAl.

27. **Defendant Bauxal Management, S.A.** ("Bauxal") is a company organized under the laws of the British Virgin Islands and is used to sell alumina and other raw materials to NKAZ and then to divert and launder the proceeds through banks in the United States.

28. **Defendant Metcare Management, S.A.** ("Metcare") is a company organized under the laws of Panama that is the same registered address as Defendant Unimetal in Panama and is used

to sell the metal produced by NKAZ in the United States and divert and launder the proceeds through banks in the United States.

29. **Defendant Unimetal Limited, S.A.** (“Unimetal”) is a company organized under the laws of Panama with a registered address in Panama and is used to sell the metal produced by NKAZ in the United States and divert and launder the proceeds through banks in the United States.

30. **Fastact Development, Ltd.** (“Fastact”) is a company organized under the laws of Cyprus with a registered address in Cyprus and is used to launder the proceeds of the sale of metal produced by NKAZ and divert and launder the proceeds through banks in the United States.

31. **Defendant Mikhail Chernoi (“Chernoi”)** is a Russian and/or Israeli citizen who controls, indirectly or directly, SibAl.

32. **Chernoi Companies 1-10 (“Chernoi Companies”)** are companies organized under the laws of the United States whose identities are unknown through which Chernoi transfers proceeds from the Illegal Scheme through banks in the United States.

33. **Trans-Commodities, Inc.** (“Trans-Commodities”) is a corporation organized under the laws of a state of the United States and it maintains its principal places of business in New York.

34. Trans-Commodities is owned and controlled, directly or indirectly, by Chernoi, and was used to launder the proceeds of the sale of aluminum and the “protection money” through banks in the United States to places unknown.

35. This allegation is founded on media articles identifying Chernoi as an owner of Trans-Commodities and media articles reporting that Chernoi claims ownership of companies in the United States.

36. This allegation is founded on the practice of Chernoi to name companies with which he has an association beginning with "Trans".

37. This allegation is founded on Chernoi directing the payment of some protection money to the bank account of Transmetal Ltd. through the Bank of New York.

38. Sibirsky US, SibAl, Bauxal, Metcare and Unimetal are all owned and controlled, directly or indirectly, by Deripaska and/or Chernoi and shall be referred to collectively as "Sibirsky."

39. Russian Aluminum is a successor of the interests of Sibirsky, which was formed to serve as a conduit through which aluminum produced by Sibirsky from the illegally seized plants is sold in the United States, France, Germany, and other countries.

40. Russian Aluminum is owned and controlled, directly or indirectly, by Deripaska and Chernoi.

41. Russian Aluminum, Sibirsky, Chernoi, and Deripaska are referred to collectively as the "Sibirsky Defendants."

Transworld

42. **Transworld (Aluminum), Inc.** ("Transworld") is a number of related corporations organized under the laws of various countries, which maintains places of business in the United States.

43. Chernoi served as the agent of Transworld during the time period described herein, and, , directly or indirectly controlled Transworld.

The "Izmailovo Mafia"

44. **Anton Malevsky** ("Malevsky") is a Russian citizen who is a member of and controls the Russian-American Izmailovo Mafia.

45. **Vyacheslav Ivankov** (“Ivankov”) is a member of the Russian-American Izmailovo Mafia who is also known as “Yaponchik” and is currently in federal prison in the United States.

46. The Izmailovo Mafia is one of the most powerful Russian-American organized crime groups and is named for the Izmailovo region of Moscow.

47. It is infamous for its cruelty.

48. As set forth in numerous media articles and government reports, the Izmailovo Mafia has infiltrated the United States and used New York as a center of operations.

NKAZ Defendant

49. **Defendant Novokuznetsk Aluminum Zavod** (“NKAZ”) is an open, joint stock company organized under the laws of the Russian Federation, which maintains one of Russia’s largest aluminum factories in Novokuznetsk, Kemerovo Region, Russia.

50. Prior to the Illegal Takeover, NKAZ was managed by **MIKOM** (“Mikom”) of which the president was Mikhail Zhivilo (“Zhivilo”).

THE “CHUBAIS TEAM”

51. **RAO United Energy System** (“UES”) distributes electricity throughout the regions of the Russian Federation and sells its shares through American depository receipts (“ADR’s”) on the New York Stock Exchange.

52. **Anatoly Chubais** (“Chubais”) is a Russian citizen and serves as the chairman of UES and is an “oligarch” in the Russian business community.

53. UES delegates the responsibility of delivering energy and collecting payment to a number of subsidiary regional energy companies including **Kuzbassenergo** (“Kuzbass”).

54. UES, Chubais, and Kuzbass shall be referred to collectively as “UES.”

JURISDICTION AND VENUE

55. Jurisdiction lies in this Court pursuant to 28 U.S.C. §1331 and 18 U.S.C. §1964(c) because this case arises under the laws of the United States, based on claims under the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. §1961 et seq.

56. Jurisdiction also lies in this Court over all non-federal law claims pursuant to 18 U.S.C. §1367 based on the doctrine of supplemental jurisdiction.

57. Venue is proper in this District under 18 U.S.C. §1965 and 28 U.S.C. §1391 because events and transactions have taken place in this District.

BACKGROUND

THE NOTORIOUSLY CORRUPT RUSSIAN LEGAL AND ECONOMIC SYSTEM

58. Unlike countries with long developed free-market systems, the economic system that emerged in Russia following the dissolution of the Soviet Union was largely unchecked by government laws or agency regulations.

59. As a result of privatization of the metallurgical and other industries, there emerged a group of wealthy individuals commonly known in Russia as "oligarchs."

60. These oligarchs often have direct connections with Russian organized criminal enterprises and exert their influence over the Russian legal and bureaucratic mechanisms.

61. In the absence of effective government regulation and law enforcement, these oligarchs use their wealth to influence local, regional and national officials, including judges, to issue decisions favorable to businesses operated or controlled by the oligarchs.

62. According to the Harvard University's Belfer Center for Science and International Affairs acting in cooperation with the Strengthening Democratic Institutions Project (SDI), "Russia's

oligarchic groups exert considerable control over the country's economic policies, politics in general and the Media - - politics can be said to have been somewhat privatized during the nation's economic privatization.”

63. On September 21, 1999, Arnaud De Brochgrave, Director of the Global Organized Crime Project, Center for Strategic and International Studies, gave sworn testimony before the United States House of Representatives Committee on Banking and Financial Aid Services on the status of economic crime within the Russian Federation.

64. De Brochgrave testified that according to research conducted by the Russian Organized Crime Taskforce, as published in the *Russian Organized Crime* report, Russia's court system is ineffective, does not consistently enforce established contract and commercial rights, has limited enforcement powers, and has become a de facto adjudicator for companies operated by economic criminals.

65. The report further points out that corruption pervades every level of Russia's bureaucracy and has infiltrated the Russian banking system and financial markets.

66. The report cautioned that “the lack of a formal legal infrastructure which is applied uniformly and publicly to all citizens, foreigners and companies operating in Russia, allows criminal groups to escape due process of the law and legitimate business and citizens to be victimized.”

67. According to testimony before the Congress of the United States of America, the Russian government's anti-corruption program has been unsuccessful due to a lack of resources and due to the fact that salaries of government officials are so near the poverty level, that it is virtually impossible to eliminate corruption at the local levels, such as in Kemerovo.

THE ALUMINUM WARS

68. In the early 1990's, the Soviet Union dissolved and was succeeded by a variety of political entities, including the Russian Federation ("Russia").
69. Beginning in the 1990's, as part of its economic reform, Russia began to privatize many of its major industries, including aluminum.
70. From the 1990's through the current date, numerous "wars" were fought for control over the major Russian aluminum factories (known as a "zavod" in Russian), including the Krasnoyarsk Aluminum Zavod ("KRAZ"), the Sayansk Aluminum Zavod ("SAZ"), and the Bratsk Aluminum Zavod ("BRAZ").
71. During this time period, Deripaska and Chernoi developed a plan and conspired together to take over the entire industry, beginning with SAZ, KRAZ, and BRAZ and ending with NKAZ.

THE "KRASNOYARSK CONNECTION"

72. Chernoi joined the conspiracy to take over the Russian aluminum industry with Deripaska in 1992-93.
73. With respect to KRAZ, Chernoi, in order to effect that scheme, engaged in numerous predicate acts of racketeering through his association with the Izmailovo Mafia, including the contract murders of numerous rivals, including Chistyak on August 10, 1993; Siniy on September 22, 1993; Tolmach in 1994; Lyapa on May 12, 1994; and Tsmik on August 4, 1994.
74. This allegation is based on Russian government records and media articles reflecting the murder of the above individuals.

75. This allegation is based on widespread media reports that the above individuals were opposed to Chernoi and the extreme unlikelihood that so many individuals associated with KRAZ would be murdered for reasons unrelated to the battle for control of KRAZ.

76. This allegation is based on Chernoi's direct involvement with Malevsky in extorting money from NKAZ and its trading partners, as described herein.

77. In addition, , Chernoi, through the Izmailovo Mafia, arranged for the murder of American Felix Lvov in 1995.

78. This allegation is based on the fact that Lvov competed for control of KRAZ and PAZ against Chernoi.

79. This allegation is based on the fact that prior to his death Lvov stated that Chernoi had threatened to murder him.

80. As a result of the murder of Lvov, the American company with which Lvov was associated collapsed and filed for bankruptcy.

81. As a result of this conduct, Chernoi took over control of KRAZ.

THE SAZ TAKEOVER

82. In the 1990's, Deripaska and Chernoi were able to take control of SAZ which became the first Zavod owned by SibAl, which served as their base in effecting consolidation of the Russian aluminum industry.

83. SAZ was subsequently made part of SibAl.

THE BRAZ TAKEOVER

84. Recently, as a result of an association with another Russian oligarch, Deripaska and Chernoi were able to take over control of BRAZ.

THE INITIAL ATTEMPT TO TAKEOVER NKAZ

1994-1995

85. In late 1994 early 1995, MIKOM obtained control of NKAZ through agreements with its major shareholders.
86. MIKOM solicited Western trading partners, such as BMT Ltd., to extend credit and trade with NKAZ.
87. At this time, NKAZ purchased approximately 70% of its alumina, a raw material necessary for the production of aluminum, from the Pavlodarsky Aluminum Zavod ("PAZ").
88. In late 1994, Chernoi and his allies obtained control over PAZ.
89. Chernoi threatened that PAZ would immediately cease shipment of alumina unless NKAZ and its trading partners shared 50% of all profits with them.
90. As a result, NKAZ and its trading partners were extorted to purchase alumina produced by PAZ through Transworld at premium prices and to pay for such alumina by exchanging aluminum with Transworld.
91. As a result of this extortion, millions of dollars of aluminum was sold to Transworld.
92. Chernoi's share of these funds was transferred through bank accounts maintained by Trans-Commodities.
93. Chernoi admitted that he created a number of sister companies, prefaced with the word "Trans", to use as the recipients of monies due to him from his interests in Russian aluminum businesses.

1995--1997

94. By the end of 1995, NKAZ and its trading partners had found alternative sources of alumina.
95. In August 1995, Zhivilo informed Chernoi that NKAZ and its trading partners would no longer trade with Transworld.
96. Shortly thereafter, in September 1995, American Felix Lvov was murdered.
97. After Lvov's murder, Yuri Zhivilo, Mikhail Zhivilo's brother, and another NKAZ representative met with Deripaska at an aluminum trade conference in Chicago.
98. Deripaska threatened that if Mikhail Zhivilo did not cooperate with Chernoi and Transworld that they would do the same thing to Zhivilo that they did to Lvov.
99. In the fall of 1995, Zhivilo was summoned to meet Chernoi in Tel Aviv, Israel in order to discuss the protection payments for the following year.
100. Chernoi was joined at the meeting by Malevsky.
101. The mere presence of Malevsky was terrifying to Zhivilo.
102. During the meeting, Chernoi and Malevsky threatened that if the payments did not continue, it would be necessary for Malevsky and his partner, Yaponchik, to become involved in the business.
103. This was a direct threat on Zhivilo's life.
104. In March 1996, an attempt was made on Zhivilo's life.
105. After the attempt, Chernoi stated to Zhivilo that if "it" didn't happen the first time, that "it" would happen the second time.

106. As a result of these threats, NKAZ and its trading partners were forced to pay millions of dollars in “protection money” at the direction of Chernoi.

107. Chernoi ultimately laundered these proceeds through Trans-Commodities, a company that has New York offices.

108. Such proceeds were transferred through banks in the United States, including the Bank of New York (the Bank of New York served as a bank for Transmetal Ltd. and Transmetal Ltd. was a recipient of some of the protection money).

1997—1998

109. In 1997, Zhivilo and NKAZ’s trading partners learned of a scheme by which Deripaska and Chernoi, in conjunction with the local energy provider, Kuzbass, to take over NKAZ by raising its energy tariffs and forcing NKAZ into bankruptcy.

110. Deripaska and Chernoi were able to influence Kuzbass initially because of their association with organized crime and, later, because their company supplied Kuzbassenergo with 80% of its coal.

111. In response, NKAZ sought the support of the local government.

112. Kemerevo regional deputy governor Dimitry Chirakadze (“Chirakadze”) investigated these claims and determined that Kuzbass was overcharging its customers.

113. Chirikadze required Kuzbass to reduce its tariffs to its industrial customers.

114. Chirikadze learned that Kuzbass was threatening customers that it would raise rates unless the customers paid bribes to the persons controlling Kuzbass.

115. Chirikadze then arranged a meeting in Moscow with Mr. Brunov, who was the general director of UES, the parent of Kuzbass, to bring this illegal conduct to his attention.

116. On July 3, 1997, immediately before the meeting, an attempt was made on Chirakadze's life when two men attacked him with knives.

117. Chirakadze, who was stabbed five times in the neck, back, and stomach, only survived the attack because of his size and physical strength.

118. Chernoi and Deripaska arranged the attack through the Izmailovo Mafia to prevent Chirakadze from interfering in their attempt to use Kuzbass to extort payments from honest businesses.

119. This allegation is founded upon the timing of the attack, that the attackers made no demand for money or valuables from Chirakadze, and that Chirakadze had no known persons who had an interest in assassinating him other than Chernoi and Deripaska.

120. During this time frame, Russian President Boris Yeltsin replaced the Kemerovo Regional governor who appointed Chirakadze with Aman Tuleyev ("Tuleyev").

1998—1999

121. In 1998, Tuleyev demanded that Zhivilo arrange for bribes to be paid to him by MIKOM, which managed NKAZ, and by Plaintiffs, who were NKAZ's trading partners.

122. Zhivilo informed Tuleyev that NKAZ and its trading partners refused to pay such bribes.

123. In response, Tuleyev threatened that control over NKAZ would be shifted to Chernoi and Deripaska.

124. In 1998, Zhivilo met Chernoi by chance at a World Cup football game in France.

125. Chernoi took Zhivilo aside at the game and threatened that Chernoi would have to speak with his friend "Anton" if Zhivilo did not cooperate with Deripaska.

126. This was a direct reference to Malevsky and a direct threat on Zhivilo's life.

127. In 1999, Zhivilo met with Anatoly Chubais, one of the architects of Russian privatization and the infamous "loans for shares" scheme by which great portions of Russian industry were turned over to oligarchs in exchange for their support for Boris Yeltsin's re-election campaign.

128. At the meeting, Chubais demanded that Zhivilo cooperate with the Sibirsky Defendants in their effort to consolidate the aluminum industry under his control.

129. Zhivilo explained that he could not cooperate or work with people who threatened his life and were associated with figures like Malevsky and Chernoi.

130. Zhivilo explained how dangerous Chernoi and Deripaska were and that Chubais should not trust them.

131. In response, Chubais stated that he was responsible for the appointment of Tuleyev as the governor of Kemerovo when Chubais served under President Yeltsin.

132. Chubais stated that if Zhivilo did not follow his instructions that he would arrange with Tuleyev to shift control over NKAZ to Deripaska by whatever means necessary.

THE CONSPIRACY TO TAKE OVER NKAZ

The Conspirators

133. The Conspirators thereupon enlisted the assistance of Kemerovo regional governor Tuleyev to effect the Illegal Takeover, including the filing of false claims by the Kemerovo prosecutor on behalf of Kuzbass and making the false murder charges against Zhivilo.

134. That allegation is based on the fact that Tuleyev demanded bribes from Zhivilo and the Plaintiffs.

135. That allegation is based on the fact that Tuleyev threatened Zhivilo that NKAZ would be taken over if the bribes were not paid.

136. That allegation is based on the fact that Chernoi and Deripaska threatened Zhivilo that they would take over NKAZ.

137. That allegation is based on the fact that Chubais threatened Zhivilo that Tuleyev would arrange for the takeover of NKAZ.

138. That allegation is based on the fact that regional government officials in Russia are notoriously corrupt.

139. As part of their Illegal Scheme to take over NKAZ, the Sibirsky Defendants and UES agreed that Kuzbass would assert false electrical tariff claims and obtain a sham judgment against NKAZ, with the active assistance of Tuleyev using the corrupt Russian regional court system.

140. The common goal of all of the Conspirators was the seizure of NKAZ in order for Sibirsky to obtain the benefits of supplying raw materials to NKAZ and of trading the aluminum produced by NKAZ, plus UES was to receive higher energy payments for its subsidiary, Kuzbass.

141. Once the Conspirators obtained a fraudulent judgment, they agreed to assert control over NKAZ by using it to force an involuntary bankruptcy.

142. The Conspirators also agreed that they would use the bankruptcy to place their handpicked agents as controlling managers of NKAZ.

The False Energy Claims

143. NKAZ is located in the Kemerovo Region, where the local monopolistic energy supplier is Kuzbass.

144. As one of the largest consumers of electricity in the Kemerovo Region, NKAZ entered into agreements with Kuzbass which provided for a fixed discounted tariff for electricity consumption.

145. The first such agreement was executed on April 1, 1996 (the "1996 Agreement").

146. The later agreement was executed on October 31, 1998 (the "1998 Agreement"), and provided for a flexible tariff schedule depending on the average price of aluminum as measured by the London Metal Exchange Bureau.

147. Despite the existence of the 1996 Agreement, Kuzbass filed an action (the "First Kuzbass Action") on November 12, 1997 claiming that NKAZ should pay significantly higher utility rates, as were promulgated by the Kemerovo Regional Energy Commission ("KREC"), a local agency under the direction of Tuleyev.

148. The amounts claimed were grossly inflated, they violated the terms of the 1996 Agreement, and the tariffs used by Kuzbass to calculate the amounts due deviated sharply from Federal Energy Commission regulations.

149. In response, NKAZ commenced a lawsuit against the Kemerovo Regional Energy Commission (KREC) (the "Kemerovo Tariff Action").

150. Therein NKAZ asserted that KREC had fixed illegally high tariffs.

151. NKAZ presented expert testimony confirming that the KREC formulas deviated from Federal Energy Commission regulations.

152. The Federal Energy Commission reviewed the expert report and verified its accuracy.

153. As a result of the Kemerovo Tariff Action, the Kemerovo Court adjourned the First Kuzbass Action pending the outcome of the Kemerovo Tariff Action.

154. Although the First Kuzbass Action was adjourned and despite its recent execution of the 1998 Agreement, the Kemerovo authorities instituted a second claim on behalf of the Conspirators against NKAZ in the Kemerovo court (the "Second Kuzbass Action").

155. This Second Kuzbass Action alleged a debt by NKAZ of over \$27 million based on the discredited KREC tariff, even though NKAZ had already paid in full the amounts properly due.

156. Such claim was fraudulent and without basis.

157. Such claim was also contrary to law because the contract between NKAZ and Kuzbass contained an arbitration clause, which precluded jurisdiction in the Russian civil courts.

158. Nevertheless, as a result of the influence that the Sibirsky Defendants and their allies exerted in Kemerovo, the authorities there, on behalf of Kuzbass, and, at the direction of Tuleyev, obtained a judgment for 737,863,993.00 Rubles (approximately \$26.3 million dollars).

159. This decision was plainly in violation of Russian law, which precluded that Court from rendering judgment until the Kemerovo Tariff Action was resolved.

THE IMPROPER APPELLATE DECISION

160. NKAZ unsuccessfully appealed the corrupt judgment entered by the Kemerovo Court to a local appellate court.

161. As discussed supra, the local courts were precluded from deciding the second action until the Kemerovo Tariff Action was resolved, and, further, because of the arbitration clause.

162. Based on the illegally obtained judgment, an award in favor of the regional authorities, on behalf of the Conspirators, was entered on Christmas Eve, 1999 (the "Christmas Eve Award").

THE ILLEGAL BANKRUPTCY

163. NKAZ then appealed the Christmas Eve Award to the Federal Arbitrazh Court located in Tumen.

164. The Tumen Arbitrazh Court thereupon issued a stay of the Christmas Eve Award (the "Tumen Order") on or about January 19, 2000, before the Sibersky Defendants had an opportunity to attempt to influence it.

165. The Tumen Order was a significant victory for NKAZ because the Russian Bankruptcy Code provides that only creditors with executable judgments may successfully force an involuntary bankruptcy petition.

166. Despite the Tumen Order stay of the Christmas Eve judgment, the regional authorities nevertheless applied to the Kemerovo Bankruptcy Court to declare NKAZ insolvent and requested appointment of an external monitor.

167. In response, the Kemerovo Bankruptcy Court decreed NKAZ insolvent and also declared it in need of supervision again, despite the fact that the Tumen Order stayed the Christmas Eve Order.

168. The Bankruptcy Court decision plainly violated Russian law, which requires an executable judgment in order to place a business into involuntary bankruptcy.

The Corrupt Bankruptcy Hearing

169. As set forth above, in January 2000, the Kemerovo Bankruptcy Court, in violation of the Tumen Order stay, placed NKAZ into involuntary bankruptcy based upon the fraudulent Christmas Eve Judgment.

170. Once the Bankruptcy was decreed, the Conspirators immediately and illegally arranged for the Kemerovo Bankruptcy Court to appoint Sergei Chernyshev ("Chernyshev"), a Sibirsky employee, as the external monitor of NKAZ.

171. The next step was to have Chernyshev appointed as External Manager of NKAZ.

172. Under Russian law, an external manager is very powerful because his authority supersedes that of the directors and shareholders of the company.

173. The appointment of Chernyshev was accomplished at a sham bankruptcy court hearing that was held on February 16 and 17, 2000, wherein the Court appointed Chernyshev in place of its then current management, MIKOM.

174. Kuzbass, at the direction of the Conspirators, falsely alleged in its petition that an external manager was needed because MIKOM had failed to produce certain documents requested by Chernyshev.

175. These allegations were entirely specious, and, in fact, many of Chernyshev's requests were not even sent to MIKOM until after the time by which he set for a response.

176. The allegations of non-cooperation by MIKOM were an obvious sham designed to permit the Sibirsky Defendants to finish their takeover of NKAZ because they knew that the Kemerovo Bankruptcy Court would rule in their favor.

177. That the result was pre-ordained is evidenced, in part, by the fact that well before the February hearing, the Sibirsky Defendants had already made plans to sell NKAZ metal in the West, including the United States.

178. In fact, the Sibirsky Defendants even applied to Western banks for financing of future NKAZ aluminum trade before the Bankruptcy Court hearing gave it control of NKAZ.

179. At the Bankruptcy hearing, the Court refused the Plaintiffs' request for an interpreter so that they could participate in the hearing, in violation of the Russian Procedural Code.

180. At the Bankruptcy hearing, the Court refused the Plaintiffs' request to inspect documents submitted by Chernyshev, in violation of the Russian Procedural Code.

181. In the middle of the second day of the proceeding, while still hearing Kuzbass' evidence, and prior to even permitting NKAZ and Plaintiffs a chance to present evidence or to cross-examine, the Kemerovo Bankruptcy Court abruptly adjourned at approximately 12:00 noon, reconvened briefly again at 3:00 p.m., and then re-adjourned.

182. Three hours later, at 6:00 p.m., the Court reconvened only long enough to grant the Motion to appoint Chernyshev as the External Manager of NKAZ, summarily, without reason or rationale.

183. The decision was in violation of many aspects of Russian law, including but not limited to, the Russian Procedural Code, which permits all parties to introduce evidence, to cross-examine adverse parties, and to appoint interpreters for foreign parties, such as Plaintiffs.

184. The numerous plainly wrong decisions of the Court in allowing the Kuzbass Judgment, the involuntary Bankruptcy, and the transfer of control from MIKOM to Chernyshev resulted from corruption of the Court, due to the influence of the Sibirsky Defendants, the Russian-American Izmailovo Mafia and their partners including Tuleyev.

185. With the appointment of Chernyshev, the Sibirsky Defendants completed their seizure of NKAZ and they now control it.

Chernyshev's Initial Payback To Kuzbass

186. As mentioned above, two actions were filed on behalf of Kuzbass against NKAZ.

187. After the Sham Hearing, Chernyshev, now in control of NKAZ, instructed NKAZ attorneys to neither appear nor to further contest the First Kuzbass Action.

188. Therefore, by Order dated March 10, 2000, the Kemerovo Court found for Kuzbass in the First Kuzbass Action (the "First Kuzbass Action Judgment").

189. Chernyshev then instructed NKAZ attorneys not to appeal the Second Kuzbass Action although it would have been in NKAZ's interest to do so.

190. Chernyshev further instructed NKAZ to withdraw prosecution of its claim in the Kemerovo Tariff Action.

191. Chernyshev's conduct was plainly designed to reward UES and Kuzbass for their cooperation in permitting the Sibirsky Defendants to use false claims to seize control of NKAZ.

Sibirsky's False Bankruptcy Claims

192. Following the sham hearing and prior to NKAZ's first creditors meeting, Chernyshev, in his role as external manager, recognized fictitious and fabricated claims brought by creditors which are affiliates of Sibirsky, such as the closed joint stock company "Aktaniya", Flamstead Investments Limited, the closed joint stock company "Klarus-Service", "Medal", LLP, the open joint stock company "Rostar Holdings S.A.", and "SA Holding," LLC.

193. The purpose of Chernyshev's action was to provide voting power to the Sibirsky affiliates and co-conspirators because, under Russian bankruptcy law, votes at the meetings of creditors are proportional to the amounts due to each creditor.

194. In contrast, Chernyshev refused to recognize many claims asserted by Plaintiffs, despite the fact that such claims amounted to nearly 80% of NKAZ's overall indebtedness prior to the Illegal Takeover and had been previously acknowledged by NKAZ.

195. As a result of this fraud, perpetrated at the directions of the Conspirators, the first meeting of creditors was controlled by Sibirsky, which voted to maintain Chernyshev, its employee, as the external manager.

**CHERNYSHEV'S CANCELLATION OF THE CONTRACTS BETWEEN PLAINTIFFS
AND NKAZ
AND REPLACEMENT WITH CONTRACTS WITH SIBIRSKY AFFILIATES**

196. Prior to the Illegal Takeover, BMT SA and Alucoal were NKAZ's leading suppliers of alumina and pitch coke, the main raw materials used in the production of aluminum as well as NKAZ's main purchasers of finished aluminum.

197. Prior to BMT SA's contracts with NKAZ, BMT Ltd. had previously supplied raw materials to and purchased aluminum from NKAZ.

198. After the Illegal Takeover, Chernyshev illegally repudiated the contracts between the Plaintiffs and NKAZ, including those that had been partially performed and those where NKAZ's obligation was acknowledged.

199. Chernyshev then compelled NKAZ to enter into substitute contracts with the Sibirsky Defendants and/or their affiliates for the purchase of alumina and pitch coke and for the sale of aluminum.

200. These included contracts between a Sibirsky related company known as Azial, which became NKAZ's "agent" for its sale of aluminum and for the purchase of raw materials.

201. The appointment of Azial made little commercial sense because it created an unnecessary and inefficient middleman.

202. Azial, now acting as agent for NKAZ, contracted for the purchase of raw materials and for the sale of aluminum through Sibirsky Defendant, Unimetal.

203. The contracts between NKAZ and Azial/Unimetal were on much less favorable terms to NKAZ than the repudiated contracts with the Plaintiffs.

204. The reason for the new contracts was to allow the Sibirsky Defendants to divert profits from NKAZ to them.

205. Significantly, Azial entered into its contract with Unimetal in January 2000, before the sham hearing appointed Chernyshev as external manager.

206. At the time Azial made its contract with Unimetal it had no right to buy aluminum from NKAZ and, further, NKAZ would not have sold such a large amount of metal to Azial or Unimetal because of its ongoing long-term commitments to Plaintiffs, BMT SA and Alucoal.

207. The only plausible explanation for the contract between Azial and Unimetal is the Sibirsky Defendants' prior knowledge that the Kemerovo Bankruptcy Court decisions were fixed in their favor.

THE ARREST OF NKAZ METAL

The Camden, Baltimore, And New Orleans Arrests

208. In 2000, BMT Ltd. filed an action to confirm and enforce a previously obtained \$12 million arbitration award (the Arbitration Award) against NKAZ in state court in Camden, New Jersey and the federal courts in Baltimore, MD and New Orleans, LA.

209. Based on documents produced in these litigations, BMT Ltd. learned that the proceeds of the U.S. sale of NKAZ metal were being diverted from NKAZ to the Conspirators, to the detriment of Plaintiffs.

The Baltimore Proceeding

210. In the Baltimore proceeding, BMT Ltd. arrested approximately \$4.5 million of NKAZ metal in order to satisfy the Arbitration Award.

211. Discovery in that case revealed that the NKAZ metal had been transferred from Azial to Unimetal to Aluminum of Siberia (UK), an affiliate of Sibirsky, to MG Metals.

212. However, instead of funds being returned to NKAZ at the end of the transaction, Aluminum of Siberia diverted the funds received from MG Metals to Fastact Development, Ltd., an offshore Cyprus company controlled by the Conspirators.

213. These funds were wired through banks in the United States.

The New Orleans Proceeding

214. In the New Orleans proceedings, BMT Ltd. arrested approximately \$4 million of metal to satisfy the Arbitration Award.

215. Discovery in that action revealed that the metal had been transferred from Azial to Unimetal to Runicom Trade Limited (now known as RU-AL), an affiliate of Sibirsky, to Glencore, Ltd. to Transworld (Aluminum), Inc.

216. However, rather than proceeds being paid to NKAZ at the end of the transaction, the funds were wired through First Union National Bank in the United States and then laundered through the use of a bank in Vanuatu, an atoll in the South Pacific, to places unknown.

The Camden Proceeding

217. In Camden, BMT Ltd. arrested approximately \$1.5 million of NKAZ metal to satisfy the Arbitration Award.

218. As a result of the arrests, the sale of aluminum from Russian factories controlled by the Sibirsky Defendants has shifted from SibAl, Unimetal, and Metcare to Russian Aluminum, which was formed as the “parent” of the Russian factories in late 1999 or early 2000.

THE FALSE CRIMINAL CHARGES

Retribution Against Plaintiffs For Use Of The United States Courts

219. Following BMT Ltd.’s success in arresting approximately \$10 million of aluminum in the United States, Tuleyev announced that Mikhail Zhivilo had conspired with Alexander Tikhonov, a four-time Olympic biathlon champion, to murder Tuleyev.

220. As a result, Tikhonov was arrested in Moscow and false charges were filed against Mikhail Zhivilo.

221. The false allegations of murder are part of the Conspiracy by the Sibirsky Defendants to disadvantage Plaintiffs and continue their takeover of the Russian aluminum industry.

THE ROLE OF TRANSWORLD

222. As set forth above, Chernoi served as Transworld’s agent, and was a direct participant in the scheme by which millions of dollars were extorted from NKAZ and its trading partners.

223. Transworld was an integral part of the conspiracy and the means by which Chernoi received millions of dollars for his role in the conspiracy.

THE PREDICATE ACTS

224. The Illegal Scheme was effected by a pattern of related acts of murder, bribery, mail and wire fraud, extortion, money laundering, illegal transactions with monetary instruments, and interstate and foreign travel in aid of racketeering (collectively, the "Predicate Acts").

225. Each of the Defendants herein knowingly participated in the formation of the Illegal Conspiracy and willingly participated in the Conspiracy by knowingly and intelligently carrying out the Predicate Acts detailed herein.

Murder

226. The murders and attempted murders detailed herein constitute felonies under Russian law, and would so under the laws of the states of the United States, including New York.

Extortion

227. As set forth above, this Complaint alleges in detail the Sibirsky Defendant's threats of both physical harm and economic loss.

228. Specifically, Defendant Chernoi threatened NKAZ's supply of alumina unless NKAZ agreed to pay kickbacks to Chernoi and his allies.

229. Defendants Chernoi and Deripaska threatened that Zhivilo would be murdered if he and NKAZ did not pay protection money to Defendants.

230. NKAZ in fact paid protection money and kickbacks as a direct result of these threats.

231. Those threats, and others made by Defendants, constitute extortion under the laws of the states of the United States, including New York.

Bribery

232. The Sibirsky Defendants paid bribes to Tuleyev, for the purpose of using his government position to fix the Kemerovo Court proceedings and to obtain the false indictment of Zhivilo, facilitating the successful takeover of NKAZ.

233. Such acts of bribery constitute felonies under Russian law and would so under the laws of the states of the United States, including New York.

Mail And Wire Fraud

234. The Predicate Acts include, the wiring of money to and from the United States made with the intent of obtaining control of NKAZ and continuing the Illegal Scheme, in violation of 18 U.S.C. § 1343.

235. The Predicate Acts include using interstate and international wires and the United States mail in relation to the sale of NKAZ products as part of the Illegal Scheme, in violation of 18 U.S.C. §§ 1341 and 1343.

236. Specifically, the Sibirsky Defendants communicated with purchasers of aluminum in the United States by wire and telephone, either from Sibirsky's offices in the United States to purchasers in the United States and other countries, or from Sibirsky's offices in Russia to the United States and other countries.

237. The Predicate Acts include sending interstate and international wires and United States mail from Sibirsky USA to Sibirsky Russia, to the Izmailovo Mafia, and to Chernoi and Deripaska in Russia, from the time the Illegal Scheme was conceived and continuing to the present, made with the intent that they be relied upon for continuing, facilitating, and monitoring the Illegal Scheme, in violation of 18 U.S.C. §§ 1341 and 1343.

238. The Predicate Acts include international wires of money directed by Sibirsky, Chernoi, and Deripaska through the United States bank system, in furtherance of the Illegal Scheme.

239. The Predicate Acts include the international and interstate wiring of funds through United States banks for the metal sold in Camden, the metal sold in Baltimore, and the metal sold in New Orleans, including among other transfers:

LOUISIANA

July 19, 2000 – Wire transfer for US \$5,670,009.75 from Bankers Trust Company on behalf of Trans-World (Aluminum) Inc. through Chase Manhattan Bank to the Lloyds Bank account of Trans-World (Aluminum) Ltd.

June 29, 2000 – Wire transfer for US \$2,568,976.26 on behalf of Trans-World (Aluminum) Ltd. through Chase Manhattan Bank to the Union Bank of Switzerland account of Glencore Int'l AG

June 28, 2000 – Wire transfer for US \$2,799,521.82 UBS on behalf of Glencore International through Business Mediterranean Bank, Ltd. to Runicom Trade Ltd.

MARYLAND

May 4, 2000 – Wire transfer for US \$2,726,655.61 from UEB on behalf of MG Metal & Commodity Co. Limited to the Credit Agricole Indosuez account of Aluminum of Siberia (UK) Ltd.

May 9, 2000 – Wire transfer for US \$4,131,860.32 from UEB on behalf of MG Metal & Commodity Co. Limited to the Credit Agricole Indosuez account of Aluminum of Siberia (UK) Ltd.

May 31, 2000 – Wire Transfer for US \$700,000.00 from Credit Agricole Indosuez on behalf of Aluminum of Siberia (UK) Limited to Fastact Development Ltd.

May 16, 2000 – Wire Transfer for US \$1,000,000.00 from Credit Agricole Indosuez on behalf of Aluminum of Siberia (UK) Limited to Fastact Development Ltd.

May 10, 2000 – Wire Transfer for US \$9,000,000.00 from Credit Agricole Indosuez on behalf of Aluminum of Siberia (UK) Limited to Fastact Development.

May 8, 2000 – Wire Transfer for US \$3,000,000.00 from Credit Agricole Indosuez on behalf of Aluminum of Siberia (UK) Limited to Fastact Development

NEW JERSEY

June 19, 2000 – Wire transfer for US \$203,610.35 from BNP Paribas to the benefit of Marc Rich & Co., Investments, the parent of NOVARCO Limited, to places unknown, believed to be a bank on the South Pacific atoll of Vanuatu.

June 19, 2000 – Wire transfer for US \$1,149,743.12 from BNP Paribas to the benefit of Marc Rich & Co., Investments, the parent of NOVARCO Limited, to places unknown, believed to be a bank on the South Pacific atoll of Vanuatu.

240. The Predicate Acts also include the wiring of funds through United States banks for metal from KRAZ, SAZ, and BRAZ which was sold in the United States during the past seven (7) years.

Money Laundering

241. The Predicate Acts include the laundering of monetary instruments or funds in violation of 18 U.S.C. §1956(a).

242. Pursuant to that provision, it is illegal when a person “knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity ... with the intent to promote the carrying on of specified unlawful activity.”

243. Under §1956(b)(7) and §1957(f)(3), “specified unlawful activity” includes violations of §1961(1), which include murder, bribery, and mail and wire fraud.

244. Under 1956(c)(1), “proceeds of . . . unlawful activity” include property obtained from acts that constitute felonies under state, federal or foreign law.

245. The Predicate Acts of money laundering were committed by the Sibirsky Defendants and/or their co-conspirators or agents, knowing that the proceeds of the sale of metal from NKAZ

in Camden, Baltimore, and New Orleans had been obtained through the Illegal Scheme (involving bribery and mail and wire fraud).

246. The Sibirsky Defendants further arranged for the proceeds to be wired through bank accounts in the United States to accounts unknown with the intent of promoting and continuing the Illegal Scheme.

247. The Predicate Acts were committed by the Sibirsky Defendants and/or their co-conspirators or agents, knowing that the proceeds of the sale of metal from KRAZ, BRAZ, and SAZ had been obtained as a result of Predicate Acts of murder, bribery, and mail and wire fraud.

248. The Sibirsky Defendants further arranged for the proceeds to be wired through bank accounts in the United States to accounts unknown for over seven (7) years with the intent of promoting and continuing the overall Illegal Scheme of taking over the Russian aluminum industry.

Illegal Transactions in Monetary Instruments

249. The Predicate Acts also include engaging in monetary transactions in property derived from specified unlawful activity in violation of 18 U.S.C. §1957.

250. Pursuant to this provision, it is illegal when a person “knowingly engages or attempts to engage in a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from specified unlawful activity.”

251. Funds diverted from NKAZ pursuant to the Illegal Scheme constitute “criminally derived property”.

252. Funds diverted from KRAZ, BRAZ, and SAZ pursuant to the Illegal Scheme to take over the Russian aluminum industry constitute “criminally derived property.”

253. Bribery, murder, and mail and wire fraud, as set forth above, constitute “specified unlawful activity.”

Hobbs Act

254. The Predicate Acts include interference with interstate commerce by extortion in violation of 18 U.S.C. § 1951, the “Hobbs Act”.

255. The Sibirsky Defendants, acting through their Illegal Scheme, caused metals to be sold among the States, between the States and foreign countries, and caused contracts to be breached.

256. Those and other acts of Defendants “affected commerce” in contravention of the Hobbs Act.

257. The Defendants' Illegal Scheme involved extortion, as set forth above.

258. Specifically, Defendant Chernoi threatened NKAZ’s supply of alumina unless NKAZ agreed to pay kickbacks to Chernoi and his allies.

259. Defendant Chernoi and Deripaska threatened that Zhivilo would be murdered if he and NKAZ did not pay protection money to Defendants.

260. NKAZ in fact paid the protection money and kickbacks as a direct result of the threats.

261. Defendants' Illegal Scheme involved manipulating the Russian courts and bankruptcy system to gain control of NKAZ.

262. Those acts constitute “extortion” under 18 U.S.C. § 1951 (b)(2).

Interstate and Foreign Travel

263. The Predicate Acts also include interstate and foreign travel in aid of racketeering by the Sibirsky Defendants and/or their co-conspirators in contravention of 18 U.S.C. §1952.

264. Pursuant to this provision, it is illegal if a person “travels in interstate or foreign commerce or uses the mail or any facility in interstate or foreign commerce, with the intent to ... distribute the proceeds of any unlawful activity ... or otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity.”

265. The “unlawful activity” included bribery, murder, money laundering, engaging in illegal monetary transactions, and mail and wire fraud.

266. The Predicate Acts include representatives of Sibirsky traveling from the United States to Russia with the intent to promote, manage, establish, and carry on the Illegal Scheme.

267. The Predicate Acts include representatives of Sibirsky traveling from Russia to Switzerland to open bank accounts with the intent to promote, manage, establish, and carry on the Illegal Scheme.

268. The above Predicate Acts had substantial effects on interstate commerce within the United States and foreign commerce between the United States and other nations.

THE ENTERPRISES

269. Under 18 U.S.C. §1961(4), an enterprise includes any individual, partnership, corporation, association or other legal entity, and any union or group of individuals associated in fact although not a legal entity.

270. Sibirsky (including Russian Aluminum), Deripaska, Chernoi, and Trans-Commodities together constitute an “association-in-fact,” formed for the common purpose of taking over the Russian aluminum industry and diverting, appropriating, and distributing profits from the Illegal

Scheme, continuing from the mid-1990's through the present efforts to falsely accuse Zhivilo of murder in retaliation for use of the Courts of the United States.

271. Sibirsky (including Russian Aluminum), Deripaska, Chernoi, Trans-Commodities, and UES constitute an "association-in-fact," formed for the common purpose of taking over the Russian aluminum industry and diverting, appropriating, and distributing profits from the Illegal Scheme, continuing from the mid-1990's through the present efforts to falsely accuse Zhivilo of murder in retaliation for use of the Courts of the United States.

272. BRAZ, KRAZ, NKAZ, and SAZ constituted an "association-in-fact," formed for the common purpose of taking over the Russian aluminum industry and diverting, appropriating, and distributing profits from the Illegal Scheme, continuing from the mid-1990's through the present efforts to falsely accuse Zhivilo of murder in retaliation for use of the Courts of the United States.

273. The above associations-in-fact engaged in and affected interstate and foreign commerce in the United States.

274. The associations-in-fact had continuity of structure and personnel because, from the 1990's through the current date, it featured a hierarchical structure dominated by Deripaska and Chernoi.

275. Sibirsky and the Conspirators were associated with the above referenced associations-in-fact enterprise, and they conducted and participated in its affairs through a pattern of racketeering activity within the meaning of 18 U.S.C. §1961(5), including murder, bribery, extortion, use of interstate and international wires to further the Illegal Scheme, money laundering, illegal monetary transactions, and interstate and foreign travel in aid of racketeering.

276. The above associations-in-fact were separate and distinct from the pattern of racketeering in which Sibirsky and the Conspirators engaged because (a) the members of the association-in-fact had to be coordinated and directed to such a high degree, and were assigned well-defined roles, to execute the complex and far-flung operations of the Illegal Scheme that their nexus existed separately and apart from the pattern of racketeering, and (b) the association-in-fact had goals other than just racketeering, including the continued operation of KRAZ, SAZ, BRAZ, and NKAZ as a makers and sellers of aluminum.

277. Additionally, SAZ, KRAZ, BRAZ, and NKAZ each constituted an enterprise pursuant to 18 U.S.C. §1961(4), which engaged in and affected interstate and foreign commerce in the U.S.

278. Sibirsky and the Conspirators were associated with SAZ, KRAZ, BRAZ, and NKAZ and conducted and participated in the affairs of SAZ, KRAZ, BRAZ, and NKAZ through a pattern of racketeering activity as provided by 18 U.S.C. §1961(5), including murder, bribery, extortion, use of interstate and international wires to further the Illegal Scheme, money laundering, illegal monetary transactions, and interstate and foreign travel in aid of racketeering.

279. Sibirsky and the Conspirators conspired together and acted in concert to engage in the pattern of Predicate Acts beginning no later than the 1990's and lasting through the current date.

280. The Illegal Scheme is continuing today as the Sibirsky Defendants continue to illicitly control NKAZ.

281. As a direct and proximate result of the Illegal Scheme and underlying Predicate Acts, Plaintiffs have suffered loss in excess of \$900,000,000 from the cancellation of their contracts with NKAZ.

NO HONOR AMONG THIEVES

282. Subsequent to the Illegal Takeover, Sibirsky reached an agreement to combine its holdings with the holdings of a powerful Russian oligarch to form Russian Aluminum, which effected its goal of a monopoly over the Russian aluminum industry.

283. As a result of the deal with the Russian oligarch, and competition between this oligarch and Chubais, Sibirsky apparently concluded that it no longer needed the support of UES.

284. As a result, Sibirsky repudiated its agreement to compensate UES for its cooperation and, through Chernyshev, has eliminated Kuzbass from the list of creditors.

285. Sibirsky thus used fraudulent debts in a sham bankruptcy to wrest control of NKAZ from MIKOM and then directed its puppet, Chernyshev, to disallow those very debts that formed the basis of the bankruptcy.

COUNT I

Violation of RICO § 1962(a)

Plaintiffs v. Sibirsky Defendants

286. The allegations of the paragraphs 1-285 are incorporated herein as if set out in full.

287. As alleged herein, the Sibirsky Defendants derived vast sums of money from their racketeering activities, including without limitation the extortion of money from NKAZ and its trading partners.

288. The Conspirators also derived substantial amounts of money from the takeover of BRAZ, KRAZ & SAZ.

289. Defendants then used such racketeering income to fund the Illegal Takeover of NKAZ and their other illegal activities in Russia and elsewhere.

290. As a direct and proximate result of the Defendants' use and investment of racketeering income, Plaintiffs suffered damages as set forth herein.

COUNT II

Violation of § 1962 (b)

Plaintiffs v. Sibirsky Defendants

291. The allegations of paragraphs 1-290 are incorporated herein as if set forth in full.

292. As set forth therein, the Conspirators engaged in a pattern of illegal activity, including without limitation attempted murder, bribery, extortion, mail fraud, wire fraud and money laundering as part of a pattern of racketeering activity specifically directed to taking control of the enterprise, NKAZ.

293. Sibirsky Defendants' pattern of illegal activity resulted in them gaining control of NKAZ.

294. As a direct and proximate result of the actions of Sibirsky Defendants pattern of racketeering activity, Plaintiffs suffered damages as set forth herein.

COUNT III

Violation of RICO § 1962(c)

Plaintiffs v. Sibirsky Defendants

295. The allegations of paragraphs 1-294 are incorporated herein as if set out in full.

296. Under 18 U.S.C. §1962(c), it is unlawful to conduct or participate through a pattern of racketeering in the affairs of an enterprise, including an "association-in-fact," which engages in or affects interstate or foreign commerce.

297. As set forth above, the Sibirsky Defendants participated in an enterprise, that is, the association-in-fact among Sibirsky (including Russian Aluminum), Chernoi, Deripaska, and UES, through the above pattern of racketeering.

298. As set forth above, the Sibirsky Defendants participated in an enterprise, that is, the association-in-fact among BRAZ, NKAZ, SAZ, and KRAZ, through the above pattern of racketeering.

299. As set forth above, the Sibirsky Defendants participated in enterprises, that is, each of BRAZ, SAZ, and KRAZ, through the above pattern of racketeering.

300. As set forth above, the Sibirsky Defendants participated in the NKAZ enterprise through the above pattern of racketeering activity.

301. As set forth above, the Sibirsky Defendants actively participated in the operation and management of each of the described enterprises

302. As a direct and proximate cause of the above pattern of racketeering, Plaintiffs have suffered harm in an amount in excess of \$900 million.

COUNT IV

Violation of § 1962(d)

Plaintiffs v. Sibirsky Defendants

303. The allegations of paragraphs 1-302 are incorporated herein as if set out in full.

304. Under 18 U.S.C. §1962(d), it is illegal to conspire to violate section (a) (b) or (c) of the RICO statute, 18 U.S.C. §1962 (a-c).

305. Pursuant to the Illegal Scheme, the Sibirsky Defendants have conspired and are conspiring among themselves and others to violate sections (a) (b) and (c) of the RICO Statute by taking over NKAZ and the rest of the Russian aluminum industry.

306. The Sibirsky Defendants, in furtherance of their Illegal Scheme joined together as co-conspirators to effect the takeover of the Russian Aluminum industry.

307. In furtherance of the conspiracy, each of the Sibirsky Defendants agreed to participate, *inter alia*, in two or more acts of money laundering, wire fraud, mail fraud, bribery, extortion and attempted and actual murder.

308. In furtherance of the conspiracy, each of the Sibirsky Defendants conspired to utilize racketeering income (subdivision (a)), to take part and to conduct(subdivision (b)), or to participate in the affairs (subdivision (c)) of NKAZ and the other asserted enterprises as part of the Illegal Scheme.

309. In furtherance of their conspiracy, each of the Sibirsky Defendants was assigned or a role in the conspiracy to which each knowingly agreed.

310. The above conduct of the Sibirsky Defendants constitutes a conspiracy in violation of 18 U.S.C. §1962(d).

311. As a direct and proximate cause of the above Predicate Acts, which resulted in Sibirsky Defendants taking over NKAZ and canceling its contracts with Plaintiffs, Plaintiffs have suffered harm in an amount in excess of \$900 million.

COUNT V

Intentional Interference with Contract

Plaintiffs v. Sibirsky Defendants

312. The allegations of paragraphs 1-311 are incorporated herein as if set out in full.

313. As a result of the illegal conduct by the Sibirsky Defendants in taking over NKAZ through the Illegal Bankruptcy, the Sibirsky Defendants have caused NKAZ improperly and without justified purpose to breach each of its above contracts with Plaintiffs.

314. As a direct and proximate cause of such breach, Plaintiffs have suffered damage in excess of \$900 million.

315. As a direct and proximate result of the actions of Sibirsky Defendants, Plaintiffs suffered losses as set forth herein.

316. As co-conspirators, the Sibirsky Defendants are jointly and severally liable for all losses caused by their conspiracy with one another, from the beginning of the conspiracy in the 1990's through the current date.

COUNT VI

Plaintiffs v. NKAZ

Breach of Contract

317. The allegations of paragraphs 1-316 are incorporated herein as if set out in full.

318. NKAZ has breached each of its above contracts with Plaintiffs.

319. As a direct and proximate cause of such breach, Plaintiffs have suffered damage in excess of \$900 million.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

- a. Compensatory damages in excess of \$900 million against NKAZ and the Sibirsky Defendants;
- b. Treble damages under RICO in excess of \$2.7 billion against the Sibirsky Defendants;
- c. Punitive damages against the Sibirsky Defendants;
- d. Costs and attorney fees under RICO;
- e. Such other relief as is just and proper.

Dated: December____, 2000

STROOCK & STROOCK & LAVAN, LLP

By:

Robert Abrams, Esquire
(A Member of the Firm)
180 Maiden Lane
New York, NY 10038
(212) 806-5400

EPAM, LLC

By:

Bruce S. Marks, Esquire
Eleven Penn Center
1835 Market Street
28th Floor
Philadelphia, PA 19103
(215) 569-8901

Dated: December 19, 2000

STROOCK & STROOCK & LAVAN LLP

By: Robert Abrams
Robert Abrams (BA-3744)
(A Member of the Firm)
180 Maiden Lane
New York, NY 10038
(212) 806-5400

EPAM, LLC

By: _____
Bruce S. Marks, Esquire
Eleven Penn Center
1835 Market Street
28th Floor
Philadelphia, PA 19103
(215) 569-8901