

International Arbitration and Cryptography Chamber
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ARBITRAL AWARD

Arbitration Case No.L002

Plaintiff:

LTD

LONDON, UNITED KINGDOM, .com

Defendant:

Ukraine

.com

Date of Award: [REDACTED]

Seat of the Arbitration: London

The full version of the resolution was drawn up and sent to the parties on [REDACTED]

The International Arbitration and Cryptography Chamber of London composed of the Arbitrator, Philip Edward Colgan (Great Britain), with the participation of the parties, the plaintiff and the defendant, having reviewed Case No. L002 in an arbitration tribunal session on a claim of

LTD

LONDON, UNITED KINGDOM,

.com

to

Ukraine

.com

on collection of debt under the loan agreement dd. with the participation of the parties:

on the part of the plaintiff: LTD,

on the part of the defendant

Established the following:

On [REDACTED] the plaintiff filed a claim to the International Arbitration and Cryptography Chamber of London on collection of an amount of USD 90,000 being the debt under the loan agreement.

On [REDACTED] the plaintiff and the defendant concluded an agreement on a dispute adjudication in the International Arbitration and Cryptography Chamber of London (former London Chamber of International Arbitration), London, United Kingdom of Great Britain and Northern Ireland specifying the conditions of formation of the arbitration tribunal composition consisting of one Arbitrator, Philip Edward Colgan, the citizen of the United Kingdom of Great Britain and Northern Ireland.

[REDACTED]

The arbitration agreement between the parties on settlement of the dispute was drawn up in English, consequently, in accordance with p. 17.1 of the Rules of the Chamber the language of arbitration shall be English with the parties having the right to use the services of an interpreter.

[REDACTED] this arbitration tribunal has the required and sufficient competence for consideration of the case.

The grounds for filing a claim are the legal regulations between the parties arising under the civil agreement between the foreign subjects containing the forewarning (p. 24.1) on the fact that the agreement is regulated by the English law and any dispute under this agreement shall be filed to the London Chamber of International Arbitration(IACC), where it is subject to settlement in compliance with the rules of this international arbitration with the decision being final and binding in the territory of the country being a party to the New York Convention on the Recognition of Enforcement of Foreign Arbitral Awards as of 1958.

On [REDACTED] the plaintiff filed a statement of defense, with no objections made with regard to the arbitration tribunal's competence; herewith, the parties had no objections concerning the competence of the International Arbitration and Cryptography Chamber of London with regard to the consideration of this case. The case consideration lasted from [REDACTED] to [REDACTED], [REDACTED] with the use of means of video conferencing and electronic digital documents turnover, services of an interpreter from Russian to English on the part of the defendant, [REDACTED]

In the course of the claim consideration the plaintiff approved the asserted claims: to collect the debt from the defendant in the amount of USD 90,000 under the loan agreement dd. [REDACTED]

The plaintiff substantiates the claims by the fact that on [REDACTED] the plaintiff, [REDACTED] LTD (former [REDACTED]) and the defendant, [REDACTED], concluded a loan agreement to an amount of USD 90,000 for routine repair and maintenance of a private apartment under which the defendant undertook to pay the obtained amount back by [REDACTED], [REDACTED]. The defendant secured her obligations on the loan pay back by the property belonging to her under the title to private ownership, i.e. apartment [REDACTED] located at [REDACTED] Ukraine.

The receipt of the loan in the amount of USD 90,000 by [REDACTED] from [REDACTED] LTD was duly documented in the acknowledgement of the loan receipt dd. [REDACTED] and the clarifications of the parties.

According to the written notices, the plaintiff company, [REDACTED] LTD sent several notices to [REDACTED] demanding pay back of the loan of USD 90,000. The defendant gave a negative answer to the notices.

Moreover, the plaintiff, [REDACTED] LTD, insists on fulfillment of

the pledge obligation, since to its point of view the defendant has no other property apart from the one specified in the loan agreement.

The defendant, [REDACTED], filed a statement of defense and rejection of a voluntary settlement of a claim, i.e. refusal to pay back the loan of USD 90,000.

[REDACTED] stated that her refusal was preconditioned by the fact that during [REDACTED] she spent the funds that she obtained from the plaintiff on repair of the apartment and personal expenses, support of children, but she was not able to complete repairs and pay the loan back by means of making profit on the use of the pledged apartment [REDACTED] located at [REDACTED]

[REDACTED] Ukraine due to preventive actions of the residents of the same building [REDACTED], that destroyed the private ownership, i.e. the walls of the pledged apartment [REDACTED], stole personal belongings, messed the entrance to apartment [REDACTED], prevented fulfillment of repair works by the hired workers.



In her objection the defendant noted that she had no other property to satisfy the claim of the plaintiff, apart from the pledged apartment, that she is unemployed and retired; herewith, the collection of debt is possible only by way of change of the financial obligation to collection of property, the private apartment, which is the property of the defendant, thus ceasing the financial obligation, since the defendant does not have the required amount and the execution of the arbitration tribunal's judgment on complete satisfaction of the plaintiff's claim is the

required mean of avoidance of the possible situation when the execution of the aforementioned claim will become impossible or significantly hindered.

In the course of the arbitration tribunal session the plaintiff, [REDACTED], supported the claim of change of the way of fulfillment of the obligation and noted that the change of obligations under the loan agreement from financial to property shall be carried out in conformance with the claim and shall be in force in accordance with the Law of Property Act 1925 and Housing Act 1964.

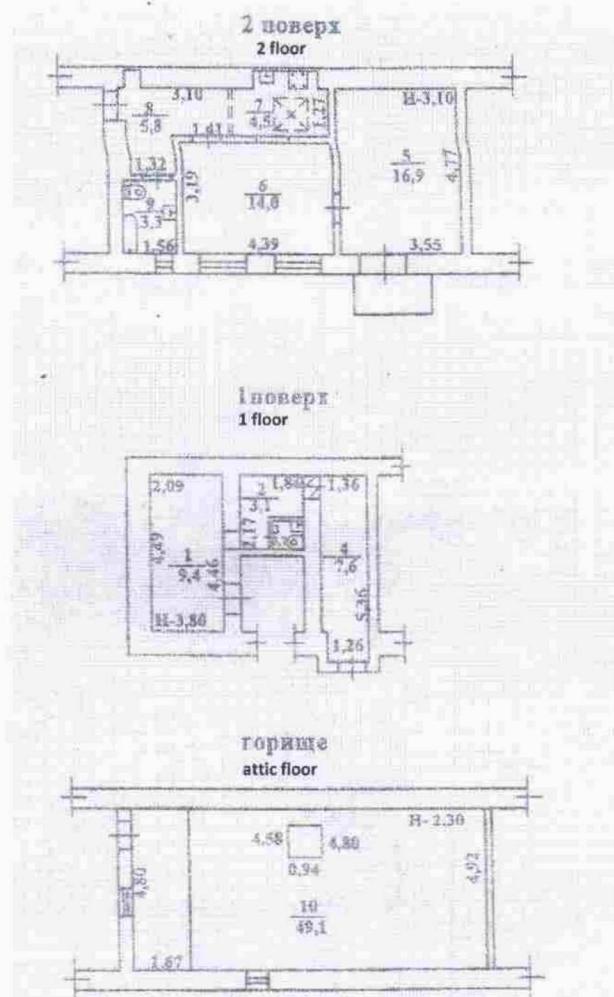
In the course of the arbitration tribunal session, the defendant, [REDACTED] did not provide well-grounded and conclusive evidence of impossibility of change of the financial obligations to property, required to satisfy the amount of a claim, collection of a debt by means of filing a claim to property.

In the course of the arbitration tribunal session, the defendant and the plaintiff confirmed the fact of conclusion of the loan agreement between the plaintiff and the defendant on [REDACTED] specifying the possibility of filing a claim to the property of the defendant.

The defendant also confirmed that within the duration of the loan agreement the defendant, [REDACTED], did not pay back the received amount of USD 90,000 to [REDACTED] LTD, and the received funds were used for routine repair of apartment [REDACTED] located at [REDACTED] Ukraine as a result of which the layout and total floor space of the apartment was decreased.

The former layout of apartment [REDACTED] is shown in Figure 1.

Figure 1



Description of the apartment in accordance with Figure 1:

Dwelling and utility rooms of apartment [REDACTED] located on the first and second floors and the attic of the building [REDACTED] located at [REDACTED] Odessa, of the accessory building B which as of the date of the arbitration tribunal decision was not an architectural monument or is not located in the proximity to it. It is a separate apartment under [REDACTED] with an individual personal entrance to be used only by the residents of apartment [REDACTED] with no adjacent apartments, consisting of:

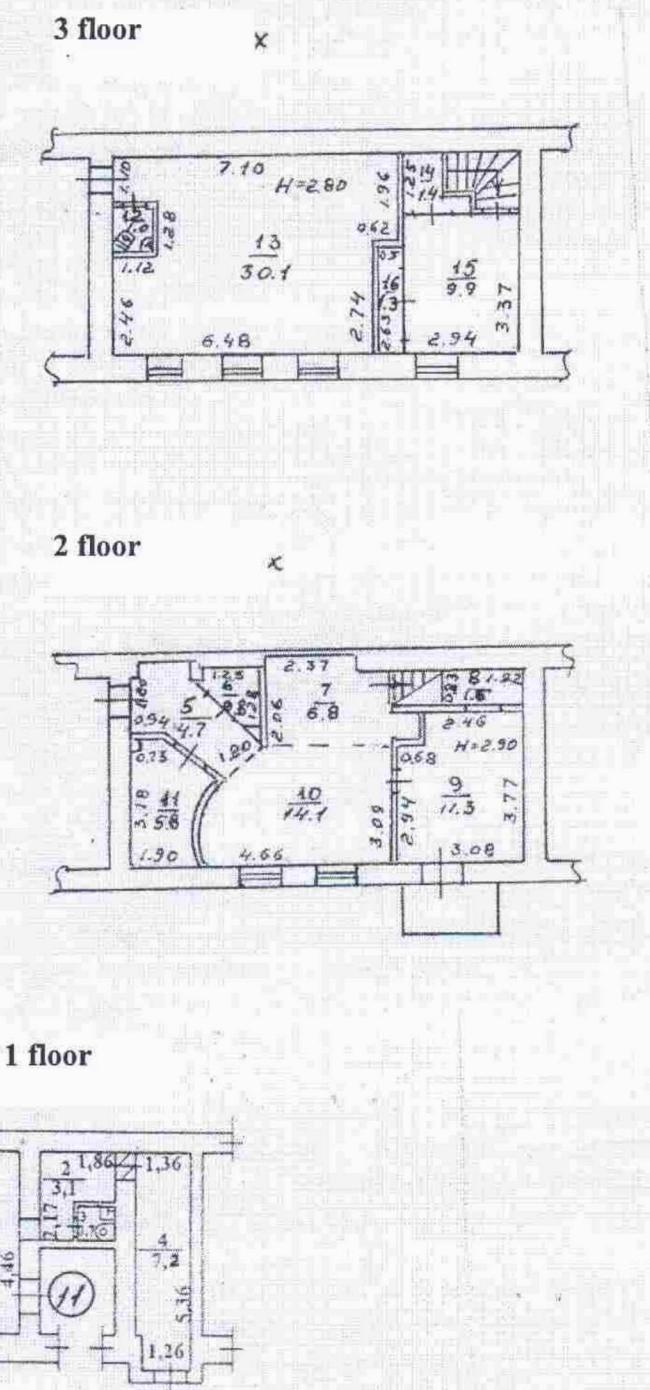
- Dwelling room No.1 - 16.9 sq.m. (room No.5)
- Dwelling room No.2 - 14.0 sq.m. (room No.6)
- Dwelling space - 30.9 sq.m.
- Individual kitchen - 4.5 sq.m. (room No.7)
- Water closet - 3.3 sq.m. (room No.9)
- Corridor - 5.8 sq.m. (room No.8)
- Balcony - 0.8 sq.m.
- Toilet - 0.7 sq.m. (room No.3)
- Utility rooms - 9.4; 3.1; 7.6 sq.m. (rooms No.1, 2, 4)
- Attic - 49.1 sq.m. (room No.10)

Total floor space - 115.2 sq.m.

Ceiling height - 3.80; 3.10; 2.30 m.

As a result of the use of the borrowed funds the layout of apartment [REDACTED] located at [REDACTED] Ukraine became as shown in Figure 2.

Figure 2



Description of the apartment in accordance with Figure 2:

Dwelling and utility rooms of apartment [REDACTED] located on the

first, second and third floors of the building [REDACTED] located at [REDACTED], of the accessory building B which as of the date of the arbitration tribunal decision was not an architectural monument or is not located in the proximity to it. It is a separate apartment under [REDACTED] with an individual personal entrance to be used only by the residents of apartment [REDACTED] with no adjacent apartments, consisting of:

Dwelling room No.1 - 11.3 sq.m (room No.9)
Dwelling room No.2 - 14.1 sq.m (room No.10)
Dwelling room No.3 - 9.9 sq.m (room No.15)
Dwelling space - 35.3 sq.m.
Individual kitchen - 6.8 sq.m (room No.7)
Water closet - 5.8 sq.m (room No.11)
Corridor - 4.7 sq.m (room No.5)
Built-in cupboard - 0.8; 1.3 sq.m (room No.6,16)
Balcony - 0.8 sq.m.
Toilet - 0.7; 1.0 sq.m (room No.3, 12)
Utility rooms - 9.4; 3.1; 7.2; 30.1 sq.m (room No.1, 2, 4, 13)
Store - 1.6; 1.4 sq.m (room No.8, 14)
Total floor space - 110.0 sq.m
Ceiling height - 3.8; 2.9; 2.8 m.

The change of the total floor space occurred as a result of the use of light construction partitions and aligning of the walls during the routine repair.

The arbitration tribunal established that the functional purpose of the apartment did not change; the load bearing structures remained unchanged. The borders of the apartment remained unchanged. Due to the undertaken routine repairs the living conditions at the apartment were improved.

To ensure the required living conditions, the roof over the apartment was changed to a metal and tile roof. The windows were installed on the third floor, routine maintenance of the building was carried out, and the entrance to apartment [REDACTED] was repaired. The technical condition of the apartment and the building and the operating conditions of the building were significantly improved.

The arbitration tribunal's conclusions are supported by the parties in the case, the supplied documents, opinion of the construction and technical expert examination, photos and videos of the apartment and premises before and after the repairs.

Now therefore, the claims of the plaintiff with regard to the cost of the subject of pledge are grounded and shall be satisfied. Moreover, the defendant has no disagreements regarding the amount of USD 90,000 owed to the plaintiff.

Herewith, the defendant explained that she currently has no funds and property apart from the specified apartment.

The arbitration tribunal established the following regarding the preservation of the property in private ownership and prevention of offence of the other parties against the property.

The defendant, [REDACTED], furnished proofs to the arbitration tribunal regarding the unlawful acts during [REDACTED] of the residents of the house and unauthorized persons aimed at offence against the private apartment [REDACTED] located at [REDACTED].

The arbitration tribunal does not consider the competency of the government authorities or the criminal prosecution of the wrongdoers specified by the defendant.

However, according to the international rules on protection of ownership title and removal of obstacles with regard to the usage of property, based on the claim of the parties in the case the arbitration tribunal considers the measures on ensuring the free use of the property proceeding from the objectivity and rationality of their application.

Herewith, building [REDACTED] located at [REDACTED] has the layout of the yard and premises (Figures 3, 4)

Figure 3 - internal yard and the 1st floor

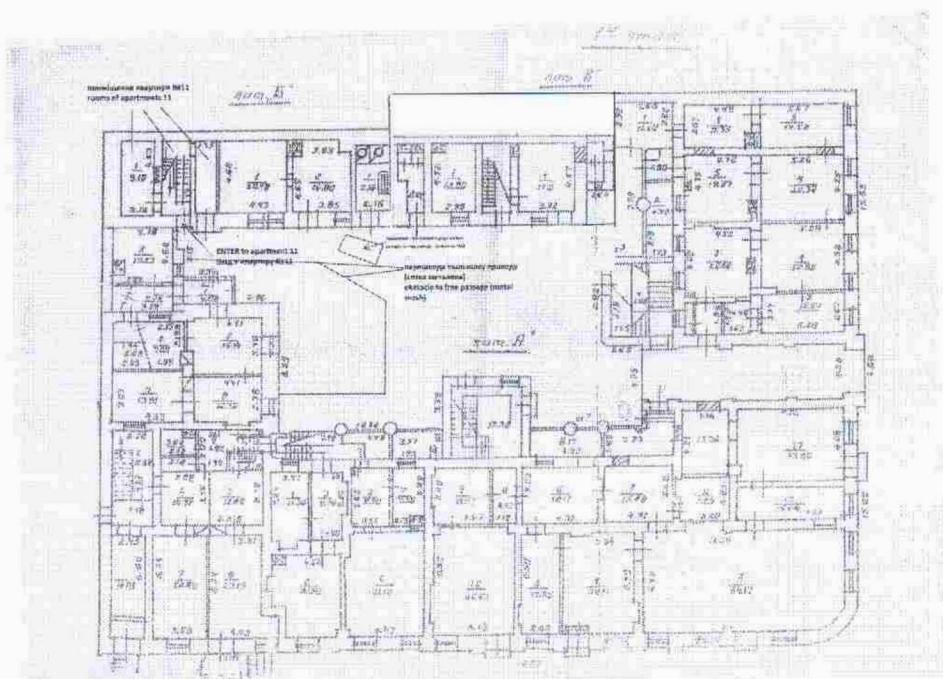
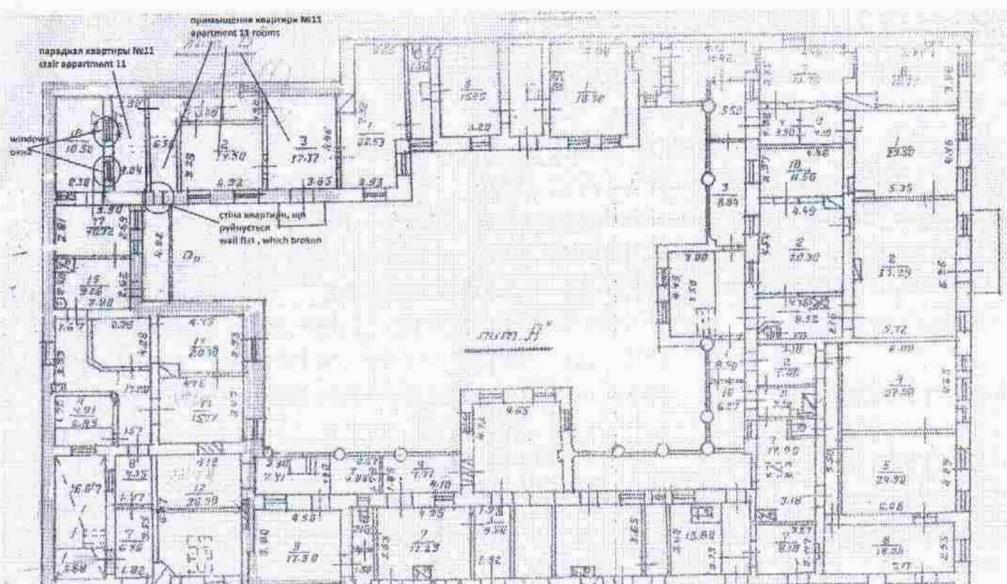


Figure 4 (2nd floor)



As it is shown in Figure 3, the entrance to apartment [REDACTED] is located in the remote right corner of the yard which is divided by a metal mesh and a metal car body preventing a free passage.

In Figure 4 the places where the wall of the building was destroyed are shown, including a part of the wall being the premise of the water closet, a part of a private property, in

accordance with the layout of apartment [REDACTED].



Taking into account the reviewed materials and the opinion of the parties, and having considered the case papers, the arbitration tribunal deems the claims grounded and the claim filed to the arbitration tribunal subject to satisfaction.

On [REDACTED], the plaintiff and the defendant concluded a loan agreement to an amount of USD 90,000 under which the plaintiff, [REDACTED] LTD, provided a loan of USD 90,000 and the defendant, [REDACTED], obtained a loan of USD 90,000; this fact was duly documented in the acknowledgement of the loan receipt dd. [REDACTED]. The defendant undertook to pay the received amount back by [REDACTED]. The defendant did not pay the loan back within the term specified in the agreement although she was repeatedly informed by the Plaintiff on the necessity of the loan pay back. The plaintiff fulfilled its obligations under the aforementioned loan, however, neither within the term of the duration of the agreement nor after its termination, it did not receive the provided funds back.

Therefore, the defendant has obligations on pay back of the amount of USD 90,000. The defendant does not dispute the presence and amount of the obligations under the loan amount of USD 90,000, however, she points to impossibility of paying the specified loan amount back.

The obligations shall be duly fulfilled. By virtue of the fact that the defendant is not able to duly fulfill the financial obligations in accordance with the agreed procedure, the arbitration tribunal considers it possible to accept the claim of the plaintiff on change of fulfillment of the obligation by way of claim to the defendant's property.

Having considered the circumstances that gave grounds for the judicial recourse and based on the application of the plaintiff, [REDACTED] LTD, and the defendant, [REDACTED], the arbitration tribunal considers the grounds for occurrence of the title to private ownership, change of the title to private ownership and protection of the title to private ownership.

Article No.1 of Minutes No.1 to the European Convention of Human Rights and Fundamental Freedoms dd. 20.03.1952 stipulates that each natural person or legal entity has the right of respect to its possessions. Herewith, respect to personal property may be provided by the state, the owner, the court and other establishments and means that have to be effective, real and advisable.

Taking the aforesaid into consideration, the arbitration tribunal

RESOLVED:

1. To satisfy the stated claims in full.
2. To transfer the title of ownership to apartment [REDACTED] of the building [REDACTED] located at [REDACTED] Ukraine to [REDACTED] LTD, registered at: [REDACTED] LONDON, UNITED KINGDOM,
[REDACTED]

4. To acknowledge the right of personal use of apartment [REDACTED] consisting of the first, the second and the third floors and the staircases (the layout of the entrance and locations in the building is attached in Annex No.1)

5. To ensure the proper condition of apartment [REDACTED] and the entrance to apartment [REDACTED] by way of complete bricking up of the wall on the 2nd floor of the entrance to apartment [REDACTED] (the staircases of the entrance to apartment [REDACTED]) between the balcony of apartment [REDACTED] and the bathroom of apartment [REDACTED] and the entrance of apartment [REDACTED] located at [REDACTED] Str, [REDACTED]; to carry out complete bricking up of the windows and the door in the wall of apartment [REDACTED] on the 2nd floor of the entrance to apartment [REDACTED] with no possibility of access of unauthorized persons or persons from other apartments [REDACTED] to the entrance to the staircase leading to apartment [REDACTED]. To ensure

the condition of the entrance to apartment [REDACTED] in accordance with Annex No.1.

6. To ensure the proper condition of the access to the entrance to apartment [REDACTED] by way of dismantling of the metal mesh and other obstacles in the yard of the building located in front of the entrance to apartment [REDACTED] preventing the free passage (the layout of the metal mesh and other obstacles to be dismantled is shown in Annex No.2)

7. According to the New York **Convention on the Recognition and Enforcement of Foreign Arbitral Awards** dd. 1958, this resolution shall be recognized and enforced in the country being a party to the Convention shall be binding for execution in the territory of the latter.

8. This resolution is the document of title of [REDACTED] LTD, registered at: [REDACTED] LONDON, UNITED KINGDOM, [REDACTED], for registration of the title of ownership to apartment [REDACTED] of the building [REDACTED] located at [REDACTED] Str, [REDACTED] Ukraine in the description specified in accordance the description specified in the resolution with within [REDACTED] from the moment of filing of application for registration of the title of ownership in the respective body.



This resolution came into force on [REDACTED] and is final and binding.

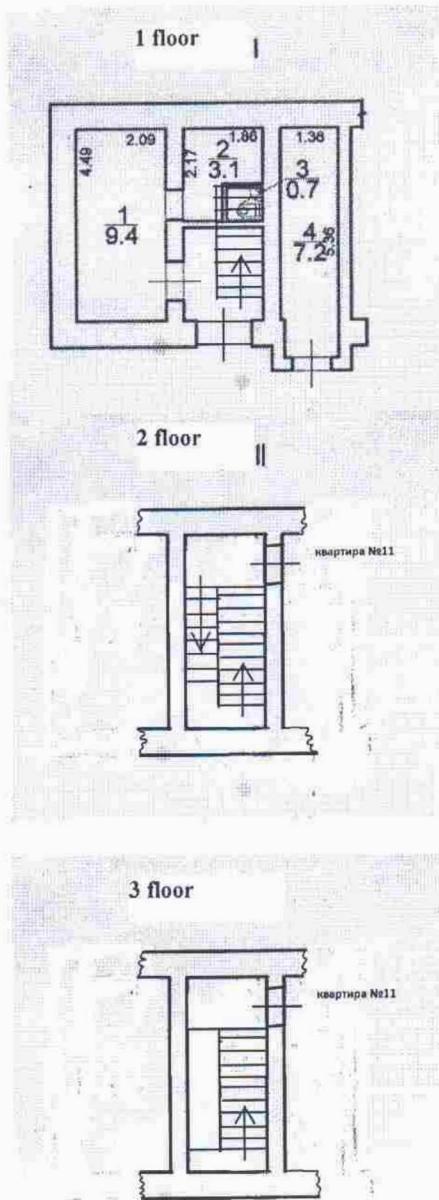
The resolution is drawn up in English and Ukrainian with both versions being authentic.



Philip Edward Colgan,
Arbitrator

Annex No.1 to the Resolution

Layout of the entrance (staircases) to apartment [REDACTED] of building No. [REDACTED] located at [REDACTED] Str, [REDACTED] Ukraine.

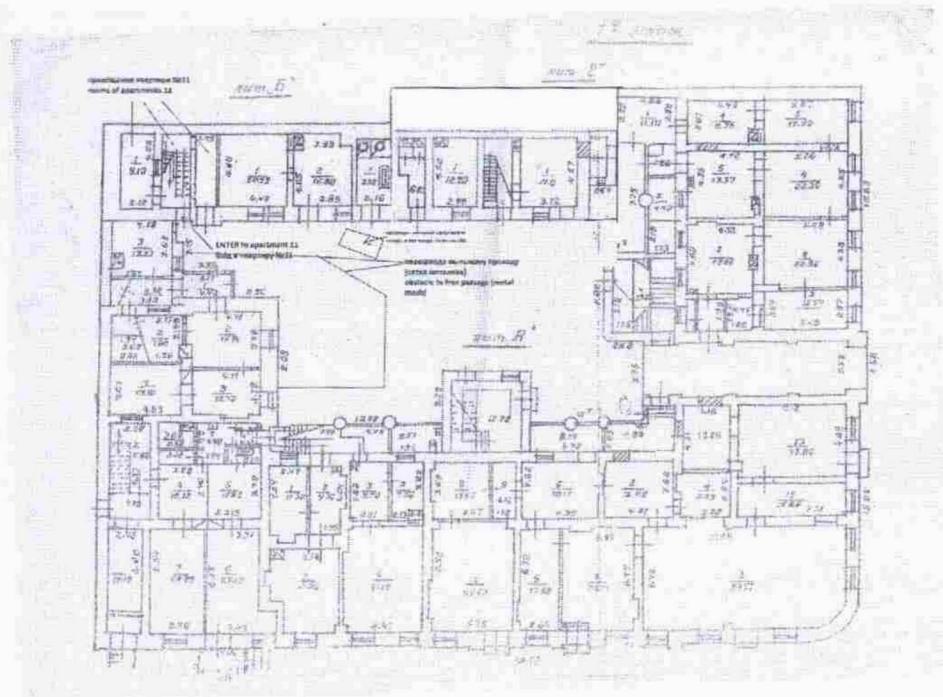


This resolution came into force on [REDACTED] and is final and binding.

Philip Edward Colgan,
Arbitrator

Annex No.2 to the Resolution

Layout of the metal mesh and other obstacles to be dismantled which are located in the yard of the building in front of apartment [REDACTED] and preventing free passage.



This resolution came into force on [REDACTED] and is final and binding.

Philip Edward Colgan,
Arbitrator



DECLARED by the above - named.

This [REDACTED] day of [REDACTED]

before me

M.A. WINGATE-SAUL, NOTARY PUBLIC
24 MARKET PLACE, RINGWOOD BH24 1BS
HAMPSHIRE, ENGLAND

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APOSTILLE

(Convention de La Haye du 5 octobre 1961)

1. Country: United Kingdom of Great Britain and Northern Ireland
Pays/País**This public document**

Le présent acte public / El presente documento público

2. Has been signed by
a été signé par M A Wingate-Saul
ha sido firmado por**3. Acting in the capacity of**
agissant en qualité de Notary Public
quien actúa en calidad de**4. Bears the seal/stamp of**
est revêtu du sceau / timbre de Not applicable
y está revestido del sello / timbre de**Certified**
Attesté / Certificado**5. at** London
á / en**6. the**
le / el dia**7. by** Her Majesty's Principal Secretary of State for Foreign and
par / por Commonwealth Affairs**8. Number**
sous no / bajo el número**9. Seal / stamp:**Sceau / timbre:
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