

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

Civil Action No. 10 Civ.

RSM PRODUCTION CORPORATION (3600 S. Yosemite Street, Suite 900 Denver,
CO 80237),

Plaintiff,

v.

FRESHFIELDS BRUCKHAUS DERINGER

US LLP (701 Pennsylvania Ave. NW, Suite 600 Washington, DC), JAN PAULSSON
(2 rue Cézanne 75008, Paris, France) and BRIAN KING (520 Madison Avenue, New
York, NY 10022)

Defendants.

VERIFIED COMPLAINT AND JURY DEMAND

Plaintiff, RSM Production Corporation (“RSM”) files their Verified Complaint against the Defendant Freshfields Bruckhaus Deringer US LLP (“Freshfields”) and for grounds alleges:

PARTIES

1. Plaintiff RSM Production Corporation is a corporation incorporated in the State of Texas, whose address was 5000 S. Quebec Street, Suite 500, Denver, Colorado 80237, and later 5299 DTC Boulevard, Suite 500, Greenwood Village,

Colorado 80111. The address is presently 3600 S. Yosemite St., Suite 900, Denver, Colorado 80237, U.S.A.

2. Defendant Freshfields Bruckhaus Deringer US LLP (“Freshfields”) is a United States law firm located in Washington D.C. and New York City. Freshfields is affiliated with a comparatively giant international law firm headquartered in London, England. Freshfields is registered in the United States. Its United States mailing addresses are 520 Madison Avenue, 34th floor, New York, NY 10022-4329, and 701 Pennsylvania Avenue NW, Suite 600, Washington, D.C. 20004-2692.

3. Jan Paulsson, Esq. (“Paulsson”) is a member and principal consultant of Freshfields in their Paris offices, located at 2 rue Cézanne 75008, Paris, France, and Bahrain offices, located at Bahrain World Trade Centre East Tower, 37th floor, P.O. Box 18259, Manama, Bahrain.

4. Brian King, Esq. (“King”), a U.S. citizen, is a member and partner of Freshfields in their New York offices, located at 520 Madison Avenue, New York, NY 10022, and Amsterdam offices, located at Strawinskylaan 10, 1077 XZ Amsterdam, Netherlands.

Conspirators Who Are Not Named As Defendants

5. Gregory Bowen (“Bowen”) is former Deputy Prime Minister as well as the former Minister of Agriculture, Lands, Forestry, Fisheries, Public Utilities and Energy for Grenada. He is now an opposition Senator in the Grenadian Parliament.

6. Lev Model (“Model”) is a former Russian National. He has, on information and belief, split his time in recent years between Grenada, New York, New Jersey and Ireland. Mr. Model is a Director of Global Petroleum Group, Ltd. His address in Grenada is Westerhall, St. David’s, Grenada. Mr. Model is the co-founder and Chairman of Global Petroleum Group, Ltd.

7. Global Petroleum Group, Ltd. (“Global”) is a Grenadian Company founded in 2003 by Model and Lev Korchagin as well as Eduardo Vasilev, who on information and belief are both Russian citizens. Since its 2003 inception until the July 2008 Grenadian elections, the primary purpose of Global Petroleum Group was to facilitate the payment of monies to Grenadian Government officials as well as to the Government of Grenada, and to act as a front for other individuals and oil companies interested in exploring, developing and ultimately extracting petroleum from offshore Grenada’s vast hydrocarbon accumulations. These other individuals and companies include, on information and belief, Len Blavatnik, Mikhail Fridman, TNK-BP, Lord John Browne and BP, p.l.c. Global Petroleum Group’s mailing address is P.O. Box 346, St. George’s, Grenada.

8. Michael Melnicke is a New York-based businessman who served as an “Ambassador-at-Large” for the Government of Grenada and in that capacity attempted to secure a bribe from RSM, as will be detailed herein.

9. Lev Korchagin is an attorney in Moscow, Russia and the legal and business advisor for, and director of, Global Petroleum. Korchagin has called

Grynberg in 2005 on the phone several times at the Grynberg offices in Colorado. Korchagin's business mailing address in Moscow is 123182, Moscow, Russia, Ulitsa Aviatsionnaya, 24, Building 1 Lawyers Bureau "ICA". Korchagin's telephone number is +011-7 495 755-8666. Korchagin is on the Board of Directors of Global Petroleum Group. Ltd., with a mailing address of P.O. Box 346, St. George's, Grenada.

BACKGROUND INFORMATION

10. RSM and the nation of Grenada signed an exclusive Petroleum Agreement on July 4, 1996. The Petroleum Agreement, which is attached hereto as Exhibit A, was to have resulted in an oil and natural gas hydrocarbon exploration, development and production license being issued as a matter of routine performance by Grenada to RSM. At all relevant times Jack J. Grynberg was the chief executive and operator of RSM. Grynberg worked, and works, on behalf of RSM in efforts to explore, discover, develop and produce oil and natural gas reserves in offshore Grenada, for the benefit of the people of Grenada, the United States of America, as well as the free world.

11. Jack J. Grynberg is 78 years old. He is president of Grynberg Petroleum Company. Grynberg is a citizen of the United States and a resident of the State of Colorado. He is a graduate and a trustee emeritus of the Colorado School of Mines. Grynberg has been actively involved in international and domestic oil and natural gas research, exploration, development and production for more than fifty (50) years

and is responsible for numerous oil and natural gas field discoveries and extensions in the United States and overseas. He is a Registered Professional Engineer in good standing in the States of Colorado, South Dakota, Oklahoma and Texas, is a member of many professional and trade associations, author of numerous publications and holder of a U.S. patent for the application of laser beams for the continuous detection and identification of hydrocarbons in the mud stream coming out of a bore hole while drilling. He was appointed by President Ford and reappointed by President Carter to the Committee on Nuclear and Alternate Energy of the National Academy of Sciences. He was appointed by President Clinton to participate in the presidential mission to Russia in March 1994 headed by the late Secretary of Commerce Ron Brown representing the United States oil and gas industry. He has been a speaker at the 5th, 6th and 7th United Nations sponsored conference on African Oil, Gas and Finance, where he represented the United States at the 7th conference. For the past several years he has been a speaker at oil and natural gas international conferences in London, England, Cape Town, South Africa, Rio de Janeiro, Brazil, Houston, Texas, Barcelona, Spain, Lille, France, Hamburg, Germany and Bordeaux, France.

12. In September 1996, in Grenada, Gregory Bowen advised Jack Grynberg that he expected significant bribe payments from RSM and Grynberg in order for RSM and Grynberg to do business in Grenada. After the refusal of RSM and Grynberg to pay bribes to Bowen, Bowen obstructed, harassed and intimidated

RSM and Grynberg in their efforts to explore, develop and produce Grenada's vast oil and natural gas resources, including, but not, limited to: rescinding the Special Envoy to Venezuela status of Jack Grynberg, which he was using to attempt to resolve boundary disputes between Grenada and Venezuela, refusing to participate in a case in the International Court of Justice between Grenada and Trinidad and Tobago to resolve the undetermined offshore boundaries, filed at great expense by RSM, which boundaries Grynberg successfully resolved with Trinidad and Tobago, to the benefit of Grenada, granting illegal permission to other parties to perform seismic work on exclusive license area of the Plaintiffs, and taking no steps to preserve Grenada's United Nations seismic data after Grynberg offered to preserve and reprocess the data at no cost to the Grenadian government, with a copy to be delivered free of charge to Grenada. That Seismic data, which was stored in an open garage in Barbados, is now destroyed due to humidity.

13. RSM additionally incurred the large costs of an arbitration with Grenada before the International Centre for Settlement of Investment Disputes (ICSID) of the World Bank in London, England, Case No. ARB/05/14, Washington, D.C. ("Arbitration"). Defendant Freshfields, and Freshfields' senior partners, Paulsson and King, represent Grenada in that Arbitration.

THE SCHEME BEGINS

14. In December of 2003, Lev Model formally created a Grenadian company called Global Petroleum Group. The incorporation documents were

prepared, on information and belief, by a Grenadian attorney with close ties to the then-Prime Minister Keith Mitchell and the then-ruling party. In August of 2005, Global Petroleum officially changed their registered office to Sir Danny Williams' law office, even though Sir Danny Williams was serving as Grenada's Governor General at the time. Other directors of Global Petroleum Group include Lev Korchagin and Eduaro Vasilev, who on information and belief are Russian citizens.

15. Mr. Model is a convicted criminal. Back in 1991, when Mr. Model was a resident of Englewood Cliffs, New Jersey, he stole at least \$1.2 million from a Soviet/Russian oil company. Model was given millions of dollars by a Soviet oil company, and was supposed to provide household appliances for the company to sell to its workers. Instead, Model stole and pocketed most of the money.

16. Mr. Model served 28 months in federal prison. On information and belief, his enormous and brazen theft from a Russian oil company made him a well-known, accomplished thief in Russian petroleum circles. Model was therefore selected to lead efforts in Grenada, to organize Global Petroleum Group and to transfer millions of dollars to top Grenadian Government officials in criminal violation of the Foreign Corrupt Practices Act and the 1997 OECD Convention on Bribery of Foreign Public Officials in International Business Transactions.

17. Model and Global Petroleum Group serve as agents for the efforts of others to bribe Grenadian officials, and thereby acquire rights to explore, develop

and produce the Grenadian offshore areas believed to contain very promising vast.recoverable reserves of petroleum.

THE SCHEME IS IMPLEMENTED

18. Within months after the December 2003 formation of Global Petroleum Group, in April of 2004 Grenada took active steps to get out of its exclusive contract with RSM. RSM and Grenada were previously honoring their 1996 contract. This despite a *force majeure* period necessitated by boundary disputes. By letter dated July 18, 1996, RSM provided notice to the Government of Grenada, which was accepted, and agreed to, by Grenada through the countersignature of the then Minister of State, Ministry of Finance, Senator Patrick Bubb. In the nearly eight (8) years that followed, both Grenada and RSM worked on resolving the necessary boundary issues, in spite of many uncalled for obstacles created by Gregory Bowen personally, and directed at RSM.

19. In reliance upon Grenada's contractual promise that an exclusive exploration license would be issued upon RSM's application, RSM made substantial multi-million dollar investments during this eight-year (8) period in acquiring new, and reprocessing older, offshore seismic and geophysical exploration data and other subsurface geologic data obtained on its own dating back to 1972. In addition RSM obtained, from Venezuelan, French, Canadian (and other) sources information

pertaining to all the offshore waters of Grenada and adjacent offshore areas within the Greater Orinoco Delta extension. .

20. By preliminary letter dated January 12, 2004, RSM wrote informally to the Prime Minister of Grenada, advising him that RSM believed that sufficient progress had been made to allow it to proceed and that it was in the process of revoking the *force majeure*.

21. By letter dated February 19, 2004, the Honorable Gregory Bowen, Grenada's Minister for Agriculture, Lands, Forestry, Fisheries, Public Utilities and the Marketing and National Importing Board, wrote to RSM, advising it that the January 12th letter had been passed to his legal department for advice on the agreement and the effect of the *force majeure*. RSM delivered its official application for an oil and natural gas exploration license to the Permanent Secretary of the Ministry of Finance on April 14, 2004, after a four (4) day holiday, in compliance with the contract.

22. RSM, not having received any communication from Grenada of any type since Mr. Bowen's letter of February 29, 2004, sent its agent, David Myrick, Jr., to meet personally with government officials at a Caribbean conference in Tobago, an island of Trinidad and Tobago near the island of Grenada. On April 20, 2004, Mr. Myrick met with Minister Bowen, who expressed his frivolous concerns that the exploration license application did not contain audited financial statements and that a corporate surety bond had not been provided to cover the cost of the first

exploration well. Minister Bowen's comments did not indicate a rejection of the application, but rather concerns over certain portions of its contents relating to financial assurance. None of these financial terms urged by Bowen were required by the exclusive contract between Grenada and RSM, and Minister Bowen's request was both frivolous and a typical harassment. This exclusive contract was freely negotiated with the Prime Minister of Grenada, who utilized strong advice from experts in the Oil and Gas offices of the Commonwealth Advisory Service in London, Great Britain, the former mother country of Grenada, as to which most Grenadian common law is based.

23. By letter dated April 27, 2004, Minister Bowen advised RSM for the first time of his position that the RSM exploration license application had been untimely filed. In early 2004, and on information and belief prior to Bowen taking the position that the RSM application was untimely, John Auguste, a Senior Energy Officer of Grenada who reported to Bowen, met with Model, Vasilev and Korchagin and told them that Grenada was "in a situation" with RSM and that Grenada was not in a position to enter into any agreements concerning Grenada's offshore petroleum assets until the "situation" with RSM was resolved.

24. By letter dated May 4, 2004, RSM explained to Minister Bowen its computation of the arbitrary 90-day application period and requested guidance as to how the dispute might amicably be settled.

25. By letter dated May 21, 2004, Minister Bowen stated that the Government of Grenada was not in agreement with RSM.

26. By letter dated June 16, 2004, RSM again sought an amicable resolution of the dispute.

27. By letter dated July 1, 2004, Minister Bowen rebuffed RSM's efforts to resolve these issues, indicating that all future correspondence would be from Grenada's legal team.

28. From July 1, 2004 to August 31, 2004, no correspondence or other communications were received by RSM from Grenada's legal team or any other representative of Grenada.

29. RSM filed a Request for Arbitration ICSID, on or about August 31, 2004. The Arbitration between RSM and Grenada has been litigated at ICSID, at great expense to RSM, with Grenada's legal expenses being covered entirely by the above-mentioned conspirators, knowingly facilitated by Defendants Freshfields, Paulsson and King. The original ICSID Panel ruled that RSM's license submission was untimely, and the Arbitration is now pending in an ICSID Annulment Proceeding. In that proceeding, RSM has argued that the original Panel manifestly exceeded its authority by, *inter alia*, refusing to apply well settled law that holds that contractual time stipulations are generally not of the essence (absent specific language to the contrary), and therefore RSM's submission of an application one day after expiration of the ninety-day period cannot be used by Grenada as a pretext to terminate the Agreement. Moreover, the submission

was actually timely, since it was tendered after a four-day weekend, and delivery on the 90th day would have been futile.

30. Grenada first took its ICSID case against RSM to the law firm of DLA Piper Rudnik Gray Cary (“DLA Piper”). On information and belief, DLA Piper as a part of routine due diligence became aware of fact that either Grenada did not have funds adequate to pay their bills, or that the arbitration was being funded by a corrupt Enterprise, in furtherance of an ongoing, corrupt scheme to bribe individual Grenadian officials, including Gregory Bowen. Accordingly, on information and belief, DLA Piper promptly refused the representation.

GRENADA’S REPUTATION FOR CORRUPTION

31. Prior to and after the formation of Global Petroleum Group, the government of Grenada, particularly under the rule of Prime Minister Mitchell from 1995-2008, had a well-known reputation for criminal bribery and corruption. This is particularly unfortunate since Grenada is a poor country of approximately 90,000 citizens. Grenada under Mitchell’s leadership also had a reputation for consorting with known felons.

32. One example is Prime Minister Mitchell's relationship with Viktor Kozeny a/k/a “the Pirate of Prague.” Kozeny is a fraudster who has been implicated in numerous securities fraud and bribery scandals involving Eastern Europe and the former Soviet Union. Mitchell named Kozeny “Honorary Council” from Grenada to the Bahamas, where Kozeny is fighting off extradition attempts on the part of the

United States and United Kingdom. Mitchell is reported to have taken many rides on Kozeny's private jet. Mitchell also received much negative press for allowing Kozeny to buy the car Mitchell rides to official government functions. According to press accounts Kozeny threw expensive parties for Grenadian officials on his yacht and secured a diplomatic Grenadian passport which, pursuant to international law, may have complicated the United States' and United Kingdom's efforts to have Kozeny extradited. Mr. Kozeny is presently in the Bahamas, which refuses to extradite him to New York where he faces charges for paying millions of dollars of bribes to Azeri (Azerbaijan) government officials as part of a failed effort to gain control of the state-run oil company (SOCAR), which he never did, all in violation of the Foreign Corrupt Practices Act. Mr. Kozeny's former co-venturer in connection with the Azeri scheme, Frederic Bourke, Jr., was last year convicted for the same offense by a New York jury and sentenced to a year and a day in prison and ordered to pay a \$1 million fine.

33. Another example involves convicted securities fraudster Eric Resteiner. According to the Sworn testimony of Timothy Bass, who was Mr. Resteiner's security director at relevant times, Bass videotaped a meeting in June of 2000 whereby Mr. Mitchell accepted, and Mr. Resteiner provided, \$500,000 in \$100 bills to Mr. Mitchell. In exchange Mr. Resteiner was provided Grenadian citizenship and was named Ambassador At Large from Grenada. Mr. Bass has also testified to another exchange of \$500,000 from Resteiner to Mitchell that was not

videotaped. Mr. Resteiner confirmed the existence of the bribery videotape in his request for leniency prior to being sentenced, on May 16, 2007, to 87 months in a Federal Prison.

34. In April of 2007, Grenada's reputation for corruption led Forbes to report that Grenada was one of the best places for embezzled money. Forbes made Grenada "[N]umber one on the list of what we'll call Pirate Destinations." The article went on to quote an individual that tracks international banking and corruption as stating Grenada is the "most corrupt, anything goes destination," and that "[Y]ou can do anything you want, and if the regulators come to call, it's to seek a bribe." In May of 2007 an S&P ratings research comment noted the "widespread perception of corruption in the higher echelons of power" in Grenada's than-existing government. And in August of 2007, a Sentencing Memorandum filed by the United States Government in Oregon claimed that, in furtherance of a Ponzi-scheme run out of a Grenadian Bank, cash bribes were paid to Grenadian officials by the now-defunct Grenadian-licensed offshore bank, First International Bank of Grenada, with at least some of the money making its way to Prime Minister Mitchell. Freshfields can reasonably be assumed to have known the reputation of Grenada and its Senior Officials for corruption and bribery at all relevant times.

35. As he had previously done with Resteiner and Kozeny, Prime Minister Mitchell appointed Michael Melnicke, a New York-area businessman, to be a foreign "honorary" ambassador. Mr. Melnicke soon became involved in trying to

help Bowen and Global Petroleum Group secure more bribe monies as well as resolve the situation with RSM.

RSM DISCOVERS THE ILLEGAL SCHEME

36. At the early stages of the still-pending RSM/Grenada arbitration, two individuals reached out to Jack Grynberg in an effort to settle the dispute. One is Korchagin, who called Mr. Grynberg from Moscow, Russia on several occasions in or around August of 2005. Then, later in 2005 and early 2006, Melnicke, serving at-the-time as Grenada's "Ambassador-At-Large" reached out to Mr. Grynberg.

37. Around August 2005 Grynberg received an unsolicited call from Korchagin, from Moscow, Russia. Mr. Korchagin represented himself as being an attorney as well as the Director of Global Petroleum Group, a Grenadian oil & gas company. Mr. Korchagin suggested that he and Grynberg meet in London, England, to resolve any problems RSM has in Grenada, which he, and the people he represents could be instrumental in resolving. When Grynberg inquired as to why he would not come to the U.S. if he is willing to go all the way to London, Mr. Korchagin explained that he needed to have a "neutral" site and not a location which is subject to American jurisdiction. Korchagin further explained that if his group could participate as a partner in RSM's offshore Grenada license, his group would work everything out. Mr. Korchagin assured Mr. Grynberg of a positive outcome because he claimed that his group "owns" the Government of Grenada. At

which point Grynberg sensed a violation of the U.S. Foreign Corrupt Practices Act, and told Korchagin to “have a good day,” and that he had no interest in meeting him in London or anywhere else.

38. Thereafter, Mr. Melnicke called Mr. Grynberg to discuss brokering a deal between RSM and Grenada. There were many phone conversations and between Grynberg and Melnicke, as well as correspondences from Melnicke to Grynberg, and a meeting in New York between Grynberg and Melnicke covering the contractual dispute between RSM in Grenada, and spanning late 2005 and early 2006.

39. Melnicke represented himself to be an American ambassador to Grenada, a representation that Grynberg later discovered was false. Instead, much like Kozeny and Resteiner, Melnicke was an “Ambassador At Large” of Grenada, appointed by Prime Minister Mitchell.

40. Melnicke offered to be a peacemaker who could resolve the dispute between Grenada and RSM. He asked that, as compensation for his efforts, he receive a substantial overriding royalty (free interest of gross income) based on the amount of oil and natural gas that was ultimately produced pursuant to the exclusive RSM/Grenada contract. Melnicke had a Colorado attorney named Barry Specter draft several revisions of a proposed contract for RSM to sign. Drafts of the agreements prepared by Melnicke's Counsel are attached hereto as Exhibit B. Given the size of the offshore Grenadian opportunity, this “overriding royalty” was

worth at least \$10 million. RSM and its CEO, Jack J. Grynberg, concluded that most, if not all, of this money would end up in the personal pockets of Grenadian government officials, and refused to sign any of these agreements in light of the apparent Foreign Corrupt Practices Act implications and potential criminal violations.

41. In December of 2007, William J. Leyton a California resident who was incarcerated at the time, provided a Declaration to RSM that confirmed Melnicke's admission that he was hoping to pay off Grenadian officials, including Prime Minister Mitchell, with the "overriding royalty" he had hoped to receive from RSM and Mr. Grynberg. Mr. Leyton had previously introduced Melnicke to Grynberg at a meeting in California. Mr. Leyton's Declaration is attached hereto as Exhibit C.

42. In the course of trying to negotiate this agreement, Melnicke revealed to Grynberg in early 2006 that Len Blavatnik and Mikhail Fridman had bribed Gregory Bowen so that their group could develop the vast petroleum reserves believed to exist in the offshore Grenadian territory. Melnicke further revealed that Blavatnik and Fridman had promised additional bribes to Grenadian government officials in the future, and had promised to pay all of Grenada's legal fees in connection with the arbitration between RSM and Grenada. According to Melnicke, at least one of the meetings designed to facilitate this bribe occurred in New York, with Blavatnik, Fridman and Bowen all in attendance. Melnicke also told Grynberg that he had arranged a fundraiser in New York for Prime Minister Mitchell's re-

election effort. Melnicke's account to Grynberg rang true, since Fridman and Blavatnik have been named in the past for being alleged participants in conspiracies to bribe the individual officials of cash-poor, oil-rich governments.

43. On October 31, 2006, RSM brought a court case in New York alleging, *inter alia*, tortious interference against Bowen, Blavatnik, Fridman and Korchagin. The Complaint was amended to add various allegations and parties, and ultimately dismissed on various grounds. The New York case is presently on appeal in the United States Court of Appeals for the Second Circuit. This case will remain viable regardless of the outcome of the New York case.

ABUSE OF THE ARBITRATION; RICO VIOLATIONS

44. On June 21, 2007, Gregory Bowen provided testimony in the arbitration pending between RSM and Grenada in London, England. For the first time, a Grenadian official gave testimony under oath concerning the organizational structure of the Global Petroleum Group. Bowen testified that Global Petroleum "had resources from groups of companies" which were active in the U.S, United Kingdom, Russia, China and the Middle East. In his testimony Bowen also acknowledged that Global Petroleum had financed the arbitration, and that Global Petroleum and Grenada had entered into an agreement specifically pertaining to this funding arrangement (the "Funding Agreement"). Bowen also testified that he negotiated the September, 2005 Funding Agreement with Vasilev and Korchagin. RSM has never been provided the Funding Agreement.

45. In June and July of 2007, minutes of certain official Grenadian Government proceedings were made public. These proceedings show that Global Petroleum Group had to that point invested over \$4 million into the legal defense of the Government of Grenada in the arbitration against RSM. RSM has since uncovered specific evidence of the payments – one check of \$2,500,000 which appears to have been paid personally by Lev Model to the Government of Grenada by check dated October 12, 2005, and going from Bank of Grenada Limited to Bank of New York's Wall Street Branch, and a Republic Bank wire transfer of \$1,899,975 dated May 25, 2006.

46. Additional documentation indicates that Lev Model purported to *personally* advance the first \$2.5 million in October of 2005 of money to cover Grenada's legal expenses. This led to RSM's investigation of Mr. Model and uncovering of his apparent criminal conviction and a separate civil judgment. On information and belief, based in part on garnishment proceedings involving Mr. Model in New Jersey, Mr. Model had no ability to pay this money personally, but was acting as a front person for Blavatnik, Fridman, TNK-BP and BP.

47. Lev Model, as a personal and illegal bribe payment to Gregory Bowen, paid the college tuition of Gregory Bowen's daughter. A copy of the Declaration of Michaele Rose, which supports this allegation, is attached hereto as Exhibit D.

48. In September, 2009, Mr. Kenny Davis Anthony, the former Prime Minister of Saint Lucia and current member of the Saint Lucia Parliament,

reported that in Saint Lucia Parliamentary proceedings the present prime minister of Saint Lucia, Stephenson King, stated that Grenada's legal proceeding against RSM cost over \$10 million and was still rising. Upon information and belief, Global Petroleum and affiliated entities have financed the entire arbitration.

49. In June, 2008, the Mitchell Government issued the Grenada Offshore License to Global Petroleum Group just before the July 2008 national elections, which the opposing party won handily. On information and belief, this license has been declared null and void by the present Grenadian Government. Moreover, the present government has retained Robert J. Lindquist, a prominent Canadian forensic accountant, to investigate corruption in the previous government, including, on information and belief, the circumstances in which Global Petroleum Group acquired the License, in anticipation of possible criminal charges against Gregory Bowen and Global Petroleum Group.

50. Freshfields, King and Paulsson, who are the Freshfields attorneys representing Grenada before the ICSID Arbitration Panel in London, U.K., have had knowledge that their retainer was being paid through this corrupt relationship. At the very beginning Defendants can be reasonably presumed to have been aware that Grenada – an extremely cash-poor country of approximately 90,000 people -- did not have the funds to pay Freshfields' legal fees, that Grenada's fees would be paid by investors looking to obtain the same exclusive license as to which RSM claimed entitlement, and that the Grenadian government at-the-time had a

reputation for corruption and bribery. Freshfields also was aware of the fact that Global Petroleum would be paying their fees, and a law firm in Freshfields' position can be expected to do a search of Global Petroleum that would have revealed the felony conviction of its CEO. On information and belief, Freshfields was also aware of the fact that DLA Piper had turned down the representation. By 2007, Freshfields' legal fees paid by Global Petroleum had reached several million dollars, and public reports confirmed that Global Petroleum's CEO (Lev Model) was a convicted felon, that Lev Model was paying the college tuition of Bowen's daughter, that Korchagin had bragged that his group "owned" the Government of Grenada, and that Bowen had traveled to New York to receive bribe monies. Yet Freshfields at all relevant times agreed to facilitate and be part of the conspiracy.

51. Under the United Kingdom law which is applicable to Freshfields, as soon as a lawyer acting for a client in legal proceedings discovers or suspects anything in the proceedings that may facilitate the acquisition, retention, use or control of "criminal property", the lawyer must immediately notify the National Criminal Intelligence Service of his belief. Failure to make such a notification is itself a criminal offense. On information and belief, Defendants violated United Kingdom law by not notifying the National Criminal Intelligence Service of its belief that the ICSID Arbitration was being financed with corrupt money, and being defended in furtherance of a criminal bribery scheme. Laws in France and the Netherlands, where Paulsson and King respectively have offices, have somewhat

different reporting requirements, but similarly would have obligated Freshfields to report the bribery. Freshfields' reporting requirements underscore the fact that Freshfields was not entitled to look the other way when confronted with compelling evidence that the representation was in furtherance of a criminal bribery scheme.

52. Moreover, Freshfields, upon learning facts suggesting that the source of its income for legal services was also responsible for bribing Grenadian officials for the purpose of obtaining lucrative license rights in Grenada, could not continue the representation, since the entire representation was and is adverse to its client, Grenada. Its initiation and continuation of the representation in the face of a transparent conflict of interest is indicative of its conscious decision to join the conspiracy, and its ongoing efforts to facilitate the goals of the Enterprise (as defined in ¶57) and conspiracy.

JURISDICTION AND VENUE

53. Subject matter jurisdiction is appropriate in this action pursuant to 28 U.S.C. § 1332, based upon diversity of citizenship. Federal question jurisdiction also exists, since this case arises under the Federal RICO Statute.

54. Venue is proper in this District pursuant to 28 U.S.C. § 1391(a) and 19 U.S.C. § 1965(a) because Freshfields has an office and transacts business in this District. Moreover, Freshfields' legal services have been rendered before the International Centre for Settlement of Investment Disputes ("ICSID"), which is headquartered in Washington, D.C.

VIOLATION OF 18 U.S.C. § 1962(d) OF THE RICO ACT

55. Plaintiffs repeat and re-allege paragraphs 1 through 54 as if fully set forth herein.

56. Enabling parties, including lawyers, are liable as RICO conspirators if they knowingly facilitate the illicit activities of those who manage and operate a RICO criminal enterprise. Freshfields knowingly agreed to perform services of a kind which have facilitated the activities of those who are operating the Enterprise (as defined below) in an illegal manner.

57. Global Petroleum, Model, Vasilev, Korchagin, Bowen, and on information and belief, others, intentionally, illegally, tortiously, criminally and without justification have engaged in an association-in-fact RICO enterprise (the “Enterprise”) designed for the common purpose of enriching Bowen and other high-level Grenadian officials, including former Prime Minister Keith Mitchell, and obtaining rights to receive an exclusive exploration license for the development of vast hydrocarbon accumulations in Grenada’s offshore waters. The Enterprise infiltrated the former Government of Grenada through the use of corrupt Grenadian officials including Bowen. A core function of this Enterprise was to defeat RSM’s claim to the very same, exclusive exploration license. Accordingly, and after another law firm, on information and belief, refused the representation, the Enterprise retained Freshfields, who has knowingly agreed to perform services designed to facilitate the core goal of the Enterprise’s conspiracy – i.e., to replace RSM with Global Petroleum Group as the entity with rights to explore and develop the high-potential areas of offshore Grenada. Another purpose of the conspiracy was to conceal the scheme, since it was and is necessary to avoid detection in order to secure and later retain the license. This part of the conspiracy continues. Model is the key operational individual

for Global Petroleum in the Enterprise, facilitating bribe payments in Grenada. Bowen was the key operational individual for corrupt Grenadian officials, taking bribe monies for himself and, on information and belief, distributing other bribe monies for former Prime Minister Mitchell and possibly other Grenadian Officials as well.

58. Predicate Acts undertaken by the Enterprise include violations of the Travel Act. 18 U.S.C. § 1952. The Travel Act forbids the use of the facilities of interstate commerce to promote or facilitate the promotion of a broad spectrum of unlawful activities, including bribery. Bowen has traveled from Grenada to New York to accept bribe monies in furtherance of the Enterprise. Model has, on information and belief, traveled from Grenada to New York and back to Grenada to receive bribe monies in New York and pay the bribes to Bowen back in Grenada. The Enterprise has also repeatedly violated the foreign corruption offense which was included in the USA PATRIOT Act. 18 U.S.C. §1956(c)(7)(B)(iv) through, *inter alia*, Lev Model's payment of the college tuition of Gregory Bowen's daughter, and Bowen's receipt of bribe monies in New York. The Federal Wire Fraud statute was also violated by the Enterprise when Melnicke used the United States phones and faxes to actively solicit a bribe from RSM, as evidenced by Exhibit B which is incorporated specifically herein, as well as various phone calls between Melnicke and Grynberg.

59. These predicate acts all form a pattern of racketeering activity which commenced upon the December 2003 incorporation of Global Petroleum and

continued unabated until the Grenadian general elections in July of 2008. Since the new government has taken over, the illegal conspiracy continues but, upon information and belief, the payments to Grenadian officials have ceased, and the Enterprise is focused on avoiding detection and helping Global Petroleum obtain the exclusive license to explore and develop the offshore Grenadian territory.

60. RSM is an injured party under 19 U.S.C. § 1964(c). Freshfields' actions have prevented RSM from developing the giant oil and natural gas potential and recoverable hydrocarbon reserves in the Grenadian offshore territory, for the benefit of the people of Grenada, the USA and the free world, resulting in enormous damage, the precise amount of which will be determined at trial. RSM has also incurred massive and on-going legal fees in connection with the ICSID Arbitration, as well as the multi-million investments from 1996 to 2004 which are alleged *supra*.

61. The activities in dispute affect interstate or foreign commerce. Unlawful overt acts included, on information and belief (1) repeated instances of criminal bribery in violation of the Foreign Corrupt Practices Act, and (2) violations of the Travel Act in which certain defendants and other conspirators (including convicted felon Lev Model) traveled from the United States and elsewhere to Grenada to provide significant illegal bribe monies; (3) violations of 18 U.S.C. § 1956 (c)(7)(B)(iv); and (4) violations of the Federal Wire Fraud Statute.

62. Defendants Freshfields, Paulsson and King, by knowingly participating in and benefiting from the legal fees arising out of the conspiracy, have all participated in and benefitted from a racketeering enterprise. Paulsson and King are the Freshfields' attorneys who are

primarily responsible for the representation and who have, on information and belief, most directly benefitted from the representation.

63. As a proximate result of the civil conspiracy alleged herein, RSM has been damaged in an amount to be determined at trial, but believed to be no less (and possibly considerably more) than \$500 million, which may be trebled, along with attorney fees. 18 U.S.C. § 1964(c). This amount reflects, *inter alia*, RSM's anticipated profits from oil exploration and development activities in Grenada, RSM's legal fees in the ICSID Arbitration, and RSM's investments pursuant to its Agreement with Grenada as detailed at, *inter alia*, Paragraphs 12, 13 and 19 of this Complaint.

PLAINTIFFS DEMAND A JURY TRIAL ON ALL ISSUES SO TRIABLE BY A DULY CONSTITUTED JURY.

WHEREFORE, Plaintiffs claim for judgment against Freshfields, for the entire damage award, for damages in excess of five hundred million dollars (\$500,000,000.00), for costs, expenses, attorney fees, plus punitive damages, interest, and threefold damages in addition to attorney fees under the civil recovery section of RICO, and for such further and other relief as may be ordered by this Court.

Date: March 17, 2010

Respectfully submitted,

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To be Filed Promptly