

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

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MAGOMED MAGOMEDOV
and AKHMED BILALOV,

Plaintiffs,

-against-

LEONID L. LEBEDEV,
LEONARD BLAVATNIK and
VIKTOR VEKSELBERG,

Defendants.
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Index No. _____

SUMMONS WITH NOTICE

Plaintiffs designated New
York as the place of trial

*Venue is proper in this
County Pursuant to C.P.L.R.
§ 503*

To the above-named Defendants:

PLEASE TAKE NOTICE THAT YOU ARE HEREBY SUMMONED to appear in this action by serving a notice of appearance or demand for a complaint on the Plaintiffs at the address set forth below within 20 days after the service of this Summons (not counting the day of service itself), or within 30 days after service is complete if the summons is not delivered personally to you within the State of New York.

This Court has jurisdiction pursuant to CPLR § 301 because at least one defendant is domiciled in New York. In addition, this Court has jurisdiction pursuant to CPLR § 302(a)(1) because the defendants transact business in New York and have transacted business in New York related to this action. Additionally, defendants have waived any objection to jurisdiction through their voluntary and continued participation in proceedings in New York. Venue is proper under CPLR § 503(a) because at least one defendant resides in New York County.

This is an action for breach of fiduciary duty, breach of contract, anticipatory breach of contract, fraud, unjust enrichment, and conversion against Mr. Lebedev; aiding and abetting breach of fiduciary duty, unjust enrichment, and conversation against Mr. Blavatnik and Mr. Vekselberg; and declaratory judgment against all three defendants. It arises from a scheme to cheat Plaintiffs Magomed G. Magomedov and Akhmed Bilalov out of over \$1.3 billion dollars.

Plaintiffs and Mr. Lebedev are Russian businessmen. Each of them was a former shareholder in the Russian oil company OJSC Nizhnevartovskneftgaz (“NNG”). By 1997, Plaintiffs, through entities that they controlled, owned and controlled 5.37% of NNG’s total shares and Mr. Lebedev, through entities that he controlled, owned and controlled 5.13% of NNG shares.

In 1997, Plaintiffs and Mr. Lebedev entered into a joint venture in which they agreed to act jointly in all matters relating to their collective NNG shareholdings and to share in any proceeds derived from those shareholdings, including but not limited to the sale of those shares. Pursuant to this joint venture, the parties could not sell or take any unilateral action with respect to any part of the collective 10.5% of shares without the consent and agreement of the other.

Mr. Magomedov told Mr. Blavatnik and Mr. Vekselberg that Plaintiffs had a joint venture agreement with Mr. Lebedev regarding the NNG shares, and that neither Plaintiffs nor Mr. Lebedev could deal unilaterally in those shares without the other’s consent. Later that year, Mr. Lebedev, in violation of obligations owed to his joint venture partners, secretly agreed to sell his NNG shares to Mr. Blavatnik and Mr. Vekselberg, who together controlled a large stake in NNG’s parent company, without Plaintiffs’ consent or knowledge. Moreover, on information and belief, at that same time, Mr. Lebedev also agreed to assist Mr. Blavatnik and Mr. Vekselberg in obtaining Plaintiffs’ NNG shares without informing Plaintiffs and without

Plaintiffs' consent. Mr. Lebedev deliberately concealed that agreement and the share transfer from Plaintiffs.

In 1999, Plaintiffs transferred their NNG shares to a third party, Oleg Kim, in order to resolve a dispute with him. Mr. Lebedev participated in the discussions that led to the transfer of Plaintiffs' NNG shares to Mr. Kim. At no time during those discussions, however, did Mr. Lebedev disclose to Plaintiffs the deal he had struck with Mr. Blavatnik and Mr. Vekselberg or that he stood to make a fortune from Mr. Blavatnik and Mr. Vekselberg once Plaintiffs let go of their NNG shares despite the fact this was material information and he had a duty to disclose it. Rather, upon information and belief, he was working with Mr. Kim behind Plaintiffs' back to obtain Plaintiffs' NNG shares as part of the plan to ultimately have the shares transferred to Mr. Blavatnik and Mr. Vekselberg.

Once Plaintiffs transferred the NNG shares to Mr. Kim, upon information and belief, Mr. Lebedev arranged for the shares to be transferred from Mr. Kim to Mr. Blavatnik and Mr. Vekselberg – fulfilling the rest of his bargain to help them acquire Plaintiffs' shares of NNG. Mr. Blavatnik and Mr. Vekselberg, who were fully aware of Mr. Lebedev's obligations to his joint venture partners from the time they approached him to obtain his shares back in 1997, aided and abetted Mr. Lebedev's breach of his duties to Plaintiffs.

In exchange for secretly transferring his shares and assisting in the transfer of Plaintiffs' NNG shares to Mr. Blavatnik and Mr. Vekselberg, Mr. Lebedev obtained a stake in a joint venture with Mr. Blavatnik and Mr. Vekselberg. The negotiations between Mr. Lebedev and Mr. Blavatnik and Mr. Vekselberg regarding this joint venture took place in New York. In 2001 and 2002, Mr. Lebedev was paid \$11 million as proceeds resulting from his joint venture with Mr. Blavatnik and Mr. Vekselberg. In 2003 Mr. Lebedev was paid another \$600 million and, on

information and belief, received other benefits due to the joint venture with Mr. Blavatnik and Mr. Vekselberg. Plaintiffs were kept in the dark about all of this.

In 2013, after a sale to Russian state-owned oil giant Rosneft of their joint venture (which now controlled the NNG shares, including the shares wrongfully obtained from Plaintiffs), Mr. Blavatnik and Mr. Vekselberg were paid more than \$55 billion. After Mr. Blavatnik and Mr. Vekselberg refused to pay Mr. Lebedev his share from the Rosneft sale, Mr. Lebedev filed suit in New York in February 2014, seeking more than \$2 billion in damages. *See Lebedev v. Blavatnik*, No. 0650369/2014 (Sup. Ct. New York County 2014).

When Plaintiffs learned of Mr. Lebedev's breaches in 2014, Mr. Magomedov (on behalf of Plaintiffs) confronted Mr. Lebedev. In that discussion and discussions that followed, Mr. Lebedev admitted to breaching his obligations to Plaintiffs under their joint venture, reaffirmed his obligations to act jointly with respect to all matters concerning the NNG shares, including to share in the proceeds associated with the NNG shares, and entered into a new agreement pursuant to which Mr. Lebedev agreed to share equally the proceeds of his dispute with Mr. Vekselberg and Mr. Blavatnik. Plaintiffs agreed to assist in those efforts.

Thus, having entered into a new agreement with Mr. Lebedev, Plaintiffs did not bring a lawsuit against him for his earlier conduct and in reliance on Mr. Lebedev's promises, Mr. Magomedov (on behalf of Plaintiffs) took substantial steps to assist with Mr. Lebedev's recovery efforts.

However, in 2015, Mr. Lebedev began to insist that he wanted to renegotiate the terms of the deal. Specifically, while he initially agreed that he would share equally in the allocation of proceeds from the recovery efforts with Plaintiffs, Mr. Lebedev changed his mind and told Mr. Magomedov that he no longer wished to do so. When Mr. Magomedov refused—as he (on

behalf of Plaintiffs) had been performing under that agreement for over one year—Mr. Lebedev subsequently broke off all contact with Mr. Magomedov in January 2016. By disavowing that agreement and repudiating his obligation to share the proceeds from the NNG shares, Mr. Lebedev breached his contract with Plaintiffs.

YOU ARE HEREBY NOTIFIED that, on your failure to answer or appear, a judgment will be entered for:

1. Monetary damages to Plaintiffs in an amount to be determined at trial but no less than \$1,305,500,000;
2. Disgorgement of any proceeds defendants have obtained or will obtain as a result of Plaintiffs' NNG shares;
3. A declaratory judgment, (i) for a declaration that Plaintiffs are entitled to one-half of the \$611 million in proceeds that Mr. Lebedev received in 2001 through 2003; and (ii) for a declaration that Plaintiffs are entitled to one-half of the proceeds that Mr. Lebedev obtains from Mr. Blavatnik and Mr. Vekselberg;
4. Punitive damages;
5. Pre-judgment and post-judgment interest; and
6. Such other relief in favor of Plaintiffs as the Court deems just and proper.

Dated: New York, New York
February 3, 2017



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