

Direct Fax: 020 7353 5553

Our Ref: CFG/MPH/16073.1

21 December 2016

By email only: frank@sandstone.lu

Mr Frank Schneider
Sandstone SA
Luxembourg

Carter-Ruck

Dear Frank

Media Advice

Further to our recent meetings, including with Pablo Munoz last week, and as discussed, I confirm that since we started acting in June we have been advising on reputational issues on behalf of Ruja and the corporate entities associated with the OneCoin and OneLife. In view of the separation of the OneLife/OneCoin entities, I wanted to confirm our instructions to continue to advise Ruja and both arms of the business. To that end, I enclose KYC forms to be completed on behalf of both One Coin Ltd and OneLife Network Ltd, which I should be grateful if you could arrange to be completed and returned to me with the relevant documents enclosed.

On behalf of Ruja and the companies, we have been taking instructions from and giving advice to Ruja personally and you, Irina, Gary Gilford and PR representatives. Pablo confirmed last week that he should be our main point of contact, in particular on the OneLife side. Only confidential communications between lawyer and "client" can be protected by legal professional privilege.

Thank you for confirming that we will shortly be put in funds; you mention payment of outstanding invoices, but to clarify, my request in my letter of 1 December was to be put in funds on account of professional charges estimated going forward.

I enclose my firm's invoice relating to work done between 1 December and 16 December, on which there is a balance due of £8,464.26 after applying the sums remaining in our client account. This will need to be paid in addition to the sums requested on account of costs.

I enclosed a "to do" list with my letter of 1 December. Since then, we have had productive meetings with the communications team in Sofia and with Pablo and I suggest I update you in detail when I see you. Broadly speaking, however:

- work is being done by Irina and the compliance team to change procedures and compliance issues at OneLife, which will help on the MLM side.
- Irina's team is working on registering the OneCoin and OneLife brands as trademarks. I recommended also that they take steps to purchase domain names related to the brands.
- Pablo and Irina are drafting a statement which would serve as a response to adverse media allegations and be something to which we can direct hostile journalists. In particular the statement will explain the distinction between the OneLife network and the cryptocurrency. Pablo has outlined his thoughts for its content on the OneLife side. However, we need also to address the cryptocurrency and the future plans to "monetize" the coin.
- It has been agreed that key company announcements that are to be published either on the company websites or on the OneLife site at the

Carter - Ruck Solicitors

6 St Andrew Street
London EC4A 3AE

T 020 7353 5005

F 020 7353 5553

DX 333 Chancery Lane

www.carter-ruck.com

Partners

Alasdair Pepper
Guy Martin
Nigel Tait
Ruth Collard
Cameron Do'ey
Claire Gill
Adam Tudor
Isabel Martorell

Partnership Secretary

Helen Burruck

Authorised and regulated
by the Solicitors Regulation
Authority

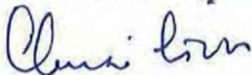
SRA No. 44769

backend are sent to me and to Chelgate first, so that we can make the most of PR opportunities and check there are no "hostages to fortune"

- Chelgate has strongly recommended that we instruct a third party consultant; for example McKinsey, to prepare an independent report into the viability of the OneCoin currency and the blockchain. This will not involve sharing trade secrets about the technology, which we recognise is highly confidential, but will be a report based on correct publicly available information
- We discussed with Pablo his thoughts about OneLife taking legal action for libel. As you know, I do not think it is realistic to separate the "pyramid scheme" allegation from the "OneCoin scam" allegation: they are inextricably linked, not least because at the moment only members of the OneLife Network can mine the coins. If we are seriously to contemplate legal action in relation to defamatory allegations, we have to be able to deal with the claims attacking the currency. We discussed when we last met building a case. We can do that, but we need to point to evidence about the viability of the coin and its future value. The roll out of the merchant programme is particularly important; I understand that Gary has instructed Robert Courtneige at Locklord to prepare a proposal and that it is anticipated the merchant programme will be rolled out early next year.
- Irina and Pablo confirmed that so as to achieve a co-ordinated approach, substantive correspondence written by other legal advisors in other jurisdictions ought to be sent to me first.

We are meeting later today to discuss the latest move by the City of London Police and the action that should be taken. All of the work done on the defamation and reputation management side is also potentially relevant to the criminal investigation; if we are to engage with either the police or the regulators as has been suggested, we must make sure we are on solid ground in terms of defending both the MLM business and the cryptocurrency before we do so.

Yours sincerely,



Claire Gill

Cc Dr Ruja Ignatova
E: ruja@onecoin.eu

Pablo Munoz
E: pablo.munoz@onelife.eu