

Ms Clare Whitaker,
Serious Fraud Office
10-16 Elm Street,
London WC1X 0BJ

29 October 2010

Dear Ms Whitaker,

Thank you for your letter of the 26th October 2010.

We are pleased that you are prepared to look at the accounting material that formed the basis of both the BDO Binder Hamlyn reports and the Mantle reports although we are at a complete loss to understand how you think either Mr Nadir or ourselves could assist in your obtaining access to the same. As you will doubtless be aware, Mr Nadir has had no connection with either Unipac or IBK for many years and neither now exists in the form it did in the early 1990's. Doubtless your accountants, KPMG, who we understand to have spent 14 man years, as at the 7th November 1991, considering the case on behalf of the SFO (without, as we understand it, producing a final report), will be able to assist you. We note, from their instructions, that they were to cover much of the area you are now seeking our assistance on. From your letter dated 09 October 1990 you instruct KPMG to:

"...initially investigate and report on the following main areas:

- (a) the reason for PPI's overall cash utilisation;*
- (b) treasury controls at PPI;*
- (c) analysis of funds transferred to the Near and Middle East;*
- (d) verification of cash balances held at periodic intervals in the Near and Middle East;*
- (e) examination of the cash books and bank statements for Channel Island, Turkish Cypriot and Turkish constituents of the PPI group; and*
- (f) funds tracing relevant to (e).*

Initially we will report orally on the progress of our work, and as the investigation proceeds the form and content of our written reports will be agreed with you and your colleagues".

In addition, the Administrators, from whom you recently took a witness statement, travelled to the Turkish Republic of Northern Cyprus (TRNC) on numerous occasions and clearly had access to much of the material that you now seek. We have already copied to you the documentation that BDO examined during their examination in the TRNC and that is annexed to their report.



As you are aware your letter is a replication of letters sent by the SFO to those then representing Mr Nadir dated the 27th June 1991 and 8th July 1991 (two letters). It is necessary to look back at the events surrounding the 27th June and 8th July 1991 in order to fully understand the context of your recent request.

As you will be aware, legal advice taken in or around 1991, confirmed that the records you are now seeking could not, by law, be physically removed from the TRNC and hence would need to be examined there. We would refer you to the contact and correspondence between the British High Commission (BHC) in the TRNC and the SFO between 1991 and 1993. As early as the 26th July 1991 the SFO was informed of the need for a Commission Rogatoire and, between 1991 and 1993, this requirement was reiterated on the 30th July 1991, 4th December 1991 and finally on the 15th December 1993. In addition you will be aware of numerous meetings between the BHC and representatives of the government of TRNC where it is clear that the government of TRNC was not attempting to be obstructive but merely asking that the SFO make the request in the normal way. Something that was done in numerous other jurisdictions. The claim that the British government did not recognise the TRNC and therefore no Commission Rogatoire could be applied for is a difficulty of your own making. TRNC was the de facto government and the simple expedient of a Commission Rogatoire would have prevented all this delay. Even the extension of an invitation for an informal visit to TRNC to examine the material in July 1993 was not taken up. We have reason to doubt the enthusiasm of those then having the conduct of the prosecution to actually examine the documents after they were aware of the conclusions contained in the Mantle reports.

Whether the legal position is any different now to the position then is not something we can advise you on, but if it is then we would urge you to make a request for a Commission Rogatoire as a matter of urgency. We are most anxious that this request should not be used as an excuse to delay the timetable for trial and will strenuously object to any slippage to the agreed timetable. We would remind you that on the 20th April 1993, counsel then instructed by the SFO did not object to this trial commencing in September 1993. The prompt application for a Commission Rogatoire will allow you the full and unfettered access to the material that you seek; a route that is not open to us.

You will be aware that Mr Nadir, and those then representing him, made enormous efforts to facilitate a trip to TRNC by the SFO to examine the records you now seek only to be told time and again that such a trip was not possible, we refer you to the relevant correspondence for your information. Mr Nadir is still anxious to assist you as much as he can and we are instructed to offer as much assistance as possible, he has always been anxious that the SFO be given all the assistance it could by those representing him. That is why he explained in interview that the records in TRNC would provide a complete answer to the allegations made, why he authorised the early disclosure of the BDO reports and why he helped arrange the abortive visit to TRNC. We cannot help but feel that this request for assistance is in stark contrast to the approach of the SFO in 1991-93 when constant encouragement was given by Mr Nadir, and those representing him, to the SFO to visit Northern Cyprus and examine the material, the subject of this request, when the material was known to be available for

examination. On 27th June 1991, Ms Harris wrote to Mr Nadir's solicitors to say that the SFO would need access to the originals of the documents referred to in the report served on the previous day. Correspondence continued and extracts from letters sent in the first few days indicate clearly the approach of those then representing Mr. Nadir and Mr Nadir himself.

- On 28th June, Vizards informed Ms Harris that arrangements were being made for SFO representatives to travel to Cyprus. On receiving no response, Vizards wrote reminding Ms Harris of the importance and urgency of the matter. Ms Harris, on the same day, acknowledged the offer but asserted that more time was required to conduct preparatory work. Vizards wrote again on 28th June 1991 stating the position that removing the documents from Unipac and IBK would be contrary to the law in Northern Cyprus but reiterating the invitation to inspect the documents in situ.
- On 1st July 1991, Vizards wrote to Ms Harris as there had been no response and highlighted the importance of viewing the documents. Later the same day, Vizards wrote again proffering assistance if the SFO were experiencing difficulties.
- On 2nd July 1991, the SFO wrote to Vizards stating the necessity of preparatory work was the cause of their delay in responding to Vizards' offer. Vizards' response of the same day reiterated their willingness to assist in verifying the accuracy of the Binder Hamlyn report.

Insofar as your request asks for further clarification of the BDO reports and the dates of visits by BDO personnel to TRNC, we are in the process of contacting the authors of those reports and will revert back to you as soon as we have the information you request. We are seeking the contemporaneous notes and statements requested from BDO and fear that these may be in storage. We will do our best to trace these and will revert back to you when they have been found. We note with interest, however, that you conducted Section 2 interviews on the 24th July 1991 with Thayne Forbes, Christopher Swinson, Noel Page and Zeph Sequiera, who were the authors of the BDO Binder Hamlyn reports, conducted by David Morrison and Adam Bates. They had the opportunity then to question, under compulsion, the defence forensic experts and seek all relevant documentation.

You also ask for an indication of whether our client is aware whether the witnesses would be prepared to meet with the SFO. Our client has not discussed the matter with any potential witness. We note from the BDO reports, of which you have been served with copies, that they spoke to Mr Fahri Turnalier, Mrs Zakire Yalcin, Mr Kazim Olgu, Mr Atilla Apaydin, Mr Hasan Hizlier, Mr Olgun Beyoglu and Mr Huseyin Erdal. We further note from the 'Mantle' reports that the Administrators, on their trip between the 24th - 26th July 1991, spoke to the following persons: Mr Taner Atear, Mrs Zakire Yalcin, Mr Atilla Apaydin, Mr Fahri Turnalier and Mr Mentash Aziz. These witnesses will be potential defence witnesses at trial and as such a meeting with yourselves would be unusual. However, there is no property in a witness and we will ask them whether they would like to meet with you and if so assist in making the necessary arrangements. It seems to us that this must be a matter for the witnesses themselves and ought not to be influenced by us and certainly not by Mr Nadir. We trust that

before you approach any defence witnesses you will have the courtesy of contacting us first. We certainly confirm in this letter that we will not contact any prosecution witness without first giving notice to you.

Finally with reference to a listing in the week of the 8th November 2010, the learned trial judge has indicated that he is no longer available on Friday 12th November and we would suggest that the Monday of that week, the 8th November, be set aside for a short hearing to review progress. Could you confirm whether that date is convenient to you and we will liaise with the judge's clerk as to a listing.

We note your concerns regarding our client's commitment, we believe that this is a matter which should be aired in open court and accordingly have sent this correspondence to the learned trial judge.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Bark & Co', written in a cursive style.

BARK & CO SOLICITORS