



The Whistleblower vs. The Lawyer

Viceroy obtained copy of the infamous Adler whistleblower report. We will release this in concert with a cease-and-desist letter we have received from Caner's lawyer for context.

PLEASE READ IMPORTANT DISCLAIMER – PAGE 2

October 12, 2021 – Viceroy have obtained the 12-page whistleblower report mentioned a recent Bloomberg article¹. According to Bloomberg the letter originated from a former Caner Associate. Viceroy received the report anonymously just prior to our original publication on Adler Group but Bloomberg make it clear that management and major stakeholders were aware of this information as early as March. It is attached below.

Additionally, Viceroy received a cease-and-desist letter from Dr Ben Irle representing Cevdet Caner on October 11, 2021. Shareholders will continue to hold their breath as this letter does not even attempt to disprove our collected evidence of undisclosed related party transactions. The letter instead relies on unsupported claims of impartiality and complete ignorance of our extensive referencing of sources.

We think it is prudent that these two documents be published together. The whistleblower report speaks to substantially more related-party connections between Adler and Caner – absurdly denied in the cease-and-desist letter – and highlights numerous other suspicious transactions which we are now looking at in closer detail.

Among the assertions made by Dr Irle in defense of his client, he states:

- That Caner's relatives' dealings with Adler did not represent a direct or indirect benefit to Caner and were undertaken independently. This is the most preposterous and laughable response to any report we have ever written.
 - Dr Irle implies that Caner has zero financial interest in Adler stock – his wife, Gerda, holds their stock. This suggests that Caner provides strategic advice to Adler for free, has zero skin in the game, and it is a mere coincidence that his family and connections are counterparties to substantially all of Adler's transactions.
- That Caner does not exercise any directing influence on Adler Group despite bragging about his client's role in "the establishment and development" of Adler Group little over a month ago². Shareholders must also question under whose influence Dr Irle, Caner's personal lawyer, was appointed to the ADO Properties Board³.
- That Caner's control of Adler was not an open secret despite widespread reporting over the last half decade that this is the case. These reports are referenced in our original report.
- That the findings of the Austrian Takeover Commissions report are invalid, despite the ECJ objecting to the ECJ's structure, and not its findings⁴.
- Dr Irle affirms that "persons who are connected or related" to Caner do not benefit from "the business of Adler Group SE or Adler Real Estate AG". This is preposterous: Caner's wife is an Adler shareholder, and together with his brother-in-law has been counterparty to numerous transactions or attempted transactions⁵.

To be clear, Viceroy will not be complying with this cease-and-desist letter. Shareholders and bondholders deserve a real explanation of Caner's current and past involvement within Adler Group.

Until such an explanation has been provided, we refuse to assign a target price to Adler's shares and believe they are un-investable.

¹ <https://www.bloomberg.com/news/features/2021-10-08/cevdet-caner-tycoon-linked-to-german-landlord-adler-s-9-billion-debt-mountain>

² <https://uk.finance.yahoo.com/news/cevdet-caner-achieves-groundbreaking-success-105332930.html>

³ <https://www.investegate.co.uk/ado-properties-s.a./eqs/changes-in-the-board-of-directors-composition-and-change-in-the-position-of-the-ceo/20191210203348ELAPC/>

⁴ <https://www.diepresse.com/6031641/eugh-bestatigt-verfahren-laut-ubernahmegeretzt-ist-nicht-mit-eu-recht vereinbar>

⁵ <https://www.bloombergquint.com/business/mega-landlord-deal-in-germany-faces-mounting-investor-resistance>



Attention: Whistleblowers

Viceroy encourage any parties with information pertaining to misconduct within Adler Group, its affiliates, or any other entity to file a report with the appropriate regulatory body.

We also understand first-hand the retaliation whistleblowers sometimes face for championing these issues. Where possible, Viceroy is happy act as intermediaries in providing information to regulators and reporting information in the public interest in order to protect the identities of whistleblowers.

You can contact the Viceroy team via email on viceroy@viceroyresearch.com.

About Viceroy

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MEMORANDUM RE: FRAUDULENT ACTIVITY
BETWEEN ADLER GROUP SA, ADLER REAL ESTATE AG, CONSUS REAL ESTATE AG,
AGGREGATE HOLDINGS SA
&
CEVDET CANER

EXECUTIVE SUMMARY

Adler Group SA (“**Adler**”) is a publicly listed company on the London and Frankfurt Stock Exchanges with an approximate €3.2 billion market capitalization; CONSUS Real Estate AG (“**Consus**”), is a listed company on the London and Frankfurt Stock Exchanges; and Aggregate Holdings SA (“**Aggregate**”) is a private company that is closely associated with Adler and Consus.

Adler, Consus, and Aggregate are closely connected to Mr Cevdet Caner who is a founder, controlling investor and an ultimate beneficial owner (“**UBO**”), under the Anti Money Laundering (“**AML**”) and Know Your Client (“**KYC**”) laws and regulations. However, Mr Caner has been fraudulently concealing his identity as a controlling investor and an ultimate beneficial owner because he has been under criminal investigation by the Austrian authorities (file number 611 St 39 / 11k) and has been involved in numerous past bankruptcies and frauds, that have been publicly documented and are further summarized below, including a detailed investigation involving Mr Caner by the Austrian Takeover Commission (the “**Austrian Commission**”).

Accordingly, Mr Caner would never be able to comply with or meet the AML and KYC laws and regulations that the financial industry are required to follow, and he has therefore concealed his ownership and control of Adler by utilizing (i) complicated opaque structures, (ii) jurisdictions with secrecy laws (i.e. Monaco), (iii) trusts, (iv) private profit sharing agreements, (v) intercompany loans, and (vi) proxies, such as family members and trusted associates, to own and manage companies on Mr Caner’s behalf. Mr Caner’s fraudulent company structure and organization has achieved (i) hiding his ownership and control of Adler, (ii) insider dealing, (iii) inflating the value of publicly listed securities in Adler for personal gain, (iv) defrauding lenders and investors, (v) evading taxes, and (vi) using company money to fund personal expenses.

I am personally aware of Mr Caner’s activities because I have worked with Mr Caner in the past, and I have known Mr Caner and many of his accomplices for over 15 years. Moreover, Mr Caner is committing the same exact fraud with Adler that he has committed in the past, particularly at Level One Holdings. A criminal indictment was filed in 2018 by the Vienna Public Prosecutor’s office (file number 611 St 39 / 11k) against Mr Caner and his former executives, several of which are currently involved in the above referenced fraud (i.e. Wolfgang Hahn and Richard M Bunning). The criminal indictment charged Mr Caner and his former executives with forming a criminal organization, commercial fraud, fraudulent bankruptcy and money laundering, and described similar accomplices, organisational structures, hidden fees, and procedures as outlined above regarding Adler, Consus, and

Aggregate. Thus, the fraud that is currently being committed is similar to what Mr Caner has organised in the past with Level One Holdings.

INVESTMENT BANKING ASSISTANCE

Deutsche Bank, Goldman Sachs, JP Morgan, Kempen, Morgan Stanley, UBS and UniCredit Bank (collectively, the “**Investment Banks**”) have been involved in raising debt and equity capital and providing other investment advisory services to Adler.

Neither Adler nor Mr Caner could have achieved their success without the financial advice and support provided by the Investment Banks. The Investment Banks assisted Mr Caner in evading the AML and KYC laws while fraudulently concealing his identity as founder, controlling investor and an ultimate beneficial owner even though they were aware of or should have been aware of Mr Caner’s history and involvement in Adler. Accordingly, the Investment Banks purposefully avoided performing enhanced due diligence on Mr Caner’s involvement in Adler, failed in providing adequate systems and controls, and simultaneously helped Mr Caner commit market abuse, market manipulation and tax evasion.

In a recent Adler Listing Prospectus dated 15 April 2019 (the “**2019 Prospectus**”) with JP Morgan acting as the Sole Global Coordinator and Joint Bookrunner, and Morgan Stanley and Unicredit Bank acting as Joint Bookrunners, the 2019 Prospectus briefly mentioned the Commission’s investigation of and ruling against Mr Caner, but failed to address any of the KYC and AML issues surrounding Mr Caner. In another recent Adler Listing Prospectus dated 5 December 2017 (the “**2017 Prospectus**”) with Goldman Sachs now acting as the Sole Global Coordinator and Joint Bookrunner, and Deutsche Bank, JP Morgan and Morgan Stanley acting as Joint Bookrunners, the 2017 Prospectus also briefly mentioned the Commission’s investigation of and ruling against Mr Caner, but once again failed to address any of the KYC and AML issues surrounding Mr Caner.

MARKETING SECURITIES IN THE UNITED STATES

Both Adler and Mr Caner have numerous connections to the United States based on their actions over the last 8+ years. Adler has completed frequent roadshows throughout the United States with the Investment Banks to numerous American investors. Below is a more detailed list of Adler’s and Mr Caner’s various connections to the USA:

1. Adler completed a recent roadshow in the USA in October 2019 which included meetings with the following US investors who subsequently invested in Adler¹:

- a. Amundi USA
- b. Blackrock
- c. CBRE
- d. Cohen & Steers
- e. Fidelity (owns 7% of Adler)
- f. First State
- g. FMR

¹ The following list does not include all of the American investors that Adler visited or sold securities to during its US investor roadshow.

- h. Franklin
 - i. JLL
 - j. Madison International, Larry Hedden
 - k. Massachusetts Financial Services, Boston (owns 3% Adler)
 - l. Moore Capital
 - m. Nuveen
 - n. Phoenix
 - o. Pictet Asset Management USA
 - p. Relative
 - q. Salient Capital
 - r. Soros Fund Management
 - s. State of New Jersey, Kathy Jassem, Senior Portfolio Manager
 - t. Timbercreek
 - u. T Rowe Price, Baltimore
 - v. Weiss Asset Management, Boston
 - w. Wellington
2. Mr Caner became involved in Adler as a founding shareholder by acquiring Mezzanine IX Investors LP (a company based in the USA) in 2012 through his private foundation, Caner Privatstiftung. In 2013, Mezzanine IX Investors LP (USA), owning approximately 50% of Adler, transferred its headquarters from the USA to 412F, route d'Esch L-2086 Luxembourg and was renamed Mezzanine IX Investors S.A. (registered number B183858), a Luxembourg Société anonyme.
3. One of the main shareholders in Adler is White Star Investments LLC, a company incorporated in Texas, whose registered office is in 3423 Piedmont Road, Suite 115, Atlanta 30305, Georgia, USA and registered with the Registrar of companies of The Office of the Secretary of State of Texas under the number 800425757. White Star Investments LLC is 100% owned and controlled by Klaus Rudolf Werken, a Swiss based billionaire who has been friends with Mr Caner since 2012 according to the Commission's Report (section 53).
4. Mr Caner owned a home in New York City, was actively involved in investing in the New York City real estate market and travels extensively to New York for personal and business reasons.

AUSTRIAN TAKEOVER COMMISSION INVESTIGATION

The Austrian Takeover Commission (the “**Austrian Commission**”) initiated a proceeding on March 2016 under the Austrian Takeover Act with respect to convwert Immobilien Invest SE, an Austrian listed real estate company (“**Conwert**”). In a ruling dated 30 November 2016, the Austrian Commission held that Adler, its subsidiaries MountainPeak Trading Limited (“**MountainPeak**”) and WESTGRUND AG, Mr. Cevdet Caner and Petrus Advisers LLP had acted in concert with respect to Conwert and had, thus, acquired a controlling stake in Conwert on 29 September 2015 in the context of a potential transaction between Adler and Conwert. Adler appealed the ruling to the Austrian Supreme Court (Oberster Gerichtshof, “**OGH**”) on 14 December 2016; however, the OGH upheld the ruling of the Austrian Commission on 10 April 2017. Mr Caner subsequently appealed the Austrian Commission’s ruling to the European Court of Justice, which found that the Austrian Commission does not

comply with European law by acting independently; however, the facts and due diligence of the Austrian Commission were not challenged.

Accordingly, on 22 November 2016, the Austrian Commission issued a detailed fact finding report based on extensive evidence (the “**Commission’s Report**”), which detailed Mr Caner’s involvement in Adler, including Mr Caner’s activities through his various trusts, profit sharing agreements, intercompany loans and family members and trusted associates, and confirmed his material involvement in Adler. Some of the evidence and findings of the Commission’s Report are as follows:

1. Mr Cevdet Caner has an economic interest in Adler’s value due to his substantial profit-sharing agreement with Bassan S.A.M. (Commission’s Report section 126)
2. Meridien Capital Management Limited (“**Meridien**”) has also concluded a consulting contract with Adler and provides services for Adler in various areas. (Commission’s Report section 59). Moreover, Meridien, based on its latest financial statements, has been sending all of its profits to Bassan S.A.M. in the form of intercompany loans without any logical financial justification for such loans. Meridien is controlled and ultimately owned by Mr Caner and is further described below in connection with Richard M Bunning.
3. Mr Cevdet Caner initiated the acquisition of Conwert by Adler and brought the proposal to Axel Harloff, an Adler Board Member at that time, after Mr Caner’s meeting with Thomas Doll, Conwert’s CFO. (Commission’s Report section 126)
4. Mr Cevdet Caner introduced and structured all of the major proposals for the Conwert acquisition and set the schedule for implementation. (Commission’s Report section 126)
5. Mr Cevdet Caner initiated and took part in almost all of the meetings with the Conwert management together with Adler representatives and regularly played the key role in all of the discussions. In addition, Mr Caner met with the Conwert management team without the Adler board of directors to discuss the transaction. (Commission’s Report section 126)
6. Mr Cevdet Caner acts as Adler’s “covert boss.” (Commission’s Report section 2)
7. Mr Cevdet Caner was often the first point of contact when the management of Conwert wanted to contact Adler. (Commission’s Report section 126)
8. Mr Cevdet Caner proposed potential candidates on Adler’s behalf that could join the Conwert board of directors. (Commission’s Report section 126). In addition, Mr Caner threatened to replace the entire Conwert board of directors if his wishes were not fulfilled after the talks with Conwert failed. (Commission’s Report section 3)
9. Mr Cevdet Caner has a major influence on the management of the Adler. (Commission’s Report section 126)
10. Mr Cevdet Caner described himself as the “natural authority” of Adler, which he attributed to his acquisition of shares in 2012 in Mezzanine IX Investors L.P. (USA), the then controlling shareholder of Adler. (Commission’s Report section 51). Other people also testified that anyone that wants to talk to Adler about business, actually has to talk to Cevdet Caner. (Commission’s Report section 51).
11. Mr Tomas de Vargas Machuca, the then Member of the Management Board (Co-CEO) and Chairman of the Executive Committee of Adler, said that Cevdet Caner had an important say in Adler. (Commission’s Report section 84)
12. Mr Josef Schrattbauer (who is Ms Caner’s brother and Mr Caner’s brother in law) owns and controls Bondi Beteiligungs GmbH, which has a material ownership stake in Adler

through its ownership in Mezzanine IX Investors SA (“**Mezzanine IX**”). Mr Schrattbauer’s actions regarding his investments are always aligned with the wishes of Mr Caner and that it was unclear where Mr Schrattbauer obtained the funds for his acquisition of Bondi Beteiligungs GmbH. (Commission’s Report section 54)

13. One of the first meetings including both senior members from Adler and Conwert was held in London on 26 October 2015. Participants included: Wolfgang Beck (Conwert Director), Thomas Doll (Conwert CFO), Clemens Billek (Conwert Head of the Investor Relations), Axel Harloff (Adler Board Member), Arndt Krienen (Adler Board Member), Tomas de Vargas Machuca (Adler Board Member), Carsten Wolff (Adler Board Member) – as well as several financial and legal advisors. **However, this was one of the only meetings where Cevdet Caner was not present because he did not want the banks to find out that he was involved in the transaction.** (Commission’s Report section 67)

The Commission’s Report, which is publicly available, is attached to this document. Some of the personal details in the Commission’s Report have been redacted due to data secrecy laws; however, I have prepared a detailed organizational chart (filling in the redacted information) which exposes Mr Caner’s complicated ownership and control structure. The organizational chart was created based on my knowledge of Mr Caner’s operations along with public information and investigative analysis. I am attaching a copy of the organizational chart to this Memorandum.

MR CEVDET CANER

Mr Caner was born 29 July 1973 in St. Poelten, Austria and is married to Gerda Schrattbauer Caner. He also has a mistress in Berlin named [REDACTED]

[REDACTED] Mr Caner lives at [REDACTED] however, he actively travels between Berlin, Linz, London, Monaco and the United States in order to carry out his fraudulent activities.

MR CANER’S ACCOMPLICES & PROXIES

Mr Caner has utilized a number of proxies, such as close family members and trusted associates, to own and manage companies on Mr Caner’s behalf within his complicated structures in order to conceal his ownership and control. Some of the people that have repeatedly worked with Mr Caner throughout his structures are:

1. **Gerda (nee Schrattbauer) Caner:** Born in Steyr, Austria on 13 October 1978. Gerda (nee Schrattbauer) Caner is Mr Caner’s wife. Ms Caner is an architect by trade without any experience in managing real estate or finance. She is listed as the owner of Bassan S.A.M., one of the main owners of Adler through its ownership in Mezzanine IX Investors SA (“**Mezzanine IX**”). In addition, Bassan S.A.M. has agreed to an Advisory and Profit Sharing Agreement for the benefit of Mr Caner as described in the Commission’s Report (section 52).
2. **Josef Schrattbauer:** Born in Steyr, Austria on 8 June 1972. Josef Schrattbauer is Ms Caner’s brother and Mr Caner’s brother in law. Mr Schrattbauer also owns and controls

Bondi Beteiligungs GmbH, which has a material ownership stake in Adler through its ownership in Mezzanine IX. The Commission's Report (section 54) specifically stated that Mr Schrattbauer's actions regarding his investments are always aligned with the wishes of Mr Caner and that it was unclear where Mr Schrattbauer obtained the funds for his acquisition of Bondi Beteiligungs GmbH.

3. **Richard McNeill Bunning:** Mr Bunning was born in Fitzroy, Australia on 9 May 1980. Mr Bunning has been a loyal employee to Mr Caner for 15 years and is involved as a Director in numerous companies set up by Mr Caner. Mr Bunning has also been appointed as the owner and manager, purely as a trustee for Mr Caner, of several companies including Chelmer GmbH (which is one of the main owners of Adler through its ownership in Mezzanine IX), Bassan S.A.M. (which is also one of the main owners of Adler through its ownership in Mezzanine IX) and Meridien Capital Management Limited ("Meridien").

The Commission's Report (section 59) stated that Meridien also provides services to Adler based on an advisory agreement, and company records show that Meridien has provided over £1 million of proceeds to Bassan S.A.M. in the form of an intercompany loan. In addition, Meridien was formerly known as Greenbridge Capital Management Limited, a name very similar to Green Bridge Capital Limited, one of the only companies that is officially directly owned and controlled by Mr Caner. Mr Caner also owned and utilized another similarly named company called Green Bridge Capital GmbH, which was used in the Level One Holdings fraud and is further described in more detail below.

Finally, I have personally known Mr Bunning since he first became employed by Mr Caner, and Mr Bunning has never had the financial resources or experience to acquire and own companies with material interests in Adler and has always been eager to carry out Mr Caner's wishes in exchange for financial reward.

4. **Wolfgang Hahn:** Mr Hahn was born in Austria on May 1967. He is a director in numerous past and present companies controlled by Mr Caner and also owns M1 Beteiligungs GmbH which owns a material stake in Adler, even though his source of wealth is unclear, and he could not afford such a shareholding based on his own resources. In addition, Mr Hahn owns 1% of Bassan S.A.M. and is also a director in the Bassan S.A.M. even though the Commission's Report (section 58) states that Mr Hahn does not participate in the management of Bassan S.A.M. and Ms Caner allows him to participate in Bassan S.A.M. to facilitate his residence in Monaco. The Commission's Report further states that Mr Hahn (i) has known Mr Caner for 13 years as of 2016, and (ii) was formerly a director in Mr Caner's company Green Bridge Capital Limited from 2009-2012 until the hedge fund that they were working on failed.

5. **Tommaso de Vargas Machuca:** Mr de Vargas Machuca was born in London, UK on 20 January 1974 and currently resides in London and works at [REDACTED] [REDACTED]. He is a former Member of the Management Board (Co-CEO) and Chairman of the Executive Committee of Adler Real Estate AG. Mr de Vargas Machuca has had a close personal relationship with Mr Caner for 15 years. They initially met when Mr de Vargas Machuca worked at Credit Suisse and provided Mr Caner with high leverage financing for Mr Caner's company Level One Holdings. Mr de Vargas Machuca was the main relationship manager at Credit Suisse for Mr Caner and was his largest client. After Level One Holdings was bankrupted by Mr Caner with Credit Suisse being the largest creditor, Mr Caner hired Mr de Vargas Machuca in order to help restructure the

Credit Suisse financing. Subsequently, Mr Caner personally hired Mr de Vargas Machuca to work for Adler to execute Mr Caner's strategy.

6. **Patrick Burke:** Mr Burke became the Chairman of Brack Capital Properties NV ("BCP") after Adler acquired 70% of the publicly listed shares of BCP in 2018. Although Mr Burke has no experience with publicly listed companies or with real estate, he is close friends with Mr de Vargas Machuca and they are also partners together in a UK classic car company called Hero Events Limited.
7. **Nematollah Farrokhnia:** Mr Farrokhnia and Mr Caner have known each other since at least 2011 when they were involved in the acquisition of 1,057 apartments in Eberswalde by Pruss GmbH. Pruss GmbH is jointly controlled by Mr Farrokhnia and Mr Caner and owns approximately 8% of Adler. Mr Caner usually partners with Mr Farrokhnia in order to profit from insider dealings. Mr Farrokhnia has publicly denied having any partnerships with Mr Caner.

ADLER REAL ESTATE AG

8. Mr Caner became involved in Adler as a founding shareholder by acquiring Mezzanine IX Investors LP (USA) in 2012 through his private foundation, Caner Privatstiftung, an Austrian Foundation whose registered office is in Hauptplatz 15-16, 4020 Linz and registered in the Registrar of companies of Linz Austria under the number FN203484.
9. In 2013, Mezzanine IX Investors LP (USA), owning approximately 50% of Adler, transferred its headquarters to 412F, route d'Esch L-2086 Luxembourg and was renamed Mezzanine IX Investors S.A. (registered number B183858), a Luxembourg Société anonyme ("**Mezzanine IX**").
10. In addition, Caner Privatstiftung transferred its ownership in Mezzanine IX to Bassan S.A.M. (Société anonyme monégasque), which is based in Monaco and subject to secrecy laws.
11. **Mezzanine IX** lists the following people as beneficial owners in the Luxembourg Business Register:
 - a. Richard McNeill Bunning (Indirect participation of 36.73%)
 - b. Josef Schrattbauer (Indirect participation of 33.33%)
 - c. Gerda Caner (Indirect participation of 29.94%)
12. **Mezzanine IX** is owned equally (25% each) by the following 4 companies:
 - a. **Bassan S.A.M.** is a Société anonyme monégasque based in Monaco with its business address at 9 Avenue JF Kennedy, 98000 Monaco and company number 10S05156. Bassan S.A.M. is owned by Ms Caner, Mr Bunning and Mr Hahn. The directors of Bassan S.A.M. consist of Ms Caner and Mr Hahn.²
 - b. **Bondi Beteiligungs GmbH** is a company incorporated under German law, whose registered office is in Potsdamer Platz 10, 10785 Berlin and registered with the Registrar of companies of Berlin Charlottenburg (D) under the number HRB140545B. Josef Schrattbauer is the sole owner and director of Bondi Beteiligungs GmbH. The Commission's Report (section 54) concluded that Josef Schrattbauer would always

² <https://www.wiwo.de/finanzen/immobilien/adler-real-estate-kein-offizielles-amt/12609590-2.html>; Adler aus der Asche, 19 November 2015

- act upon the wishes of Mr Caner and it was also unclear that Josef Schrattbauer used his own funds for the acquisition of Mezzanine IX.
- c. **Chelmer GmbH** is a company incorporated under German law, whose registered office is in Kurfuerstendamm 21, 10719 Berlin and registered with the Registrar of companies of Berlin Charlottenburg (D) under the number HRB140556B. The sole owner and director of Chelmer GmbH is Mr Bunning.
 - d. **White Star Investments LLC**, a company incorporated under the USA law of Texas, whose registered office is in 3423 Piedmont Road, Suite 115, Atlanta 30305, Georgia, USA and registered with the Registrar of companies of The Office of the Secretary of State of Texas under the number 800425757. White Star Investments LLC is 100% owned and controlled by Klaus Rudolf Werken, a Swiss based billionaire who has been friends with Mr Caner since 2012 according to the Commission's Report (section 53).
13. **M1 Beteiligungs GmbH** is a German limited liability company with its business address at Schlossstrasse 110, 12163 Berlin and company number HRB119425. M1 Beteiligungs GmbH is an owner in Adler. The sole owner and director of M1 Beteiligungs GmbH is Wolfgang Hahn. According to two real estate professionals involved with M1 Beteiligungs GmbH, the company is really owned and controlled by Cevdet Caner.³
14. **Pruss GmbH** is a German limited liability company with its business address at Schlossstrasse 110, 12163 Berlin and company number HRB54422B. Pruss GmbH is 51% owned by Mezzanine IX and 49% owned by IMFARR Beteiligungs GmbH. The director of Pruss GmbH is Wolfgang Hahn. Pruss GmbH is an owner in Adler.
15. **MountainPeak** was extensively discussed in the Commission's Report and worked closely with Mr Caner regarding the Conwert acquisition. MountainPeak was originally 100% owned by **Teddy Sagi** (referred to as [TT] in the Commission's Report section 49), until Mr Sagi sold his interest to Mr Caner on 17 August 2015. Mr Sagi is an Israeli billionaire who was convicted of bribery, securities fraud, and aggravated fraud and was handed a nine-month prison sentence. Mr Sagi and Mr Caner are friends that used to live together in the same luxury apartment building in London known as the Knightsbridge Apartments, 199 Knightsbridge, London SW7 1RH. Adler also acquired **Brack Capital Properties** from Mr Sagi in 2018.
16. Adler has tried to minimize Mr Caner's role and has described his involvement as a consulting role only, despite his control and decision-making functions within Adler. Adler spokesman Joerg Bretschneider stated that "Mr. Caner is sometimes with us as a consultant"⁴; however, Mr Caner's influence on Adler is immense and several business partners have referred in the press to Mr Caner as the "man behind Adler."⁵

INSIDER DEALING

³ <https://www.wiwo.de/finanzen/immobilien/adler-real-estate-kein-offizielles-amt/12609590-2.html> ; "Adler aus der Asche," 19 November 2015

⁴ <https://kurier.at/wirtschaft/nach-pleite-mischt-linzer-immo-zampano-wieder-mit/181.418.066> ; "Nach Pleite mischt Linzer Immo-Zampano wieder mit" 17 February 2016

⁵ <https://www.wiwo.de/finanzen/immobilien/adler-real-estate-kein-offizielles-amt/12609590-2.html> ; Adler aus der Asche, 19 November 2015

Mr Caner has used his control at Adler to illegally profit from numerous undisclosed insider dealings based on complicated holding structures and proxies over the course of many years. Some of these insider dealings are outlined below:

17. **Estavis:** In February 2014, Adler announced the acquisition of Estavis AG (now known as Accentro Real Estate AG) for €40,000,000 in stock from Pruss GmbH and Uhlandstrasse Investments GmbH. Pruss GmbH is a company that is controlled by Mr Caner as described above. Uhlandstrasse Investments GmbH (Formerly known as Brilliant 1710. GmbH) is also another undisclosed related party in Adler that is controlled by Mr Caner, and was one of the sellers of Adler to ADO Properties on 15 December 2019.
18. **Westgrund AG (XTRA: WEG1) (“Westgrund”):** In February 2015, Adler announced the acquisition of Westgrund for a total consideration of €360,000,000. According to Capital IQ, Wecken & Cie controlled and sold 17.8% shares of Westgrund to Adler for €65,000,000. Moreover, Wecken & Cie is also one of the parties that sold shares to ADO in 2019. As described above, Mr Wecken and Mr Caner have a long history of working together.
19. **Caesar JV Immobilienbesitz und Verwaltungs GmbH (“Caesar”):** On 17 December 2018, Adler entered into a binding agreement to sell approximately 1,400 apartments to Caesar. Adler disclosed that it continued to hold a 25% interest in Caesar (based on a carrying value of €61,000,000) and that Adler will continue to undertake the asset management for these apartments. The current manager of Caesar is Carsten Krause, who started working at Caesar on August 2019. Mr Krause is also the manager of Cenda GmbH since October 2019, which is owned by Spree Erste Beteiligungs GmbH (“Spree”). Spree is controlled by Mr Josef Schrattbauer, Mr Caner’s brother in law. Accordingly, Spree is another company controlled by and ultimately owned by Mr Caner.
20. **Glasmacherviertel:** On 3 April 2018, Adler acquired 70% of BCP, a Dutch company whose shares traded on the Tel Aviv Stock Exchange, which has total assets of approximately €1.6 billion. In September 2019, Adler announced an agreement to sell 75% of the property company Glasmacherviertel (Alte Glashütte, 40625 Duesseldorf) to an undisclosed investor, who was later identified as Spree, a company controlled and ultimately owned by Mr Caner.⁶ Although the Glasmacherviertel was sold for a total consideration of €375,000,000 (for 100% of the property), the sales contract was adjusted in December 2019 based on a delayed closing and Spree has only paid Adler €36,000,000 for the property to date based on a loan that it has received that is secured against the property.⁷ Accordingly, Mr Caner secretly structured a free option to himself on this property by paying a deposit of less than 10% to Adler based on no equity invested but instead receiving the option payment from a loan that is secured against the property. Simultaneously, Adler recorded a huge profit on its balance sheet even though it only received less than a 10% down payment.

⁶ Immobilien Zeitung, “Das Spiel mit den Grundstücken,” Monika Leykam, 13 August 2020

⁷ Immobilien Zeitung, “Das Spiel mit den Grundstücken,” Monika Leykam, 13 August 2020

LEVEL ONE HOLDINGS

21. Mr Caner started investing into German real estate with his company Level One in 2005 and acquired a portfolio of 28,000 residential properties in Germany by 2007, estimated to be worth more than €1.5 billion at its peak.⁸
22. By 18 August 2008, Level One's two holding companies were placed in administration by creditors. With a debt of €1.5 billion, Level One was the second largest real estate bankruptcy in German history with the largest creditors comprising of Credit Suisse, ABN Amro and Bear Stearns.⁹
23. Credit Suisse hired accounting firm RoelfsPartner to audit the Level One companies controlled by Mr Caner. The audit performed by Stephan Schilling, a partner of RoelfsPartner, found that Level One paid about €50 million to a Jersey company controlled by two of Caner's trusts. Consequently, Level One's lenders blamed Mr Caner for mismanagement and channelling €50 million from the Level One business while failing to pay utility and tax bills.¹⁰ Mr Caner confirmed collecting the fees but claimed that "the fees were industry standard."¹¹
24. Mr Caner had set up a complicated corporate structure with more than 150 companies from London and Monaco and five German intermediate holding companies.¹² At the height of the boom, Mr Caner stated that he spent 500 hours a year in his private jet, flying between London, Berlin and Linz, where his aides managed 200 companies registered in Germany, Jersey, Liechtenstein and Luxembourg.¹³
25. After several years of investigation, Martina Semper, of the Vienna Public Prosecutor's office, filed a 90 page indictment (file number 611 St 39 / 11k) on February 2018 against Mr Caner and five former executives: Wolfgang Hahn, Gernot Schmidt (born June 1970), Bernd Thiele (born 18 March 1968), Peter Haider (born 24 January 1976), and Herbert Ackerl.¹⁴ In addition, Richard M Bunning was being investigated separately.¹⁵
26. The indictment charges Mr Caner and his five former executives of forming a criminal organization, commercial fraud, fraudulent bankruptcy and money laundering with a total estimated damage of €145.162 million. According to the indictment, Caner enriched himself personally by diverting almost €66 million to his companies. In addition, the prosecutor claimed that Peter Haider had earned approximately €350,000, Gernot Schmidt earned approximately €2.9 million on Green Bridge Capital, and Wolfgang Hahn earned approximately €250,000. Accordingly, they face imprisonment

⁸ <https://www.standard.co.uk/news/tycoon-forced-to-sell-20million-home-after-his-companies-go-bust-6895088.html> ; 3 December 2008

⁹ <https://www.bloomberg.com/news/articles/2009-05-19/mayfair-eviction-fight-pits-credit-suisse-against-investor> ; 20 May 2009

¹⁰ <https://www.bloomberg.com/news/articles/2009-05-19/mayfair-eviction-fight-pits-credit-suisse-against-investor> ; 20 May 2009

¹¹ <https://www.trend.at/wirtschaft/business/plattenbau-pleitier-linzer-immo-insolvenz-deutschlands-233543> ; 15 February 2009

¹² "Level One wird nicht verramscht," Financial Times Deutschland, 29 January 2009

¹³ <https://www.bloomberg.com/news/articles/2009-05-19/mayfair-eviction-fight-pits-credit-suisse-against-investor> ; 20 May 2009

¹⁴ <http://www.nachrichten.at/nachrichten/wirtschaft/Betrugsanklage-gegen-Linzer-Milliarden-Pleitier-Cevdet-Caner;art15,2829022> / 28 February 2018

¹⁵ <http://www.nachrichten.at/nachrichten/wirtschaft/wirtschaftsraumooe/Alleinherrschter-Pulp-Fiction-und-ein-Kronzeuge;art467,2831069> / 3 March 2018

- of up to ten years.¹⁶ However, the prosecutor stated that Caner was the “head of the organization, decision-maker and last word.”
27. The Vienna Public Prosecutor's office engaged Martin Geyer to independently examine the documents seized during eight house searches. According to the 1074-page expert opinion by Martin Geyer, the Level One group was already insolvent at the end of December 2007, which should have been "subjectively recognizable" by the end of March 2008, at the latest. However, in the period from 2006 to 2008, around €51.3 million in management, structuring and performance fees were withdrawn from the Level One group in favour of Mr Caner. In addition, the bondholders were not sufficiently informed about possible risks and were also not informed about a “hidden commission” of £2.13 million for the sales company Green Bridge Capital GmbH. A bankruptcy proceeding was opened against Green Bridge Capital GmbH in April 2010 which resulted in the company being deleted from the Vienna Business Register as a result of its lack of funds.¹⁷
 28. The prosecution also found that Mr Caner created a complex structure of companies in order to personally benefit through the payment of commissions and fees and to also create vehicles to wash the money. Accordingly, the central company involved in the fraud and money washing under the indictment was the Caner Privatstiftung, whose economic owner is Cevdet Caner since the year 2000. The Caner Privatstiftung owned and controlled the Level One Holding (Austria) GmbH as early as 2003 and was the interface of Mr Caner's activities according to the prosecutor.¹⁸
 29. The indictment concluded that the “the entire social structure served Caner for personal gain” and that the consideration for the payments to Mr Caner's companies were only constructed after the fact.¹⁹

MAYFAIR TOWNHOUSE

30. Mr Caner acquired a property in Mayfair, London for £16 million in July 2007 through Level One Residential (Jersey) Limited, registered in St. Helier, Jersey. In September 2008, Zolfo Cooper LLP, the U.K. administrator and a former unit of Kroll Inc., demanded repayment from Level One Residential (Jersey) Limited of about £1.26 million used to purchase the house and put the company into liquidation.²⁰
31. Mr Caner's acquisition of the Mayfair townhouse illustrates the lifestyle he enjoyed as money flowed from Level One into Special Opportunity Holdings Limited, a company owned by two of his private trusts, said four people with knowledge of Level One's

¹⁶ <http://www.nachrichten.at/nachrichten/wirtschaft/Betrugsanklage-gegen-Linzer-Milliarden-Pleitier-Cevdet-Caner;art15,2829022> / 28 February 2018

¹⁷ <https://kurier.at/wirtschaft/nach-pleite-mischt-linzer-immo-zampano-wieder-mit/181.418.066> ; “Nach Pleite mischt Linzer Immo-Zampano wieder mit” 17 February 2016

¹⁸ <http://www.nachrichten.at/nachrichten/wirtschaft/wirtschaftsraumooe/Vom-Hauptplatz-ueber-New-York-zur-Anklage-Die-Firmen-des-Cevdet-Caner;art467,2830082> / 2 March 2018

¹⁹ <http://www.nachrichten.at/nachrichten/wirtschaft/Betrugsanklage-gegen-Linzer-Milliarden-Pleitier-Cevdet-Caner;art15,2829022> / 28 February 2018

²⁰ <https://www.bloomberg.com/news/articles/2009-05-19/mayfair-eviction-fight-pits-credit-suisse-against-investor> ; 20 May 2009

insolvency.²¹ The Vienna Public Prosecutor's office also alleged that Special Opportunity Holdings Limited was treated by Mr Caner as his private account which received fees from Level One.²²

CLC AG

32. The first venture that Mr Caner founded was a call-center operator called Call & Logistics Center (“**CLC AG**”), which he listed on the Vienna stock exchange in 2001.²³
33. Mr Caner gradually sold his CLC AG stake until the board ousted him in 2002.²⁴
34. CLC AG declared bankruptcy in 2004.²⁵

²¹ <https://www.bloomberg.com/news/articles/2009-05-19/mayfair-eviction-fight-pits-credit-suisse-against-investor>; 20 May 2009

²² <http://www.nachrichten.at/nachrichten/wirtschaft/Betrugsanklage-gegen-Linzer-Milliarden-Pleitier-Cevdet-Caner;art15,2829022> / 28 February 2018

²³ <https://www.bloomberg.com/news/articles/2009-05-19/mayfair-eviction-fight-pits-credit-suisse-against-investor>; 20 May 2009

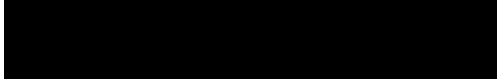
²⁴ <https://www.bloomberg.com/news/articles/2009-05-19/mayfair-eviction-fight-pits-credit-suisse-against-investor>; 20 May 2009

²⁵ <https://www.bloomberg.com/news/articles/2009-05-19/mayfair-eviction-fight-pits-credit-suisse-against-investor>; 20 May 2009

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I.

In the above-mentioned, tendentious and one-sided report, you make countless untrue statements about our client. In detail:

1. *Adler is controlled by an undisclosed cabal of kleptocrats which we believe have systematically asset-stripped Adler and its subsidiaries for over a decade.*

This cabal is headed by secretive financier Cevdet Caner, who was previously responsible for the second largest REIT collapse in German history: Level One.

It is incorrect and thus not provable by evidence that Adler Group SE is headed by our client. He does not lead it either directly or indirectly and does not exercise any actual directing influence on Adler Group SE. Adler Group SE is directed and controlled solely by its corporate bodies, i.e. the Executive Board and the Advisory Board. Our client has not systematically plundered Adler either alone or in cooperation with third parties over decades, i.e. he has not withdrawn any assets from the company and incorporated them into his personal assets. He is also not involved in or enriched by any systematic depletion or deterioration of the assets of Adler Group SE as alleged by you.

2. *Caner now operates Adler from a yacht in Monaco. Despite holding no official position at the company and claiming to be no more than a consultant, Caner's control is an open secret and has drawn the attention of Israeli and German authorities.*

Caner's wife, brother-in-law, and other associates from Caner's failed Level One venture own or hold senior positions at various related-party entities. These related-party entities act covertly and in concert with Adler in the commission of its schemes.

It is furthermore false and not amenable to proof that our client manages Adler Group SA or its affiliated subsidiaries, neither from a yacht in Monaco, nor from anywhere else in the world. Therefore, the false and groundless alleged control of our client over Adler Group by you already cannot be and is not an open secret.

Your unfounded allegation that our client's family or the companies managed by them are engaged in any covert "machinations" with Adler Group SA, with or without our client's influence, is equally fictitious and false.

3. *Cevdet Caner is the real controller of the Adler Group of companies. Caner has already spearheaded two listed bankruptcies: real estate developer Level One (the second largest real estate bankruptcy in German history) and telecom company CLC AG.*

As previously stated, it is not in accordance with the facts that our client exercises actual control and/or otherwise any control over the Adler group of companies or is in any way the actual "string puller" with respect thereto.

4. *Caner was charged with "conspiracy, aggravated commercial fraud, fraudulent insolvency, and money laundering" over Level One but was ultimately acquitted. There appears to have been considerable evidence that Level One was looted but the evidence to point to an individual was thin.*

It is correct that our client had to explain his role in criminal proceedings due to the insolvency of the Level One Group. In this regard, it should be noted that investigations against our client were not even initiated in the United Kingdom at the time, investigations were carried out in Germany but were discontinued pursuant to Section 170 (2) of the German Code of Criminal Procedure (StPO), and in Austria alone, after eight years (!) of investigations, charges were finally filed and judicial criminal proceedings were conducted. However, our client and five co-defendants were acquitted in their entirety, i.e. with regard to all charges and corresponding counts. There was not even a hint of evidence that Level One was "looted" by our client or with his cooperation.

5. *On paper Caner claims to be a consultant for Adler but numerous regulatory documents and investigative journalism pieces make it very clear that Caner calls the shots.*

As already explained, our client is not in charge of Adler Group SE.

6. *That Adler Real Estate operates under the express influence of Cevdet Caner is already a matter of public record. Caner, while controlling Adler, has already been involved in serious regulatory breaches by acting in concert with undisclosed related entities.*

This factual claim about our client is also untrue. Adler Real Estate AG, which is a subsidiary of Adler Group SE, is also not under the "express influence" of our client. Accordingly, it is equally unknown to the public that our client exercises control over Adler Real Estate. As already stated on several occasions, our client does not control either Adler Group SE or Adler Real Estate AG, each of which is managed and controlled solely by its corporate bodies. At the same time, it follows that our client has also not violated any regulatory provisions. All this has been freely invented by you with the intention of manipulating the market.

7. *The Austrian Takeover Commission determined the following in Adler's failed "Coup D'état" attempt at Conwert:*

"This and other discussions mostly took place in the presence of Cevdet Caner, who, according to the management of Conwert, appears as the 'undercover boss' of Adler."

It is false that our client was present at talks regarding the planned takeover of the Austrian conwert Immobilien Invest SE. It is already not clear what kind of discussions these are supposed to have been, i.e. specifically what they were about and with whom they were held. It is also untrue that our client acts or acted as an "undercover boss" of Adler Group SE or Adler Real Estate AG. As has been repeatedly stated, our client does not hold any such position with respect to Adler Group SE or Adler Real Estate AG. Neither directly nor indirectly and neither legally nor factually.

Even in the event that such a statement should have been made by the management of conwert Immobilien Invest SE, it is incorrect.

8. *"The role of major shareholder Caner at Adler is disputed. He does not hold an official position. Adler says: "He advises various Adler investors and advises Adler on certain transactions in individual cases." However, several business partners refer to Caner as "pulling the string" and the "man behind Adler". People around the company say he sits at the table during negotiations. Adler says business is conducted by the board of directors in coordination with the supervisory board. What the industry insiders say sounds more like a secret boss than a companion who occasionally pulls in a deal."*

It is already blatantly false and evidence of your anything but diligent research to describe our client as a major shareholder. This is because he does not own a single share, neither in Adler Group SE nor in Adler Real Estate AG. He is also not a major shareholder of any other company.

Our client is not the "string puller" or the "man behind Adler", i.e. neither behind Adler Group SE nor Adler Real Estate AG. Our client is by no means always at the negotiating table and - as already comprehensively explained - he is also not the "secret boss" of Adler Group SE or Adler Real Estate AG.

9. *On a more comprehensive review, Viceroy struggle to find transactions in Adler's corporate history that were conducted at arm's length. Adler's dealings substantially benefit of Cevdet's cronies.*

The allegation that the business of Adler Group SE or Adler Real Estate AG benefits such persons who are connected or related to the our client is false and seriously violates the personal rights of our client.

10. *Caner appears at the center of a circle of insiders who benefit from complex, uncommercial transactions at the expense of shareholders and bondholders of Adler.*

This statement is also completely untrue. As already stated, our client is not at the center of a "circle of insiders" who – including our client – profit from complex and so-called non-commercial transactions at the expense of Adler Group SE or Adler Real Estate AG. This allegation is also not substantiated and thus remains a baseless defamatory allegation.

11. *Mezzanine IX Investors SA is a Luxembourg entity controlled by Caner through his associates: the company is 66% owned by Caner's wife Gerda Caner and Josef Schrattbauer. The Austrian Takeover Commission confirmed in its review of the Conwert transaction that Schrattbauer is Canner's brother-in-law.*

This statement is also false and has no basis in fact. Mezzanine IV Investors SA is not controlled by our client and/or through persons close to him. Family connections of our client also do not suggest such control under any circumstances.

12. *Aggregate Holdings is the wholly owned investment vehicle of Gunther Walcher⁵, the founder of Skidata AG. Viceroy have been reliably informed that Walcher was a major investor in Caner's Level One company. Despite the eventual collapse of Level One, Walcher and Caner have remained close with Aggregate allegedly carrying out Caner's instructions to the letter.*

This statement is also false and seriously defamatory. Our client does not have the right to issue instructions to Aggregate Holdings SA or its management and does not do so. Logically, it follows that Aggregate Holdings SA or its independent management also does not carry out any instructions of Mr. Caner.

- 13. *Caner and his associates are often on both sides of Adler transactions. The goal of these transactions is to extract wealth from investors and bondholders and siphon it to Caner's circle, as well as to optically shore up Adler's balance sheet.***

The complete untruthfulness of these statements is already evident from the foregoing. It is freely invented and false that our client and/or persons close to him are frequently on both sides of transactions involving Adler Group SA. Our client has never been party to any transaction involving Adler Group SA. Nor have there been any transactions involving Adler Group whose objectives were to siphon off assets from investors and investment creditors for the benefit of our client or persons close to him or to "visually enhance" Adler's balance sheet. Irrespective of such objectives, such transactions did not actually take place.

- 14. *An Austrian residential real estate developer with most of its portfolio in Germany. This is the first apparent example of Caner's tricks at Adler and an introduction to Caner's inner circle.***

There are no "tricks at Adler" of our client and likewise he is not operating an "inner circle".

- 15. *To be clear: Viceroy believe that Schrattbauer is acting on behalf of – and for the benefit of – Cevdet Caner in the Gerresheim transaction.***

This allegation is also false and violates the rights of our client as well as of Mr. Josef Schrattbauer in equal measure. No one, not even Mr. Josef Schrattbauer, acted on behalf of and for the benefit of our client in connection with the Gerresheim transaction mentioned in the report.

- 16. *In their Q2 2021 report Adler said it was reversing the sale of the Gerresheim project due to continued planning delays and objections by Deutsche Bahn AG, the state-owned railway company. We believe that Caner and Schrattbauer were tiring of the whole charade and wanted to offload Gerresheim back to Adler.***

As stated, our client is neither a party to the named transaction nor was he involved in it in any other way. As a result, he was also not tired of any "charade", was not in a position to want to undo the named transaction and could not do so.

17. *To be clear we do not believe Schrattbauer came up with this scheme himself. As in the events at Conwert, we believe Schrattbauer is operating on Caner's behalf.*

The statement is untrue. Mr. Josef Schrattbauer does not act as Mr. Cevdet Caner's deputy, either openly or covertly.

18. *Without missing a beat, ADO announced it would acquire a majority stake in Consus, a thinly-capitalized property developer, from Caner-associated Aggregate Holdings: the credit rating of ADO debt dropped substantially on these transactions.*

The sole beneficial owner of Aggregate Holdings SA is Mr. Günther Walcher. This already follows directly from your report itself (see p. 9 there). Our client is not associated with Aggregate Holdings SA in any way.

19. *Not only did the forced acquisition of Consus from Caner associates constitute looting of ADO properties, but Consus itself had been thoroughly pillaged prior to its acquisition by Adler.*

Consus RE AG (today Consus RE GmbH) has not been acquired by any "party related to Caner". The company was sold by Aggregate Holdings SA, which is solely attributable to Mr. Günther Walcher and is not affiliated with our client (see above). Our client was not a party to this transaction and was not involved in any "looting", neither of ADO Properties SA nor of Consus RE AG (today Consus RE GmbH).

20. *The sellers were Caner-associated Aggregate Holdings and CG Gruppe founder Christoph Gröner.*

As already explained, Aggregate Holdings SA is not and was not associated or affiliated with our client.

21. *We suspect that other Caner associates received cash at high valuations.*

This assumption lacks any substantiated connecting fact. Neither our client nor persons related to him have ever received cash at high valuations in the context of the acquisition of CG Gruppe AG by Adler Group SA.

22. *Caner is the center of a web of individuals involved with the insider dealing at Adler.*

As already explained several times in relation to statements that are identical but worded differently, our client does not have a decision-making power either at Adler Group SA or at Adler Real Estate AG. He does not exercise any decision-making power either on the basis of a legal or factual position.

23. *Often referred to by Adler as a consultant, Caner appears to call the shots at Adler despite holding no official position*

As has already been stated and substantiated several times with regard to statements that are identical but worded differently, our client does not have the final say either at Adler Group SA or at Adler Real Estate AG. He does not exercise any decision-making power either on the basis of a legal or factual position.

24. *Gerda Caner*

Wife of Cevdet Caner and sister to Josef Schratzbauer, Gerda often functions as a stand-in for Caner in various holding corporations. Press reports indicate she has little, if any, actual control over her holdings.

It is incorrect to state that our client's wife frequently acts as his deputy in various holding companies. This would mean that our client already has his own power of representation in

relation to these companies, which is not the case. Our client does not act as a corporate body in any company. The members of our client's family exercise their respective board positions freely, independently and without influence. Our client's wife does not represent him in any of the companies legally represented by her.

25. *Josef Schrattbauer*

Brother of Gerda Caner and brother-in-law to Cevdet Caner, Josef serves the same function as his sister as a cat's paw for undisclosed related party transactions and inflating the value of Caner companies

As previously stated with respect to our client's wife, it is equally false that our client's brother-in-law also acts as a stooge for our client and conducts undisclosed related party transactions on our client's behalf and under our client's authority to inflate the value of Caner entities. Our client does not have his brother-in-law acting on his behalf to disguise transactions between related parties, nor does he engage in transactions designed to artificially inflate the balance sheets of Caner companies. This false allegation is also not substantiated at all and is not amenable to proof.

26. *Walcher is the founder of SKIDATA: allegedly a major investor in the Level One scheme. Despite losses sustained, he appears to trust Caner: former employees of his investment vehicle Aggregate Holdings say that the company follows Caner's orders often acting in party with Adler and Mezzanine IX Investors*

This statement is also consistently untrue: Aggregate Holdings SA is a company managed and controlled solely by its governing bodies, which in no way follows the instructions of our client.

27. *Mezzanine IX Investors SA is a Luxembourg entity controlled by Caner and his associates: the company is 66% owned by Caner's wife Gerda Caner and her brother Josef Schrattbauer.*

This statement is also incorrect. Just like Aggregate Holdings SA, Mezzanine IX Investors SA is a company managed and controlled solely by its governing bodies and is not also controlled by our client.

28. *Chelmer GmbH, managed by Richard Bunning, its sole beneficial owner. Bunning is also owner of Meridien Capital Management. Several Meridien employees serve in executive positions in Caner- related entities.*

This statement is also false. Just as persistently as unsubstantiated, you are trying to establish a proximity and connection of our client to other companies without any connecting factor that is even remotely sufficient. Since there are no companies affiliated with our client, no employees of Meridien Capital Management can be active in companies affiliated with our client.

29. *Viceroy were reliably informed that Walcher was a major investor in Caner's Level One company. Despite the eventual collapse of Level One, Walcher and Caner have remained close with Aggregate allegedly carrying out Caner's instructions to the letter.*

As already explained, our client does not issue any instructions to Aggregate Holdings SA or its management and these are not carried out "to the letter" or to any extent. Our client does not exercise any directing influence on Aggregate Holdings. Corporate management and control is reserved solely to the independent bodies of Aggregate Holdings SA.

30. *Using these entities Caner and his associates are often on both sides of many Adler transactions.*

As set forth above, our client and such persons associated with our client did not face each other in any Adler Transaction, and were therefore not a party to any such transaction.

- 31. *The goal of these transactions is to extract wealth from investors and siphon it to Caner's circle, as well as to optically shore up Adler's balance sheet, which is only a house of cards, to perpetuate its schemes.***

It is untrue that transactions with the participation of Adler Group SA or Adler Real Estate AG take place with the objectives, on the one hand, to deprive investors of Adler Group and/or Adler Real Estate AG of assets for the benefit of our client or persons associated with him and, on the other hand, to make the balance sheets of Adler Group SA or Adler Real Estate AG look better, contrary to the actual circumstances.

- 32. *Adler gained a controlling stake in the business by buying out Teddy Sagi. They replaced the management team and cleaned up the rest with a tender offer. This is the same scheme Caner, Sagi, and others ran with Conwert: an earlier example of Adler's "Coup d'état Transactions".***

Our client did not pursue, either alone or together with Mr. Teddy Sagi and others, any plans with respect to convert Immobilien Invest SE that make this transaction an "early example" of Adler's "coup d'etat transactions". Our client would never have been in a position to replace the management of convert Immobilien SE and - whatever that means - to clean up the "rest with a takeover bid." Our client was never a party to this attempted acquisition of convert Immobilien Invest SE.

- 33. *In combination with the Gerresheim deal, it is easy to see a similar pattern to other Adler acquisitions that do nothing for shareholders or bondholder, instead enriching Caner's associates.***

It is incorrect that the transactions carried out by Adler Group SE indicate a scheme according to which, as a consequence of these transactions, persons related to Mr. Caner alone would be favored at the expense of bondholders. As already stated, our client is in particular not connected with the Gerresheim transaction. Nor has he commissioned anyone to act on his behalf in this connection. Contrary to what has been claimed, our client therefore benefits neither directly nor indirectly from this transaction.

- 34. *Conwert Immobilien Invest SE (Conwert) is an Austrian residential real estate developer with most of its portfolio in Germany. This is the first apparent example of Caner's tricks at Adler and a decent introduction to Caner's inner circle.***

As already explained, the effected attempt to acquire Conwert Immobilien Invest SE by Adler Real Estate AG does not serve in any respect as an example of such tricks used by our client as well as a good introduction to its "inner circle". Our client did not use any tricks in this or in any other transactions involving Adler Group SE or Adler Real Estate AG. Likewise, no persons close to our client were involved, so that an insight into his "inner circle" could have been provided on the basis of this transaction. The transaction was one involving Adler Real Estate AG as the acquirer.

- 35. *Conwert was the target of a takeover bid from Adler Real Estate around autumn 2015 which drew the scrutiny of the Austrian Takeover Commission and is now owned by Vonovia SE. We believe this regulatory scrutiny is what motivated Caner to shield his involvement more carefully with Adler in future endeavours.***

There are no reliable indications that our client, following an official review by the Austrian Takeover Commission, felt obliged to shield its involvement with Adler Group SA. There is no involvement with Adler Group SA whatsoever and therefore there is no need to shield the same.

- 36. *The report by the Commission details Caner's control of Adler including his brokering of deals, transaction structuring, attendance of meetings, suggestions of Director appointments and setting of schedules. The view of the Commission was that Adler was effectively controlled by Caner, despite his claims that he was a "consultant". The report goes into detail about Caner's network of associates involved in the Conwert transaction, some of which appear in later Adler transactions.***

In a ruling dated November 30, 2016, the Commission formally held that Adler Real Estate, its subsidiaries MountainPeak and WESTGRUND, Mr. Cevdet Caner and Petrus Advisers LLP had acted in concert with respect to Conwert: acquiring a controlling stake in Conwert on September 29, 2015, in the context of a potential transaction between Adler Real Estate and Conwert. Consequently, the Commission ruled the parties had wrongly failed to make a mandatory takeover offer to the remaining shareholders of Conwert.

Adler Real Estate appealed this ruling to the Austrian Supreme Court on December 14, 2016. However, in a decision communicated on April 10, 2017, the Supreme Court upheld the ruling of the Commission. While its ruling was ultimately ruled against by the European Court of Justice, the report details Caner's complete control over Adler.

The quoted contents from the determination of the Takeover Commission are also untrue and were not only unquotable at the time of publication of your report on 06.10.2021, but already since 09.09.2021. This is because, in referring to statements made by the Austrian Takeover Commission, you fail to recognize that the European Court of Justice, in its judgment of 09.09.2021 (C 546/18), declared the Austrian Takeover Commission – in particular on the basis of its mode of operation – to be contrary to European law in its current structure as well as due to a non-existing appeal procedure against its decision.

37. *Israeli entrepreneur and Caner associate Teddy Sagi purchased 24.79% of Conwert in May 2015 for an undisclosed amount⁶² (likely a discount to the €228m market price). Three months later in August 2015, Sagi sold his stake to Adler Real Estate for EUR285m, likely netting a healthy profit⁶³ and valuing Conwert at €1.49b.*

This statement is also untrue because it puts our client in a close partnership relationship with the investor Mr. Teddy Sagi. Mr. Teddy Sagi has no business partnership relationship with our client. He is not the partner of our client. By claiming this partnership, our client is associated with transactions with whose content and course he has nothing to do.

38. *While this stake was significant, the Commission established that Caner associates acted in concert with Adler Real Estate in purchasing innocuous amounts of Convert stock in anticipation of a transaction between Adler Real Estate and Conwert.*

As previously stated, in its judgment of 09.09.2021 (C-546/18), the ECJ found that the Austrian Takeover Commission and its mode of operation are contrary to European law. Findings of the same can therefore have no legal standing whatsoever.

It has been repeatedly shown that the alleged connections and agreements do not exist.

39. *The acquisition bears the Caner trademarks: apparently unrelated entities quietly purchase enough stakes to collectively own a majority, then act as one to push through an acquisition of a better capitalized company.*

This statement is also untrue. As already comprehensively and repeatedly explained, our client neither orchestrated the intended takeover of Conwert Immobilien Investment AG by Adler Real Estate nor acted in a planned manner with other parties. Therefore, the takeover can already not bear any special characteristics traceable to our client. Such transactions accompanied by our client today or in the past as advisor are also in no way characterized by the fact that apparently unrelated companies acquire the majority of shares of a company in planned cooperation in order to then jointly enforce the takeover of a better capitalized company.

40. *All the while, Caner appears to have taken HUGE loans from the insolvent business.*

It is not true that our client took out "huge loans" from Call & Logistik Center GmbH (CLC). A fortiori not at the time of the insolvency of this company. It has already been explained that our client had long since left the company at the time of CLC's insolvency and also had nothing to do with CLC's insolvency, nor was he in any way responsible for it.

At no time did you give our client the opportunity to comment on the previously presented untruthful allegations and the accusations made by you against our client.

II.

1. The statements in dispute violate our client's general right of personality in a particularly serious manner. He therefore has a claim against you for injunctive relief pursuant to sections 823 (1), 1004 (1) sentence 2 of the German Civil Code (BGB) analogously in conjunction with Art. 2 (1), 1 (1) of the German Constitution (GG), Art. 8 ECHR. Article 2 (1), Article 1 (1) of the Basic Law, Article 8 ECHR.

a) Dissemination of untrue statements of fact

Your statements are all untrue statements of fact. The utterance and dissemination of your statements is therefore inadmissible.

b) Inadmissible reporting of suspicions

Since you make completely unfounded accusations against our client and speculate about our client's involvement in alleged criminal activities involving the Adler Group SA, this is inadmissible suspicious activity reporting.

Your report already lacks the basic requirements of admissible suspicious activity reporting.

(1) No minimum set of evidentiary facts

At the time of publication, there is no sufficient evidence for the accuracy of your statements. In particular, you do not base your research on reliable sources. A minimum set of evidentiary facts is not and was not present at any time.

(2) Prejudice

Through your incriminated statements, our client is associated with alleged fraudulent activities. This is because you impute to him non-existent company shareholdings, influence and exercises of control from which he would presumably profit.

(3) Unbalanced and distorting presentation

The portrayal of our client, who as the alleged "mastermind" and so-called "shadow CEO" in reality directs the fortunes of the entire Adler Group, proves to be unbalanced and one-sided. Exculpatory moments are not communicated. In particular, they also did not respond to proactive inquiries from the Adler Group regarding an intended publication of the report. This shows impressively that you were already not willing to report in a balanced way even in the beginning and to clarify the public not only the alleged grievances within the group of companies but also the respective positions taken by the actors. The background to the publication was also not to inform the public in a truthful and balanced manner, but to trigger a significant drop in the price of the Adler Group SA share in order to profit economically from such a drop in price as part of a short-selling strategy being pursued. It was already not planned from the outset to provide a well-founded and balanced report.

(4) No opportunity to comment

Our client was not given the opportunity to comment at any time. Their statements are based solely on one-sided research and at no point reflect our client's point of view or exculpatory statements.

(5) No overriding interest in information

After the principles of permissible suspicious activity reporting were not observed, there can be no information interest in the incriminated statements. This applies not least because you already had no intention of informing the public, but were pursuing solely self-serving interests by betting on falling share prices prior to publication of the report in order to enrich yourself from the speculative profits subsequently realized.

2. Against this background, we request you in the name and on behalf of our client to delete your report immediately. We set you a deadline for this by

12.10.2021, 03:00 pm UTC+1.

3. Furthermore, we request you in the name of and on behalf of our client to sign the enclosed cease-and-desist declaration in a legally binding manner and to send it to us no later than

12.10.2021, 03:00 pm UTC+1

to be returned to us.

We would like to point out that this letter serves exclusively to protect the personal rights of our client and is not intended for publication, either in whole or in part.

Yours sincerely



Dr. Ben M. Irle LL.M.
Attorney at Law
Specialist attorney for copyright and media law
Specialist attorney for intellectual property law

Cease and desist declaration

Viceroy Research LLC, represented by its management, [REDACTED]
[REDACTED]

- Debtor -

agrees towards

Mr. Cevdet Caner, c/o IRLE MOSER Rechtsanwälte PartG, Unter den Linden 32-34, 10117 Berlin

- Creditor -

- I. to refrain from asserting and/or disseminating and/or causing to be asserted and/or disseminated, verbatim or in substance, in relation to the injunctive creditor:
 1. Adler is controlled by an undisclosed cabal of kleptocrats which we believe have systematically asset-stripped Adler and its subsidiaries for over a decade.
This cabal is headed by secretive financier Cevdet Caner, who was previously responsible for the second largest REIT collapse in German history: Level One.
 2. Caner now operates Adler from a yacht in Monaco. Despite holding no official position at the company and claiming to be no more than a consultant, Caner's control is an open secret and has drawn the attention of Israeli and German authorities.

Caner's wife, brother-in-law, and other associates from Caner's failed Level One venture own or hold senior positions at various related-party entities. These related-party entities act covertly and in concert with Adler in the commission of its schemes.

3. Cevdet Caner is the real controller of the Adler Group of companies. Caner has already spearheaded two listed bankruptcies: real estate developer Level One (the second largest real estate bankruptcy in German history) and telecom company CLC AG.
4. Caner was charged with “conspiracy, aggravated commercial fraud, fraudulent insolvency, and money laundering” over Level One but was ultimately acquitted. There appears to have been considerable evidence that Level One was looted but the evidence to point to an individual was thin.
5. On paper Caner claims to be a consultant for Adler but numerous regulatory documents and investigative journalism pieces make it very clear that Caner calls the shots.
6. That Adler Real Estate operates under the express influence of Cevdet Caner is already a matter of public record. Caner, while controlling Adler, has already been involved in serious regulatory breaches by acting in concert with undisclosed related entities.
7. The Austrian Takeover Commission determined the following in Adler’s failed “Coup D’état” attempt at Conwert:

“This and other discussions mostly took place in the presence of Cevdet Caner, who, according to the management of Conwert, appears as the ‘undercover boss’ of Adler.”
8. “The role of major shareholder Caner at Adler is disputed. He does not hold an official position. Adler says: "He advises various Adler investors and advises Adler on certain transactions in individual cases." However, several business partners refer to Caner as "pulling the string" and the

"man behind Adler". People around the company say he sits at the table during negotiations. Adler says business is conducted by the board of directors in coordination with the supervisory board. What the industry insiders say sounds more like a secret boss than a companion who occasionally pulls in a deal."

9. *On a more comprehensive review, Viceroy struggle to find transactions in Adler's corporate history that were conducted at arm's length. Adler's dealings substantially benefit of Cevdet's cronies.*
10. *Caner appears at the center of a circle of insiders who benefit from complex, uncommercial transactions at the expense of shareholders and bondholders of Adler.*
11. *Mezzanine IX Investors SA is a Luxembourg entity controlled by Caner through his associates: the company is 66% owned by Caner's wife Gerda Caner and Josef Schrattbauer. The Austrian Takeover Commission confirmed in its review of the Conwert transaction that Schrattbauer is Caner's brother-in-law.*
12. *Aggregate Holdings is the wholly owned investment vehicle of Gunther Walcher⁵, the founder of Skidata AG. Viceroy have been reliably informed that Walcher was a major investor in Caner's Level One company. Despite the eventual collapse of Level One, Walcher and Caner have remained close with Aggregate allegedly carrying out Caner's instructions to the letter.*
13. *Caner and his associates are often on both sides of Adler transactions. The goal of these transactions is to extract wealth from investors and bondholders and siphon it to Caner's circle, as well as to optically shore up Adler's balance sheet.*

14. An Austrian residential real estate developer with most of its portfolio in Germany. This is the first apparent example of Caner's tricks at Adler and an introduction to Caner's inner circle.
15. To be clear: Viceroy believe that Schrattbauer is acting on behalf of – and for the benefit of – Cevdet Caner in the Gerresheim transaction.
16. In their Q2 2021 report Adler said it was reversing the sale of the Gerresheim project due to continued planning delays and objections by Deutsche Bahn AG, the state-owned railway company. We believe that Caner and Schrattbauer were tiring of the whole charade and wanted to offload Gerresheim back to Adler.
17. To be clear we do not believe Schrattbauer came up with this scheme himself. As in the events at Conwert, we believe Schrattbauer is operating on Caner's behalf.
18. Without missing a beat, ADO announced it would acquire a majority stake in Consus, a thinly-capitalized property developer, from Caner-associated Aggregate Holdings: the credit rating of ADO debt dropped substantially on these transactions.
19. Not only did the forced acquisition of Consus from Caner associates constitute looting of ADO properties, but Consus itself had been thoroughly pillaged prior to its acquisition by Adler.
20. The sellers were Caner-associated Aggregate Holdings and CG Gruppe founder Christoph Gröner.
21. We suspect that other Caner associates received cash at high valuations.

22. *Caner is the center of a web of individuals involved with the insider dealing at Adler.*
23. *Often referred to by Adler as a consultant, Caner appears to call the shots at Adler despite holding no official position*
24. *Gerda Caner*
Wife of Cevdet Caner and sister to Josef Schrattbauer, Gerda often functions as a stand-in for Caner in various holding corporations. Press reports indicate she has little, if any, actual control over her holdings.
25. *Josef Schrattbauer*
Brother of Gerda Caner and brother-in-law to Cevdet Caner, Josef serves the same function as his sister as a cat's paw for undisclosed related party transactions and inflating the value of Caner companies
26. *Walcher is the founder of SKIDATA: allegedly a major investor in the Level One scheme. Despite losses sustained, he appears to trust Caner: former employees of his investment vehicle Aggregate Holdings say that the company follows Caner's orders often acting in party with Adler and Mezzanine IX Investors*
27. *Mezzanine IX Investors SA is a Luxembourg entity controlled by Caner and his associates: the company is 66% owned by Caner's wife Gerda Caner and her brother Josef Schrattbauer.*
28. *Chelmer GmbH, managed by Richard Bunning, its sole beneficial owner. Bunning is also owner of Meridien Capital Management. Several Meridien employees serve in executive positions in Caner-related entities.*

29. Viceroy were reliably informed that Walcher was a major investor in Caner's Level One company. Despite the eventual collapse of Level One, Walcher and Caner have remained close with Aggregate allegedly carrying out Caner's instructions to the letter.
30. Using these entities Caner and his associates are often on both sides of many Adler transactions.
31. The goal of these transactions is to extract wealth from investors and siphon it to Caner's circle, as well as to optically shore up Adler's balance sheet, which is only a house of cards, to perpetuate its schemes.
32. Adler gained a controlling stake in the business by buying out Teddy Sagi. They replaced the management team and cleaned up the rest with a tender offer. This is the same scheme Caner, Sagi, and others ran with Conwert: an earlier example of Adler's "Coup d'état Transactions".
33. In combination with the Gerresheim deal, it is easy to see a similar pattern to other Adler acquisitions that do nothing for shareholders or bondholder, instead enriching Caner's associates.
34. Conwert Immobilien Invest SE (Conwert) is an Austrian residential real estate developer with most of its portfolio in Germany. This is the first apparent example of Caner's tricks at Adler and a decent introduction to Caner's inner circle.
35. Conwert was the target of a takeover bid from Adler Real Estate around autumn 2015 which drew the scrutiny of the Austrian Takeover Commission and is now owned by Vonovia SE. We believe this regulatory scrutiny is what motivated Caner to shield his involvement more carefully with Adler in future endeavours.

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 40. *All the while, Caner appears to have taken HUGE loans from the insolvent business.*
- II. to pay a contractual penalty to the creditors for each violation of the obligation contained in Sec. I. The amount of the contractual penalty is determined by the creditors at their reasonable discretion and, if necessary, to be reviewed regarding the amount by a competent court.

Place, Date _____

Viceroy Research LLC