

AFFIDAVIT

Hereby I, Philip Edward Colgan, Company Director for **LONDON CHAMBER OF INTERNATIONAL ARBITRATION LIMITED**, Company № 7171633, incorporated in England and Wales on **26 February 2010**, do solemnly certify that the following are true and correct copies of the originals of the above company:-

- (1) Arbitral Award, Case No. L0001 (English text)
- (2) Arbitral Award, Case No. L0001 (Russian text)

signature



DECLARED by the above - named
At 1 Great Scotland Yard, Whitehall,
London SW1A 2HN, England

This [redacted] day of [redacted]

before me *ANAN POWEN*

A Solicitor

Creighton & Partners
Solicitors
1 Great Scotland Yard
London SW1A 2HN
Tel: 020 7978 2233
Fax: 020 7978 2711

APOSTILLE
(Hague Convention of 5 October 1961 / Convention de La Haye du 5 octobre 1961)

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

1. Country: United Kingdom of Great Britain and Northern Ireland
Pays: Royaume-Uni de Grande-Bretagne et d'Irlande du Nord

This public document / Le présent acte public

2. Has been signed by **Adam Powell**
a été signé par

3. Acting in the capacity of **Solicitor.**
agissant en qualité de

4. Bears the seal/stamp of
est revêtu du sceau/timbre de

5. at London/à Londres

7. by Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs /
par le Secrétaire d'Etat Principal de Sa Majesté aux Affaires Etrangères et du Commonwealth.

8. Number/sous No

9. Stamp:
timbre:

10. Signature: **M P Davies**

MPD



For the Secretary of State / Pour le Secrétaire d'Etat

If this document is to be used in a country which is not party to the Hague Convention of 5 October 1961, it should be presented to the consular section of the mission representing that country. An apostille or legalisation certificate only confirms that the signature, seal or stamp on the document is genuine. It does not mean that the contents of the document are correct or that the Foreign & Commonwealth Office approves of the contents.

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Date: 2015/04

London Chamber of International Arbitration (LCIA)

Chancery House

25 Windsor Avenue,

London, SW19 2RR

UK

e-mail: info@international-arbitration.org.uk

Arbitral Award

Case No. L0001

[REDACTED]
London, UK

Full text of this decision was issued on [REDACTED]

London Chamber of International Arbitration comprised of the
Arbitrator Mr Aleksandr Vladimirovich Glushenkov

with participation of the parties' representatives during the
court session in Case No. L0001 based upon the claim of:

[REDACTED]

Jackson, [REDACTED]

USA

e-mail: [REDACTED]@gmail.com,

(hereinafter referred to as the Claimant)

against

[REDACTED]

Russia

e-mail: [REDACTED]

(hereinafter referred to as the Defendant)

regarding debt a collection by means of the forced sale of property
with participation of the parties' representatives as follows:

Claimant's representative

- - Mr. Mark Removich Boldyrev, power of attorney dated [REDACTED]

Defendant's representative

- - Ms. Olga Nikolayevna Zubak, power of attorney No. 723 dated [REDACTED]

HELD:

The Claimant appealed to London Chamber of International Arbitration on [REDACTED]
[REDACTED] with a statement of claim regarding collection of the amount of USD
100,000, the latter constituting a debt under the maritime administration
contract.

The agreement on adjudication by London Chamber of International Arbitration was
concluded between the Claimant and the Defendant of [REDACTED]

The said agreement stipulated that the Arbitration be comprised of the sole arbitrator Mr. Aleksandr Glushenkov, a Russian citizen.

Therefore, the composition of the Court was performed according to the requirements of Articles 5, 6, 7 of Rules of London Chamber of International Arbitration

The Arbitration agreement on adjudication concluded by the parties was made up in the Russian language, which means that according to the Clause 17.1 of the Rules of London Chamber of International Arbitration the language of the arbitration procedure shall be Russian.

The Arbitration considers being competent enough to try this case, as the fact of referring a claim was actually caused by legal relationship between the parties, arising from the maritime administration contract, stipulating (clause 24.1 of the Rules of London Chamber of International Arbitration) that the contract shall be governed by English law, and any disputes arising therefrom shall be arbitrated in London (London Chamber of International Arbitration), where it shall be subject to disposal under the provisions of the above-mentioned commercial Arbitration.

In addition, the parties have presented the Agreement dated [REDACTED] which states the mutual consent for the case to be tried by the London Chamber of International Arbitration.

Further, on [REDACTED] the Defendant delivered its response to the statement of claim. At the same time neither the response, nor any other documents contained any objections concerning the competence of London Chamber of International Arbitration to conduct this case.

The case was tried on [REDACTED] using videoconferencing equipment.

During the hearing the Claimant changed his asserted claims, setting them forth as follows:

1. To recover the debt of USD 100,000 from the Defendant by means of forced sale of the shipowner's property, namely the ship [REDACTED] (IMO number [REDACTED]).
2. To inform the ship's registry authority and the shipowner of the fact concerning such sale through the competent Court of Ukraine.
3. To charge the Claimant with the task of organization (at his cost) of the sale with further reimbursement of charges from the shipowner.
4. As the place and time of such sale are not yet known, to charge the competent Court with informing the ship's registry authority (Harbourmaster of the port of [REDACTED]) about it upon the Claimant's application.
5. To take provisional measures, notably:
 - - - to arrest the cargo ship [REDACTED], IMO number [REDACTED], call sign [REDACTED], tonnage [REDACTED], deadweight [REDACTED], year of construction [REDACTED], flag state: [REDACTED] Federation, location: port of [REDACTED], Ukraine, Odessa region.
 - - - to forbid for all and whoever and the Shipping Company [REDACTED] owner in particular, other than under the decision of London Chamber of the International Arbitration, to dispose of by any means, including sell, arrange selling, conduct advanced estimation proceedings, take price-reducing measures or move to another port, the cargo ship [REDACTED], IMO number [REDACTED].
6. To charge the Claimant with arrangements for selling the ship in the open market (with reimbursement of such costs at the expense of this forcibly sold property), including publication of the date and time of the ship selling procedure in the printed media.

The requirements were grounded by the Claimant by the fact that on [REDACTED] a maritime administration contract was concluded (pro forma SHIPMAN 88 with owner and proprietor of the ship [REDACTED] (IMO number [REDACTED])) between the Claimant, [REDACTED] LLC, and the Defendant, Shipping Company [REDACTED]. Under the contract SHIPMAN 88 as of [REDACTED], [REDACTED] LLC committed itself to chartering of the ship, while the ship owner's company assumed the

to pay for the administrator's (manager's) services at the amount of USD 100,000 per annum.

Administrator (manager), [REDACTED] LLC, arranged the freight service during the [REDACTED], including search and implementation of freight negotiations concerning the ship [REDACTED] (IMO number [REDACTED]).

According to announcements (notices) of the administrator (manager) of [REDACTED] LLC, accepted and approved by the ship owner's company [REDACTED] Shipping Company [REDACTED], a certain number of cargo transportations were carried out on board the ship [REDACTED] (IMO number [REDACTED]) within the year [REDACTED]. All transportations over the period from [REDACTED] till [REDACTED] were approved by the shipowner and carried out, and the freight (carriage charge) thereof was received in full by the shipowner of the ship [REDACTED] (IMO number [REDACTED]).

Under the terms and conditions of the said contract, the shipowner is obliged to pay the annual fee at the amount of USD 100,000 (one hundred thousand US dollars). In defiance of terms and conditions of the treaty, the shipowner did not settle accounts with the Administrator for operation of the ship [REDACTED] (IMO number [REDACTED]) during the whole period of the vessel administration.

The Claimant appealed to the Defendant in writing on [REDACTED], with demand to pay the administrator's (manager's) fee at the amount as mentioned in the contract. The shipowner confirmed in writing his bonds of obligation before the administrator (manager) on [REDACTED] but the shipowner failed to fulfil payment requirements and expressed a desire to sink its debt by means of transferring the ownership of the vessel to the administrator (manager).

Besides, the Claimant insists on taking provisional measures, as he disposes of the information that the Defendant does not possess any other property whatever, but for the ship mentioned. Since the Defendant offered to the Claimant novation of the treaty between the Claimant and the Defendant, by substitution of the bill of debt for the obligation to transfer the vessel to the Claimant's possession, thus terminating the bill of debt, motivating such offer by the fact that the Defendant does not have the necessary cash assets, execution of the possible Arbitration decision, implying settlement of plaintiff's claims in full, shall be the necessary way to avoid the possible situation, when execution of the above-mentioned decision is either impossible or considerably complicated.

The Claimant believes that implementation of such provisional measure will correspond to the subject-matter of the action, and also to Clauses 11 and 12 of the International Convention on Maritime Liens and Mortgages as of 1993 (Geneva, May 6, 1993).

During the court session the Claimant's representative supported such requirements, insisting on their satisfaction, collection of indebtedness by means of application of such collection to the vessel and public sale by bidding in the country of the vessel's location.

In the presented response to the statement of claim and during the court session, the Defendant confirmed conclusion of the maritime administration contract between the Claimant and the Defendant as of [REDACTED]

Besides, the Defendant confirms that during the period of the contract validity the ship owner did not settle accounts with the administrator (manager) - [REDACTED] LLC. Moreover, the Defendant does not have any disagreements concerning the sum of indebtedness to the Claimant at the amount of USD 100,000. In this respect the Defendant's representative explained that the ship owner's company currently does not have any cash assets as well as any other property but for the ship mentioned above.

The only point which is not agreed by the parties is the extinction of the obligation form, as the Claimant does not agree to be transferred ownership of the mentioned ship. In this respect the Defendant shipowner of the Shipping Company [redacted] does not object to the forced sale of his property in order to provide a recovery of its indebtedness to the Claimant - [redacted] LLC at the amount of USD 100,000.

Having investigated the case documents and having listened to the parties' opinions, the Arbitration considers the Claimant's claims as being valid and subject to fulfilment due to the following reasons.

The Claimant and the Defendant concluded the maritime administration contract as [redacted] (pro forma SHIPMAN 88 with owner and proprietor of the ship [redacted] (IMO number [redacted])). The Claimant has fulfilled his obligations under the mentioned contract, but did not yet receive any fee for the services rendered either during the period of validity of the contract or after its expiration. No complaints or claims were presented by the shipowner to the administrator (manager) concerning the freight services rendered.

Therefore, the Defendant has an obligation to pay the amount of remuneration for the services specified by the Claimant. The Defendant does not dispute existence and amount of the remuneration which is subject to payment at the rate of USD 100,000.

However, he fails to sink the debt at the rate mentioned.

Facta sunt servanda (obligations are to be duly fulfilled). As the Defendant fails to fulfil his bills of debt, the Arbitration considers it possible to agree with the Claimant's requirement concerning the forced sale of the Defendant's property in order to sink the indebtedness to the Claimant from the funds received as the result of selling this property.

The Arbitrator also reckons that taking provisional measures will allow avoiding impossibility or difficulty in execution of legal decision and, besides, will comply with provisions of the International Convention on Maritime Liens and Mortgages (Geneva, May 6, 1993).

Taking into account that the ship is currently located in the port of [redacted], Ukraine, Odessa region, but it belongs to the Russian company, and that both the Russian Federation (on March 4, 1999) and Ukraine (February 27, 2003) joined the above-mentioned Convention, the Arbitration considers it well-grounded to apply to Articles 11 and 12 of International Convention on Maritime Liens and Mortgages as of 1993.

Taking into account the above-stated, the Arbitration MADE THE DECISION:

To satisfy the claim in full.

1. To recover indebtedness at the amount of USD 100,000 (one hundred thousand US dollars) from the Defendant - [redacted] (Russia) for the benefit of the Claimant - [redacted] LLC, [redacted] USA, by means of forced sale of the shipowner's property - ship [redacted] (IMO number [redacted]).
2. To inform the ship's registry authority and the shipowner on the fact of selling, through the competent court of Ukraine.
3. To charge the Claimant with organization (at his expense) of sale with further reimbursement of charges from the shipowner.
4. To charge the competent court with informing the ship's registry authority (Harbourmaster of the [redacted]) about time and place of the ship's selling upon the Claimant's application.

To arrest the cargo on board the ship [REDACTED], IMO number [REDACTED], call sign [REDACTED], tonnage [REDACTED], deadweight [REDACTED], year of construction [REDACTED], flag state: [REDACTED], location: port of [REDACTED], Ukraine, Odessa region; and

[REDACTED]

6. To charge the Claimant with arrangements for selling the ship in the open market (with reimbursement of such costs at the expense of this forcibly sold property), including publication of the date and time of the ship selling procedure in the printed media.

The present decision shall be valid from the date of adjudication.

ICIA Arbitrator: A.V. Glushenkov

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