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19 October 2016

By Email to: ruja@onecoin.eu

Dr. Ruja Ignatova

Carter-Ruck

Dear Dr Ruja

Media Advice

I write to advise you in the light of recent developments - in particular following the Financial Conduct Authority (FCA) announcement and the news that the City of London Police is investigating OneCoin – and further to our meeting last week with Irina, Frank, Counsel Godwin Busuttill and your criminal lawyer Colin Nott from Hallinans.

As you know, we were instructed to help tackle the adverse media coverage of you and OneCoin, predominantly in this but also in other jurisdictions, writing letters of complaint as necessary and identifying those publications over which you and/or OneCoin might sensibly sue.

The FCA statement and Police investigation into OneCoin have required us to review with Hallinans the strategy agreed at the outset. In particular it is important that nothing we do or say in correspondence should prejudice any criminal investigation.

Libel proceedings against The Coin Telegraph

At the meeting last week we agreed that no action should be taken that may lead to disclosure of information or documents that may be used by the police in their investigation. As bringing civil proceedings for libel will inevitably lead to the need for disclosure, including of financial documents, and, if any case is pursued, for you to give evidence in court, Irina confirmed instructions not to commence proceedings for libel against The Coin Telegraph. The case faced a number of technical hurdles in any event, including issues with limitation (ie the time limit within which proceedings for libel must be brought). The next limitation deadline is coming up on Friday 28 October and we advised that if proceedings were not brought by this date, then you would be out of time to bring proceedings for libel in relation to another of the articles published. Irina confirmed she understood this.

Tackling media coverage generally

In light of the FCA statement and police investigation it is less likely that the recipients of legal letters will accede to demands to take down material. However, the fact of the FCA statement and the police investigation should not stop us from writing letters in appropriate cases. Given the fact that we suspect the police investigation is a “fishing expedition” and that it could take years to reach any conclusion, we recommend you continue to defend your reputation meantime. The majority of adverse coverage is still being published by individuals on social media or on sites

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with relatively limited coverage. We recommend that we limit our legal letters to credible publications, as writing to more "maverick" sites is likely to have the opposite effect to that intended; in other words it is likely to encourage them to publish more adverse material.

We have prepared a general statement responding to criticisms, which can be published on the OneCoin website but which will also serve as a template for complaint letters going forward. We have advised that we await Hogan Lovells' report and possible input from PR advisers (as to which please see below) before finalising it. Such a statement will send a strong message that you and OneCoin refute any allegations of wrongdoing and that, in the meantime (and while you will cooperate fully with any investigation), it is "*business as usual*". I have recommended to Irina that the company does not respond on its website piecemeal to individual articles, but we can continue to review that policy and the need for updated statements.

More generally, as discussed with Irina and as I have mentioned before, we and your PR team would be greatly assisted by a better understanding of the business generally, so that we can effectively tackle the worst allegations. The starting point is fully to understand how the various OneCoin entities interrelate, preferably by way of a "*corporate map*" supported by the underlying documents. It would also assist us if we better understood how becoming a member of the OneLife network worked, and if we better understood the mining process. We have suggested that we meet a trusted IMA who might usefully talk us through the processes.

Lavelly & Singer

I confirm that US law firm Lavelly & Singer (Partner Brian Wolf) is now retained to advise specifically on adverse media coverage in the US, including if/how to target individuals such as California-based Tim Tayshun, who we know to be behind much of the (and some of the most damaging) coverage. We will continue to liaise with them as necessary. They have advised the same note of caution in light of the recent developments, but we propose to instruct them to follow the same strategy as that adopted by us.

Hogan Lovells

We understand that Hogan Lovells will soon finalise its advice and that this will focus on the MLM side of the business. Assuming it confirms that the company is operating in accordance with all of the necessary laws and regulations in the UK, that may serve as a useful tool in countering negative press in so far as we are permitted to use it.

Wider PR Strategy

I have recommended to Frank that, now that Prime Strategies are no longer involved, you appoint new PR advisors, in particular with expertise in crisis management, but who can also work with the communications department in Sofia to generate positive content, with a particular emphasis on the Far Eastern market. I am liaising with Frank about suitable firms, but I strongly recommend that new advisors are appointed as soon as possible.

Websherriff

We have been using the company WebSherrif to monitor adverse coverage, complemented with input from Prime Strategies. It is important that the monitoring continues, but you may prefer to task a new PR company with this brief.

Websherrif can be effective in dealing in particular with copyright infringement, and I would recommend that we still use them to address copyright violations on, for example, YouTube, where those violations are harming the company's reputations.

Costs

As agreed, we have to date charged you on a monthly basis according to our hourly rates (most recently on 30 September 2016), applying to our invoices the funds transferred when first instructed. We currently have just over £26,000 of unbilled fees (excluding Counsel's fees) on the clock to date, and hold just under £106,000 in your client account.

Yours sincerely



Claire Gill