

**To**  
**HIGHER PUBLIC PROSECUTION OFFICE IN BELGRADE**  
**BELGRADE**

**Complainant:** The Anti-Corruption Council, Belgrade, Nemanjina St. 11

is submitting hereby

**COMPLAINT**

to the above Prosecution Office which has the real and territorial jurisdiction in the matter

**AGAINST**

1. **Predrag Bubalo** – former Serbian minister of economy and privatization,
2. **Milan Beko** – private entrepreneur,
3. **Štimac Milko** – chairman of the Serbian Securities Commission,
4. **Malinić Dejan** – member of the Serbian Securities Commission,
5. **Jovanović Đorđe** - member of the Serbian Securities Commission,
6. **Dušan Bajec** - member of the Serbian Securities Commission,
7. **Đorđević Miodrag** – director of the Serbian Privatization Agency,
8. **Mrđa Goran** – executive director of the Serbian Privatization Agency,
9. **Gračanac Aleksandar** – director of the Serbian Shares Fund, Belgrade,  
Bulevar kralja Aleksandra 15
10. **Čolić Vladeta** – chairman of the Management Board of Belgrade Port a.d.
11. **Blagojević Vladeta** – deputy chairman of the Management Board of Belgrade Port a.d.
12. **Vasiljević Mirko** – member of the Management Board of Belgrade Port a.d.
13. **Kosovac Dušan** - member of the Management Board of Belgrade Port a.d.
14. **Cvjetičanin Danijel** – chairman of the Supervisory Board of Belgrade Port a.d.
15. **Mihovilović Đorđe**– member of the Supervisory Board of Belgrade Port a.d.
16. **Zorica Kostić-Jovanovski** – member of the Supervisory Board of Belgrade Port a.d.
17. **Miroslava Drobac** – director of Belgrade Port a.d. /Luka Beograd a.d./

as there is founded suspicion

## THAT

- 1. Predrag Bubalo**, as Minister of economy and privatization in the Government of the Republic of Serbia, failed in 2005 to do his official duty – to inform the Government and the Prime Minister of the Republic of Serbia about the actual value of the shares of Belgrade Port a.d. /Luka Beograd a.d./, which, according to the Preliminary Estimate made by the Institute of Economic Sciences from June 2005 was Eur 22-23 per one share, and he did not supervise the legality of the work of the Shares Fund in accordance with Article 23 of Shares Fund Law as he did not supervise the operations of the sale of the shares in the privatization procedure and consequently the company WORLDFIN S.A. from Luxemburg paid, according to its Bid for the takeover of the shares, only Dinars 800 per one share in September 2005, and four months later, in December 2005, it took over additional 105,061 Luka Beograd a.d. shares at the same price of only Dinars 800 and thus acquired 92.757 % of the total number of the issued Luka Beograd a.d. shares, damaging thereby the Republic of Serbia by Euro 21,000,000.00 as the owner of 40.48% of Luka Beograd a.d. shares and the small shareholders by an additional unknown amount, and gaining benefit to WORLDFIN S.A. in the same amount,

- whereby he has committed a criminal act of the abuse of office from Article 359, Paragraph 3, in relation with Paragraph 1 of the Criminal Code of the Republic of Serbia.

- 2. Milan Beko**, who as the beneficial owner of the “shell firm“ WORLDFIN S.A. registered in Luxemburg, organized a criminal group in Belgrade in 2005 whose aim was to commit criminal acts for which a 3-year or longer imprisonment is foreseen, and this group included the following members: Štimac Milko – chairman of the Serbian Securities Commission, Malinić Dejan, Jovanović Đorđe and Dušan Bajec – members of the Serbian Securities Commission, Gračanac Aleksandar – director of the Serbian Shares Fund, Đorđević Miodrag – director of the Serbian Privatization Agency, Mrđa Goran – executive director of the Serbian Privatization Agency, Čolić Vladeta – chairman of the Management

Board of Luka Beograd a.d, Blagojević Vladeta, Kosovac Dušan and Vasiljević Mirko – members of the Management Board of Luka Beograd a.d, Cvjetičanin Danijel – chairman of the Supervisory Board of Luka Beograd a.d, Mihovilović Đorđe and Zorica Kostić-Jovanovski – members of the Supervisory Board of Luka Beograd a.d, and Miroslava Drobac – director of Luka Beograd a.d, with the aim that within such an organized criminal group each member of the group was to carry out a certain task so that the Bidder – WORLDFIN S.A. from Luxemburg could take over the Luka Beograd shares at a price lower than their realistically estimated value,

- whereby the accused Milan Beko has committed a criminal act of associating to commit criminal acts from Art. 346, Paragraph 1, of the Criminal Code of the Republic of Serbia, and the group members: Štimac Milko – chairman of the Serbian Securities Commission, Malinić Dejan, Jovanović Đorđe and Dušan Bajec – members of the Serbian Securities Commission, Gračanac Aleksandar – director of the Serbian Shares Fund, Đorđević Miodrag – director of the Serbian Privatization Agency, Mrđa Goran – executive director of the Serbian Privatization Agency, Čolić Vladeta – chairman of the Management Board of Luka Beograd a.d, Blagojević Vladeta, Kosovac Dušan and Vasiljević Mirko – members of the Management Board of Luka Beograd a.d, Cvjetičanin Danijel – chairman of the Supervisory Board of Luka Beograd a.d, Mihovilović Đorđe and Zorica Kostić-Jovanovski – members of the Supervisory Board of Luka Beograd a.d. and Miroslava Drobac – director of Luka Beograd a.d. have committed a criminal act of associating for the purpose of committing criminal acts from Art. 346, Paragraph 3, in relation with Paragraph 1, of the Criminal Code of the Republic of Serbia.

### **3. Štimac Milko, Dejan Malinić, Đorđe Jovanović and Dušan Bajec**

Štimac Milko, as the chairman of the Serbian Securities Commission and the members of this Commission: Dejan Malinić, Đorđe Jovanović and Dušan Bajec, by failing to do their duty in Belgrade in 2005 enabled WORLDFIN S.A. from Luxemburg to gain benefit of more than Eur 21,000,000.00, as they acted contrary to the provisions of the Rules on the Contents and Form of the Bid for the Takeover of the Shares - Articles 3 and 8 of the

Rules, by accepting the Bid submitted by WORLDFIN S.A. from Luxemburg for the takeover of the Luka Beograd a.d. shares, and in spite of the fact that the submitted Bid did not contain any Balance Sheet or Profit and Loss Statement information about WORLDFIN S.A. or an authorized auditor's opinion, or any substantial transaction in the business operation of WORLDFIN-a S.A, they did not initiate any supervision procedure, but accepted WORLDFIN S.A, a newly established legal entity with a capital of total Euro 31,000 and without any proof that they owned any other assets or property, as an eligible bidder for the takeover of the shares, in spite of the fact that the maximum possible capital of WORLDFIN S.A. could be, in accordance with the Article of Incorporation of that company, an amount of Eur 2,000,000.00, which was to be provided within a period of 5 years, and besides all this the Bidder for the takeover of the shares – WORLDFIN S.A. did not even submit a guarantee in its name, and in spite of all that they accepted such a bid as a proper and eligible bid and brought the Decision No. 4/0-32-2429/5-05, dated 09.09.2005, by which they approved the acceptance of the Bid for the takeover of the Luka Beograd a.d. shares by the Bidder WORLDFIN S.A. from Luxemburg, again in spite of the fact that at the time of bringing the said Decision they had already had the Preliminary Estimate made by the Institute of Economic Sciences according to which the value of one Luka Beograd a.d. share was Eur 22-23, and the Bidder – WORLDFIN S.A. had offered only Dinars 800 per share, and then again four months later, on 15.12.2005, they brought a new Decision No. 4/0-32-3187/4-05 by which they approved the Bid for the takeover of additional 21,351 ordinary shares by WORLDFIN S.A. from Luxemburg at the same price of only Dinars 800 per share,

- whereby they have committed a criminal act of the abuse of office from Article 359, Paragraph 3, in relation with Paragraph 1, of the Criminal Code of the Republic of Serbia.

#### **4. Đorđević Miodrag and Mrđa Goran**

Đorđević Miodrag, as the director of the Serbian Privatization Agency, and Mrđa Goran – the executive director of the Serbian Privatization Agency, in 2005 in Belgrade, by using

their office and failing to do their official duties in 2005, enabled WORLDFIN S.A. from Luxemburg to gain benefit in an amount of Eur 21,000,000.00, because, as officials of the Serbian Privatization Agency they had been acquainted with the Preliminary Report of the Institute of Economic Sciences from June 2005 according to which the preliminary value of one Luka Beograd a.d. share was Eur 22-23, and they suppressed this fact and did not disclose it to the responsible bodies and agencies, and then, allegedly on 27.09.2005 brought the Decision on the Method of Sale of Shares of the Shares Fund, which was not registered at the Serbian Privatization Agency – it was not assigned a File No. or the date when it was brought, and then, in spite of the known fact that, according to the Final Report of the Institute of Economic Sciences the value of one share was Eur 22-23, they acted contrary to Article 10 of the Law on Privatization Agency, which provides for checking of the estimated value of the subjects of privatization, and acted contrary to Article 6 of the same Law, according to which they were obliged to control the sale of the state-owned Luka Beograd a.d. shares, as well as contrary to Article 15 of this Law, according to which the director is obliged to make sure that the Serbian Privatization Agency operates legally, when they issued the Order to the Shares Fund No. TK470/05 ED, dated 27.09.2005, to sell 1,318,497 shares of the Shares Fund and 427,024 shares of the Republic Fund for Pension and Disability Insurance of the employees of the Issuer – Luka Beograd a.d. to WORLDFIN S.A, as the Bidder to the take over the Luka Beograd a.d. shares at a price of only Dianrs 800 per share, damaging thus the Republic of Serbia as the owner of total 40.48 % of Luka Beograd a.d. shares by an amount of Eur 21,000,000, while at the same time enabled the company WORLDFIN S.A. from Luxemburg to gaining benefit in the same amout, where the suspect Goran Mrđa directly issued the mentioned Order for the sale of shares, and both suspects brought the Decision on the Method of Sale of the Shares of the Shares Fund in the period from June to 27.09.2005, ordering that the shares of Luka Beograd a.d. from Belgrade should be sold by accepting the Bid for their takeover submitted by the Bidder WORLDFIN S.A. from Luxemburg,

- whereby they have committed a criminal act of the abuse of office from Article 359, Paragraph 3, in relation with Paragraph 1, of the Criminal Code of the Republic of Serbia.

**5. Gračanac Aleksandar**

Gračanac Aleksandar, as the director of the Shares Fund, used in Belgrade in 2005 his position and his powers and by failure to do his duty enabled the company WORLDFIN S.A. from Luxemburg to gain benefit of minimum Eur 21,000,000.00, because he, in spite of having been acquainted with the Preliminary Estimate made by the Institute of Economic Sciences from June 2005, and then having been acquainted since September 2005 with the Final Estimate made by the Institute of Economic Sciences according to which the value of one Luka Beograd a.d. share amounted to Eur 22-23, he acted contrary to Article 14 of the Law on the Share Fund according to which he is obliged to do business with due expertise, he acted according to the non-registered Decision of the Serbian Privatization Agency on the Method of Sale of the Shares of the Shares Fund and sold and deposited the Luka Beograd a.d. shares by accepting the Bid for the takeover of the shares submitted by WORLDFIN S.A.. from Luxemburg at a price of only Dinars 800 per share and thereby caused a damage to the budget of the Republic of Serbia by minimum Euro 21,000,000.00, while at the same gaining benefit to WORLDFIN S.A. from Luxemburg in the same amount, and damaging the small shareholders by an additional amount that has not been established yet,

- whereby he has committed a criminal act of the abuse of office from Art. 359, Paragraph, in relation with Paragraph 1, of the Criminal Code of the Republic of Serbia.

**6. Čolić Vladeta**, as the chairman, and Blagojević Vladeta, Vasiljević Mirko and Kosovac Dušan, as members of the Management Board of Luka Beograd a.d, abused their powers by suppressing the fact, known to them, that according to the Preliminary Estimate made by the Institute of Economic Sciences from June 2005 the value of one share of Luka Beograd a.d. was Eur 22-23, and then since September 2005, by failing to do their duty, concealed the fact that the final estimated value of the capital and a higher real value was Eur 22-23 per share, whereby they damaged the state as the shareholder and owner of 40.88 % of shares, as well as the small shareholders, and thus contrary to Article 72 of the Securities Law did not express their opinion regarding the Bid for the takeover of shares by WORLDFIN S.A. from Luxemburg, in order to protect both the state package of shares and

the small shareholders' shares, which was their duty to do according to the Instructions Regarding the Contents and Form of the Notification on the Bid for the takeover of the shares, so that they could respond in accordance with the provision of Art. 71 of the Securities Law (changed circumstances),

- whereby they have committed a criminal act of the abuse of office from Art. 359, Paragraph 3, in relation with Paragraph 1, of the Criminal Code of the Republic of Serbia.

#### **7. Cvjetičanin Danijel, Mihovilović Đorđe and Zorica Kostić-Jovanovski**

As officials - Cvjetičanin Danijel, as the chairman of the Supervisory Board, and Mihovilović Đorđe and Zorica Kostić-Jovanovski, as members of the Supervisory Board, by using their powers in Belgrade in 2005 and failing to do their duty enabled WORLDFIN S.A. from Luxemburg to gain benefit of more than Eur 21,000,000.00 on the basis of its Bid for the takeover of Luka Beograd a.d. shares and at the same time caused damage in the same amount to the Republic of Serbia as the owner of 40.48 % of shares, as well as to small shareholders because they allowed WORLDFIN S.A. to take over the Luka Beograd a.d. shares at the price of only Dinars 800 per share in spite of the fact that they had been acquainted with the Preliminary Report of the Institute of Economic Sciences as early as June 2005 according to which the value of one Luka Beograd a.d. share was Eur 22-23, and they did not inform the small shareholders either about this Preliminary Price Estimate made by the Institute of Economic Sciences of Eur 22-23 which they were obliged to do,

- whereby they have committed the criminal act of the abuse of office from Art. 359, Paragraph 3, in relation with Paragraph 1, of the Criminal Code of the Republic of Serbia.

#### **8. Drobac Miroslava**

Accused Drobac Miroslava, as the director of Luka Beograd a.d, using her office and failing to do her duty in Belgrade in 2005 enabled WORLDFIN S.A. from Luxemburg as

the Bidder for the takeover of the Luka Beograd a.d. shares to gain benefit of Eur 21,000,000.00, and at the same time caused damage in the same amount to the Republic of Serbia as the owner of 40.48% of shares, because, in spite of the fact that she had been acquainted with the Preliminary Report of the Institute of Economic Sciences as early as June 2005, and then as from September 2005 with the Final Report of the said Institute, according to which the value of the Luka Beograd a.d. shares was Eur 22-23 per share, she allowed the takeover of the Luka Beograd a.d. shares at the price of only Dinars 800 per share, she did not inform the responsible authorities, agencies and small shareholders about the Preliminary and the Final Reports of the Institute of Economic Sciences, which was her duty in order to protect the interests of the Republic of Serbia, the interests of the small shareholders, and the very Luka Beograd a.d.,

- whereby she has committed a criminal act of the abuse of office from Article 359, Paragraph 3, in relation to Paragraph 1, of the Criminal Code of the Republic of Serbia.

The Complainant recommends the High Public Prosecutor in Belgrade to initiate criminal proceedings against the charged persons for the stated criminal acts before the competent court.

## **EXPOSITION**

**1. Predrag Bubalo**, as the minister for economy and privatization in the Government of the Republic of Serbia did not do his official duty in 2005 – he did not inform the Government members and the Prime Minister, in spite of the fact that he was obliged to do it as the minister responsible for economy and privatization, about the real – actual value of the Luka Beograd a.d. shares, and in spite of the fact that it was his official duty, as the minister responsible for economy and privatization, that during the privatization of a company in which the Republic of Serbia or other Republic funds have shares, that in the privatization procedure of Luka Beograd a.d. the price of one share was Eur 22-23 according to the Preliminary Estimate made by the Institute of Economic Sciences, nor did he supervise the legality of the business operation of the



Serbian Shares Fund which was selling the Luka Beograd a.d. shares, pursuant to Article 23 of the Law on the Shares Fund, and by his actions he enabled the Bidder for the takeover of the Luka Beograd a.d. shares – WORLDFIN S.A. from Luxemburg to take over 1,318,497 shares from the Serbian Shares Fund and 427,024 shares from the Republic Fund for Pension and Disability Insurance of the employees of the Issuer – Luka Beograd a.d. at the price of only Dinars 800 per share, so that the Republic of Serbia as the holder of 40.48% of the total number of Luka Beograd a.d. shares sustained damage exceeding Eur 21,000,000.00, and the company WORLDFIN S.A. from Luxemburg gained equal benefit, and at the same time the small shareholders sustained damage in an amount that has not been determined yet.

It is established that suspected Predrag Bubalo was informed that the value of one Luka Beograd a.d. share was Eur 22-23 according to the estimate made by the Institute of Economic Sciences, and that the total market value of the property of Luka Beograd a.d. amounted to somewhat less than Eur 100,000,000.00 as established on the basis of the statement made by Miroljub Zarić, who attended the meeting with suspected Predrag Bubalo, and who brought to this meeting with suspected Predrag Bubalo the Estimate of the value of the shares and property of Luka Beograd a.d. made by the Institute of Economic Sciences, which he had received from the director of Luka Beograd a.d, Miroslava Drobac before the appointed meeting.

**Exhibits :** Statement by Zarić Miroljub, dated 13.10.2008

Notification of “Luka Beograd“ a.d. No. 2309,  
dated 17.06.2005 to the Ministry of Economy  
and Privatization of the Republic of Serbia  
about the process of the determination of  
the value of the Shareholding Company  
“Luka Beograd“ a.d. according to the IAS  
(International Accounting Standards)

**2. Milan Beko**, as the actual owner of the “shell firm“ WORLDFIN S.A. from Luxemburg as the organizer of the criminal group, and Štimac Milko – the chairman of the Securities Commission, Malinić Dejan, Đorđe Jovanović and Dušan Bajec – members of the Securities Commission, Gračanac Aleksandar – director of the Shares Fund, Đorđević Miodrag – director of the Serbian Privatization Agency, Mrđa Goran – executive director of the Serbian Privatization Agency, Čolić Vladeta – chairman of the Management Board of Luka Beograd a.d, Blagojević Vladeta, Kosovac Dušan and Vasiljević Mirko – members of the Management Board of Luka Beograd a.d, Cvjetičanin Danijel – chairman of the Supervisory Board of Luka Beograd a.d, Mihovilović Đorđe and Zorica Kostić-Jovanovski – members of the Supervisory Board of Luka Beograd a.d, and Miroslava Drobac – director of Luka Beograd a.d, as members of this criminal group whose aim was to take over the shares of Luka Beograd a.d, on the basis of the Bid for acquisition of the shares at a price lower than their market value which was established by the Institute of Economic Sciences from Belgrade according to whose estimate the value of one Luka Beograd a.d. share was Eur 22-23, organized and allowed the purchase of the Luka Beograd a.d. shares at the price of only Dinars 800 per share – the price that was about 30 % of the real value of one share, where each member of the criminal group did his role assigned to them according to their office positions, and therefore they did not inform the concerned persons about the real value of the shares, and Štimac Milko, as the chairman of the Securities Commission, and Malinić Dejan, Đorđe Jovanović and Dušan Bajec, as members of the Securities Commissions acted contrary to the Rules on the Contents and Form of the Bid for the Takeover of Shares – Art. 3 and 8 of these Rules because the Bidder – WORLDFIN S.A. in its Bid did not provide the data from its Balance Sheet and Profit and Loss Statement, did not provide an authorized auditor’s opinion, did not provide any data on each of its more significant transactions, and in spite of the fact that the Bidder – WORLDFIN S.A. had a capital of only Eur 31,000, and did not provide any ownership evidence of any other property, they accepted such the Bid submitted by WORLDFIN S.A as adequate, and in spite of the above stated facts they did not initiate a supervisory procedure which they were obliged to do, because, besides the above mentioned formal shortcomings, and before the submission of the formal Bid for the takeover of the shares, not even an amount of funds sufficient to buy all the shares which were the subject of the tender had been deposited with a bank or a bank guarantee issued in its name for the same amount by a first-class bank sufficient to pay for all the shares.

According to Art. 78 of the Law on Securities and Other Financial Instruments (Official Gazette of the FRY No. 65/02 ), which was effective at the time of the takeover of the Luka Beograd a.d. shares, the Bidder – WORLDFIN S.A. was obliged to deposit with a bank or with an authorized bank being a member of the Securities Central Register before the beginning of the bidding – before the submission of the Bid, an amount of funds sufficient to buy all the shares that were the subject of the Tender or to provide a bank guarantee issued for the same amount in its name.

According to the documentation at the disposal of the Anti-Corruption Council, the Bidder WORLDFIN S.A. had not provided required funds or a guarantee before the submission of the Bid whose beneficiary it was, from which it would, as the debtor, draw funds and pay the price of the shares.

A Hypo Alpe Adria Bank guarantee was provided for the takeover of the shares, where the Bidder – WORLDFIN S.A. was not its beneficiary, but the broker M – INVESTMENT d.o.o.

It is obvious that the Bidder – WORLDFIN S.A. used a guarantee which had been issued to another legal entity as the beneficiary.

In the concrete case the Securities Commission accepted the WORLDFIN's Bid as adequate and brought the Decision No. 4/0-32-2429/5-05, dated 09.09.2005, without asking any of the following questions:

- How can a company like WORLDFIN S.A, which had been established two months before the takeover of the Luka Beograd a.d. shares, with the founding capital of only Eur 31,000, without a proof of possessing any other property, which had had no business transactions before this one, which had no Financial Statements, which was not registered for port management business, with no manager, be a serious investor to take over the Luka Beograd a.d. shares?

The business of Luka Beograd a.d. is a business of general public interest, and as such it constitutes a natural wealth in the light of Article 1 of the Concession Law, and therefore Art. 5

of this Law explicitly provides for that the subject of such a concession is the construction, maintenance and use of river traffic facilities and ports or their reconstruction, modernization and use.

The question is how in the procedure of the takeover of the Shareholding Company Luka Beograd a.d. it was allowed to the Bidder – WORLDFIN S.A. to participate in the Tender at all as this is a business of general public interest, and without having deposited any funds in advance or provided a bank guarantee issued in its favour by which the bank guaranteed to pay all the value of the shares on first demand, and “not withstanding any contestation” in the light of Art. 1087 of the Law of Obligations, should the Bidder – WORLDFIN S.A. fail to pay the total value of the shares taken over.

By bringing the said Decision, the Securities Commission accepted a guarantee which had not been issued for the Bidder but for a third company as the beneficiary, and accepted a guarantee which was not of the specified type (“not withstanding any contestation”), as the same contained a wording that the Bank would effect the payment in favour of a third party – M V Investments d.o.o and according to its instructions and not according to the instructions of WORLDFIN S.A. from Luxemburg.

The question is what guarantee the Securities Commission gave to the shareholders who participated in the Tender by acting in this way, when the payment for the shares depended on the instructions of M V Investments d.o.o, which in the concrete case of the takeover of the shares was a third party (neither the buyer nor the seller), but only a broker mediating against whom the shareholders could initiate no court action in case of a default by the buyer – WORLDFIN S.A.

The Securities Commission had to be actually a sort of a guarantor to the shareholders making sure that the buyer had deposited required funds and that the shares would be paid within a period of three days.

The Shares Commission is the key institution protecting the credibility of the financial market. As such it represents a body that should protect the business – legal safety of the citizens and legal entities in their financial transactions. It is to protect the financial market and maintain the trust of investors. Every investor – a shareholder must be sure that he will be treated equally on the market and protected against information abuse.

The Securities Commission should take care of the public trust in the work of financial institutions and ensure proper use of financial instruments.

The Securities Commission is also to supervise financial institutions and public financial services, as well as the status of all the participants in the financial market – brokers, bankers and agents.

When it comes to information, the Securities Commission, establishes if advertising is ADEQUATE AND GENUINE. If it establishes that it is incorrect, illogical or that it does not contain all the information significant for the public, then it must stop such a trade and exclude the advertiser from market competition.

In the concrete case, as it was a bid with an abridged bid wording that was published in public media, and whose information must be identical, there was also some discrepancy in the published information: in the abridged text of the Bid for the takeover of the shares which is obligatorily published in public media, it was stated under Point 4 that NO ESTIMATE HAS BEEN MADE, while in the Bid for the takeover of the shares that were issued by Luka Beograd a.d. it was stated under Point 4.4 that THE BIDDER HAS NO KNOWLEDGE IF AN ESTIMATE OF THE PROPERTY OR CAPITAL OF THE SHAREHOLDING COMPANY WHOSE SHARES ARE THE SUBJECT OF THE BID HAS BEEN MADE.

The discrepancy is obvious.

**Exhibits:** Statement made by Milan Beko before the Court Council of the Special Department of the District Court of Belgrade in the court proceedings against the accused Kljajevic and others, the so-called “bankruptcy mafia“ – page 276, paragraph 2.

Bid for the takeover of the shares

Abridged text of the Bid for the takeover of the shares

Request by WORLDFIN-a S.A. Luxemburg for the issue of the acceptance of the Bid for the takeover of the Shareholding Company “Luka Beograd“ a.d.

### **3. Štimac Milko, Dejan Malinić, Đorđe Jovanović and Dušan Bajec**

Štimac Milko, as the chairman of the Securities Commission, and Malinić Dejan, Đorđe Jovanović and Dušan Bajec, as members of the Securities Commission, were primarily obliged to assess the fulfillment of the prescribed requirements from the Securities Law (Art. 67-83) in the procedure of approving the publication of the Bid for the takeover of the Luka Beograd a.d. shares, and whether ALL the necessary data were presented in the given Bid and whether these data were in accordance with the other submitted documentation.

In the concrete case the members of the Securities Commission acted contrary to the Rules on the Contents and Form of the Bid for the Takeover of the Shares – Art. 3 and 8 of these Rules, because the Bidder – WORLDFIN S.A. did not provide its Profit and Loss Statement data, did

not provide an opinion by an authorized auditor, nor any data on any of its significant transactions, and, as the Bidder – WORLDFIN S.A. it had a capital of total Eur 31,000, without any proof that it owned any other property, and therefore they are suspected of accepting this Bid submitted by WORLDFIN S.A. as appropriate and, in spite of all the above stated, they did not initiate a supervision procedure, which they were obliged to do, and even in spite of the fact that, besides the above stated formal shortcomings, the required amount of funds had not been deposited with a bank for the submitted Bid, and before the submission of the formal bid for the takeover of the shares, the required amount of funds had not been deposited with a bank that would be sufficient for the purchase of all the shares that were the subject of the tender, or a bank guarantee provided for the Bidder issued for the same amount by a first-class bank for an amount sufficient to pay the value of all the shares, and in the light of Art. 78 of the Law on Securities and Other Financial Instruments (Official Gazette of the FRY No. 65/02) that was effective at the time of the takeover of the Luka Beograd a.d. shares.

According to the documentation the Anti-Corruption Council has at its disposal, the Bidder WORLDFIN S.A. had not provided or deposited required funds or provided a bank guarantee from which the beneficiary, as the debtor, would effect the payment for the shares.

In the procedure of the takeover of the shares provided was a Hypo Alpe Adria Bank guarantee whose beneficiary was not the Bidder - WORLDFIN S.A, but the broker M – INVESTMENT d.o.o.

Obviously the Bidder – WORLDFIN S.A. used a guarantee issued to another legal entity as the beneficiary.

In the concrete case the Securities Commission accepted the Bid submitted by WORLDFIN S.A as adequate and brought its Decision No. 4/0-32-2429/5-05, dated 09.09.2005, in spite of the fact that it was clear that a company like WORLDFIN S.A, which had been founded two months before the takeover of the Luka Beograd a.d. shares, with the founding capital of Eur 31,000, without any proof that it owned any other property, which had not had any transactions before this one, which had no Financial Statements, which was not registered for port business or had a

manager, could not be a serious investor for the takeover of the Luka Beograd a.d. shares, as its Bid did not contain any data that could enable the shareholders to make their decision whether and under what conditions they would sell their shares.

The business of Luka Beograd a.d. is a business of general public interest, and as such it is a natural wealth in the light of Article 1 of the Concession Law, and therefore it is explicitly envisaged by Art. 5 of this Law that the subject of a concession is the construction, maintenance and use of river traffic facilities and ports or their reconstruction, modernization and use.

Therefore, as this is a business of general public interest, the participation of the Bidder – WORLDFIN S.A. in the procedure for the takeover of the Shareholding Company Luka Beograd should not have been allowed. And particularly for the reasons because the Bidder had not deposited required funds or provided a bank guarantee issued on its behalf by which the bank guarantees to pay all the value of the shares taken over on the first demand “notwithstanding any contestation” according to Art. 1087 of the Law of Obligations should the Bidder – WORLDFIN S.A. fail to pay for the shares taken over.

By bringing the said Decision the Securities Commission accepted the guarantee which had not been issued for the Bidder but for a third company as its beneficiary, and accepted a guarantee which was not of the specified type (“notwithstanding any contestation”), as it contained the wording that the bank would effect the payment in favour of the third person – M V Investments d.o.o according to its instructions and not according to the instructions of the Bidder – WORLDFIN S.A. from Luxemburg.

By bringing the Decision on the acceptance of the Bid submitted by WORLDFIN S.A, dated 09.09.2005, the Securities Commission did not provide any guarantee to the shareholders who were participating in the procedure of the takeover of the shares, as the payment for the shares now depended on the instructions of M V Investments d.o.o. which was a third party in the concrete case of the takeover of the shares (neither the buyer nor the seller), but only a broker that could not be sued for the default of the buyer – WORLDFIN-a S.A.



The Securities Commission had to be a guarantor to the shareholders making sure that the buyer had deposited required funds and that the payment for the shares would be effected within a period of three days.

The Securities Commission is the key institution protecting the credibility of the financial market. As such it represents a body protecting the business – legal security of citizens and legal entities in financial transactions. It should protect the financial market and ensure the trust of investors. Each investor – a shareholder must expect equal treatment on the market and protected against information abuse.

The Securities Commission should take care of the public trust in the work of financial institutions and of proper use of financial instruments.

The Securities Commission is to supervise the financial institutions and public financial services, as well as all the participants in the financial market – brokers, bankers and agents.

When it comes to information, the Securities Commission establishes if advertising is ADEQUATE AND GENUINE. If it establishes that it is incorrect, illogical or that it does not contain all the information significant for the public, then it must stop such trade and exclude the advertiser from market competition.

In the concrete case, as it was a bid with an abridged bid wording that was published in public media, and whose information must be identical, there was also some discrepancy in the published information: in the abridged text of the Bid for the takeover of the shares which is obligatorily published in public media, it was stated under Point 4 that NO ESTIMATE HAS BEEN MADE, while in the Bid for the takeover of the shares that were issued by Luka Beograd a.d. it was stated under Point 4.4 that THE BIDDER HAS NO KNOWLEDGE WHETHER AN ESTIMATE OF THE PROPERTY OR CAPITAL OF THE SHAREHOLDING COMPANY WHOSE SHARES ARE THE SUBJECT OF THE BID HAS BEEN MADE.

The discrepancy is obvious.

- Exhibits:**
- 1.** Securities Commission Decision on the approval of the Bid for the takeover of the shares  
No: 4/0-32-2429/5-05, of 09.09.2005, and
  - 2.** Securities Commission Decision on the approval of the Bid for the takeover of the shares  
No: 4/0-32-3187/4-05 OD 15.12.2005.g.
  - 3.** Minutes from the 95<sup>th</sup> meeting of the VII session of the Securities Commission, held on 09.09.2005

#### **4. Dorđević Miodrag and Mrđa Goran**

Dorđević Miodrag, as the director of the Serbian Privatization Agency, and Mrđa Goran, as the executive director of the Serbian Privatization Agency, used their official positions and failed to do their official duties with the intention to gain benefit to WORLDFIN S.A. from Luxemburg in an amount of more than Eur 21,000,000.00, in spite of the fact that they, as officials, had been acquainted with the Preliminary Report of the Institute of Economic Sciences from June 2005 and knew that the preliminary value of one Luka Beograd a.d. share was Eur 22-23, and they suppressed this fact and did not disclose it to the responsible bodies and agencies, and then, allegedly, on 27.09.2005, they brought the Decision on the Method of Sale of the Shares of the Shares Fund and issued the Order No. TK 470/05 ED to the Shares Fund to sell 1,318,497 shares held with the Shares Fund and 427,024 shares held by the Republic Fund for the Pension and Disability Insurance of the Employees of the Issuer – Luka Beograd a.d. and that WORLDFIN S.A. as the Bidder for the takeover of the shares could take over the Luka Beograd a.d. shares at the price of only Dinars 800 per share, so that in this way one Luka Beograd a.d. share was sold to the Bidder WORLDFIN S.A. at a price that was about 30 % lower than the actual value of one (1) share, whereby the Republic of Serbia, as the holder of 40.48 % of the total number of the Luka Beograd a.d. shares, sustained a damage exceeding Eur 21,000,000.00, and the company WORLDFIN S.A. from Luxemburg gained benefit in the same amount.

Besides the above stated, it is important to point out that, in spite of the fact that according to the Final Report of the Institute of Economic Sciences the value of one share was Eur 22-23, and that was in the period June – 27.09.2005, both suspects brought the Decision on the Method of the Sale of the Shares of the Shares Fund. This Decision meant that the Luka Beograd a.d. shares should be sold by the acceptance of the Bid for the takeover of the shares submitted by the Bidder WORLDFIN S.A. from Luxemburg at the price of only Dinars 800.

The Complainant is drawing attention to the fact that the said Decision on the Method of Sale of the Shares of the Shares Fund signed by suspected Miodrag Đorđević as the director of the Serbian Privatization Agency, which was allegedly brought on 27.09.2005, was not registered at all, has not File No. or date showing that it was registered in the Files of the Serbian Privatization Agency.

**Exhibits:** Decision on the Method of the Sale of the Shares of the Shares Fund with no date or File No.

Order for the sale of the shares of 27.09.2005

The criminal liability of the mentioned directors of the Serbian Privatization Agency is arising both from the factual description of the criminal act they are charged with and also from the positive regulations which specify their obligations as responsible persons.

Article 6 of the Law on Serbian Privatization Agency prescribes the obligation of the Agency to control privatization procedures.

Article 10 of the Law on Serbian Privatization Agency prescribes the obligation of the Agency to check the estimated value of the capital and property of subjects of privatization.

Article 15 of the Law on Serbian Privatization Agency prescribes that the director represents the Agency, ensures the legality of its operation and is responsible for its legality.

In the concrete case the director of the Serbian Privatization Agency, the denounced Miodrag Đorđević is accountable because the Agency did not, in accordance with Article 6 of the Law on Serbian Privatization Agency, carry out the control of the sale of the Luka Beograd a.d. shares owned by the state and the Shares Fund, and made sure that they were sold at its market conditions, but accepted the Bid for the takeover of the shares by WORLDFIN S.A. from Luxemburg as described above, in spite of the fact that he knew that the actual value of one share was Eur 22-23. Likewise, he did not pursuant to Article 10 of the same Law verify the estimated value of the subject of privatization, which resulted in the issue of the Order to the Shares Fund to sell the Luka Beograd a.d. shares to WORLDFIN S.A from Luxemburg at the price significantly lower than their real price, whereby he enabled WORLDFIN S.A. to gain benefit of Eur 21,000,000 and caused damage to the Republic of Serbia and to the small shareholders.

As the Order for the sale of shares was directly issued by the denounced Goran Mrđa, as the executive director of the Serbian Privatization Agency, that means that he was aware of co-acting with the denounced Miodrag Đorđević.

The Complainant is especially drawing attention to the fact that the denounced Goran Mrđa, at the moment of the submission of this Complaint, held the office of a member of the Management Board of Luka Beograd a.d.

## **5. Gračanac Aleksandar**

Suspected Gračanac Aleksandar, as the director of the Shares Fund, acted contrary to the provision of Article 14 of the Law on Shares Fund, according to which and according to his powers he was obliged to exercise due diligence and expertise in performing his duties, and he, in spite of knowing about the estimate made by the Institute of Economic Sciences that the value of one Luka Beograd a.d. share was Eur 22-23, sold and deposited the Luka Beograd a.d. shares

to the Bidder – WORLDFIN S.A. at the price of only Dinars 800, which is only about 30 % of the real market value of one share, and in this way he enabled WORLDFIN S.A. from Luxemburg to gain benefit of minimum Eur 21,000,000.00 and at the same time caused damage to the budget of the Republic of Serbia in the said amount.

Suspected Gračanac Aleksandar, in spite of the fact that he knew that the value of one Luka Bograd a.d. share was Eur 22-23 according to the estimate made by the Institute of Economic Sciences, when the printed media raised some questions regarding the conditions under which one share of Luka Beograd a.d. was sold at the price of only Dinars 800, in order to justify this sale he responded with Letter No. 11233-1/07 of 28.11.2007, addressed to RTV B92 that that was a “good“ deal and that the price of Dinars 800 per share “was 160 % of the book value of the shares as at 31.12.2004, which was Dinars 497 per share.“

It is obvious that such statements made by suspected Gračanac Aleksandar were ineffective efforts to justify the sale of the shares at the price of Dinars 800 per share, as the real – market value of one share was Eur 22-23 according to the report of the Institute of Economic Sciences, which was known to him.

The Shares Fund, as an independent legal entity, was obliged to act in accordance with the Law on the Shares Fund, with due expertise, which it failed to do, as it deposited the state-owned shares at the price of Dinars 800 on 30.09.2005, in spite of the fact that he, as the director, had already known about the existence of the Final Estimate made by the Institute of Economic Sciences according to which the real market value of one share was Euro 22-23.

His responsibility is reflected in the fact that he sold the state-owned shares at the price 30% lower than the established – real and market price per share, and by such a sale of the shares he decreased significantly the revenue for the budget of the Republic of Serbia and for the citizens of the Republic of Serbia, as well as for the small shareholders.

Suspected Gračanac Aleksandar, as the director of the Shares Fund was aware that the small shareholders, trusting the Shares Fund as an institution protecting the state interests, would as a rule follow the trend of sale of the deposited shares there where the Shares Fund deposited them,

and follow the example of the sale of the deposited state-owned shares and depositing them with the Shares Fund, and in this way he damaged the small shareholders besides the Republic of Serbia as a share holder and owner.

According to Article 24 of the Statute of the Shares Fund of the Republic of Serbia, the Shares Fund is represented in legal transactions by the director, and in the concrete case it was the denounced Aleksandar Gračanac. It is prescribed by Article 22 of the same Statute that the director of the Shares Fund is responsible for the legality of the operation and for the use and disposal of the Shares Fund property.

According to Article 14 of the Law on the Shares Fund, the Shares Fund is obliged to work with due expertise, taking into account revenues earned by the Republic of Serbia.

Indeed, the Law does not impose the obligation of blind fulfilling of the orders of the Serbian Privatization Agency, but an obligation of business operation with stricter responsibility – due expertise, as well as the obligation to make the highest possible revenue for the Republic of Serbia by sale of shares.

Contrary to the above stated, the denounced Aleksandar Gračanac enabled and acknowledged the sale of the Luka Beograd a.d. shares by accepting the WORLDFIN S.A. Bid for the takeover of the shares at a significantly lower price than their real price, whereby he enabled it to gain benefit of minimum Eur 21,000,000.00 and caused damage to the Republic of Serbia in the same amount, as well as damage to small shareholders in an amount that has not been established yet.

**Exhibit:**– Letter of suspected Gračanac Aleksandra No. 11233-1/07 of 28.11.2007

## **6. Čolić Vladeta, Blagojević Vladeta, Vasiljević Mirko and Kosovac Dušan**

They are suspected as members of the Management Board of Luka Beograd a.d. and Vladeta Čolić as the chairman of the Management Board, who in spite of the fact that they knew that the value of one Luka Beograd a.d. share was Eur 22-23 according to the Preliminary Estimate made by the Institute of Economic Sciences from June 2005, they suppressed this fact and then as from September 2005 by failing to do their official duty, concealed the facts from the Final Estimate

of the value of the capital and the higher real price of the shares of Eur 22-23 per share, whereby they caused damage to the state as the share holder and owner of 40.88 % of the shares and to the small shareholders and also, contrary to the provision of Article 72 of the Law on Securities Market, they did not express their opinion as members of the Management Board of Luka Beograd a.d. regarding the Bid for the takeover of the shares by WORLDFIN S.A. from Luxemburg, which they were obliged to do as members of the Management Board, in order to protect the state-owned packet of shares, and the shares owned by the small shareholders, and virtually the very Belgrade Port.

According to the Instructions on the Contents and the Form of the Notification regarding the Bid for the takeover of the shares and in accordance with Art. 71 of the Law on Securities Market (changed circumstances) they were obliged to express their opinion regarding the Bid submitted by WORLDFIN S.A, but they did not do it and in this way they enabled the company WORLDFIN S.A. to gain benefit of Eur 21,000,000.00, causing damage to the Republic of Serbia in the same amount and to the small shareholders in an amount that has not been determined yet.

These suspected persons, as members of the Management Board of Luka Beograd a.d, on 15.07.2005 brought the Decision No. 3224/1 to convene and announce the annual meeting of the shareholders of Luka Beograd a.d, for 09.09.2005, without including in the Agenda the discussion about the estimate made by the Institute of Economic Sciences according to which the value of one Luka Beograd a.d share was Eur 22-23, which was, besides the proposed Agenda, one of the crucial topics of the Shareholders Meeting of Luka Beograd a.d, as the Management Board was obliged to advise the shareholders, besides other matters, about the actual – real and market value of their shares.

At the meeting held on 18.09.2005, and on the basis of Article 72 of the Law on Securities Market and Other Financial Instruments, the Management Board brought the decision to send a MANAGEMENT BOARD NOTIFICATION REGARDING THE BID FOR THE TAKEOVER OF THE SHARES BY THE BIDDER – WORLDFIN S.A. FROM LUXEMBURG. This notification was published as an advertisement in the *Politika* daily paper on 21.09.2005.

By this notification, the Management Board did not express its opinion regarding the Bid for the takeover of the shares submitted by the Bidder – WORLDFIN S.A. from Luxemburg, or disclosed anything about its shortcoming, which they were obliged to do in accordance with the Instructions on the Contents and Form of the Notification regarding the Bid for the takeover of the shares.

Likewise, the Management Board of Luka Beograd a.d. **did not notify** the small shareholders about the Preliminary Estimate by the Institute of Economic Sciences from June 2005 according to which the value of one Luka Beograd a.d. share was Eur 22-23.

On the contrary, by this notification the Management Board virtually made a recommendation to all the shareholders who had deposited through a member of the Central Register their shares in the account opened at the Central Register for the purpose of their sale on the basis of the Bid for the takeover of the shares at the price of only Dinars 800 per share.

Following this notification the small shareholders deposited and sold their shares in the period from October to December 2005 on the basis of the Bid for the takeover of the shares submitted by WORLDFIN S.A. from Luxemburg and at the price of only Dinars 800 per share.

**Exhibits:** Management Board Decision No. 3224/1 of 15.07.2005

Management Board Notification published in the  
*Politika* daily paper of 21.09.2005

## **7. Cvjetičanin Danijel, Mihovilović Đorđe and Zorica Kostić-Jovanovski**

Suspected Cvjetičanin Danijel, as the chairman of the Supervisory Board and Mihovilović Đorđe and Zorica Kostić-Jovanovski, as members of the Supervisory Board of Luka Beograd a.d, by failing to perform their official duties, in spite of the fact that they knew about the estimate by the Institute of Economic Sciences according to which the value of one Luka Beograd a.d. share was Eur 22-23, they allowed that the Luka Beograd a.d. shares be taken over according to the



Bid for the takeover of the shares submitted by the company WORLDFIN S.A. at the price of only Dinars 800 per share, nor did they as the Supervisory Board of Luka Beograd a.d. notify the small shareholders about this estimate by the Institute of Economic Sciences, and consequently WORLDFIN S.A. took over the Luka Beograd a.d. shares at the price of only Dinars 800 per share, which is only about 30 % of their real market value.

The Supervisory Board of Luka Beograd a.d. was obliged to protect, supervise and take care of the value of the property of Luka Beograd a.d, as well as of the real market value of the shares.

In spite of the fact that it was their obligation, and in spite of the fact that they had been acquainted with the estimate by the Institute of Economic Sciences, they suppressed this fact and instead of protecting the property of Luka Beograd a.d. as well as its shareholders, they allowed that Luka Beograd a.d. shares be sold at a price of only Dinars 800 per share, which was about 30 % of their real – market value, and in this way they enabled WORLDFIN S.A. to gain benefit of more than Eur 21,000,000.00, and damaged the budget of the Republic of Serbia by the same amount, as well as the small shareholders by an amount that has not been established yet.

## **8. Drobac Miroslava**

Suspected Drobac Miroslava, as the director of Luka Beograd a.d, in spite of the fact that she had been acquainted with the Report of the Institute of Economic Sciences according to which the value of one Luka Beograd a.d. share was Eur 22-23, and instead to protect the property of Luka Beograd a.d. and all its shareholders, she allowed that the Luka Beograd a.d. shares be sold at a price of only Dinars 800 per share to the Bidder for the takeover of the shares – WORLDFIN S.A. from Luxemburg.

In such a situation Drobac Miroslava did not notify any concerned body or institution about this fact – i.e. about the real market value of the shares, so that consequently the shares were sold at the price of only Dinars 800 per share, enabling the Bidder – WORLDFIN S.A. to gain benefit of Eur 21,000,000.00, damaging at the same time the Republic of Serbia, as the owner of 40.48 % of the Luka Beograd a.d. shares, by the same amount, as well as the small shareholders.

The director of every business entity is obliged to exercise due diligence in its work, to protect and expand the property of the company she is in charge of, but the behaviour of suspected Drobac Miroslava just proved the opposite – deliberate acting contrary to exercising due diligence.

The Complainant points out that suspected Drobac Miroslava herself, as the director of Luka Beograd a.d. concluded and signed the Contract with the Institute of Economic Sciences for the elaboration of the project for the application of the International Accounting Standards in the estimate of the value of the fixed assets (land, buildings, plant and equipment) of Luka Beograd a.d, and it was just on the basis of this Contract that the Institute of Economic Sciences undertook the obligation to elaborate and deliver to the Ordering Party its expert estimate within a period of 60 days as from the signing of the said Contract, which the Institute of Economic Sciences did and delivered its estimate that the value of the capital of Luka Beograd a.d. was Eur 96,000,000.00 or Eur 22-23 per one share.

Owing to such disregard of the official duty, the small shareholders received, instead of Eur 22-23, only Eur 9 per share, which was less than a half of the market value.

**Exhibits** - Contract for the Elaboration of a Project for the  
Application of the International Accounting Standards  
in the Estimate of the Value of the Fixed Assets  
(land, buildings, plant and equipment) of Luka Beograd a.d,  
No. 07/10/149-1, dated 01.04.2005  
  
Statement by Mate Jarić of 29.11.2009  
  
Letter of the Institute of Economic Sciences No. 462-1,  
dated 08.11.2007

As this is very specific matter, the Complainant is ready to provide, at the request of the Prosecutor's Office, other required explanations, and submit other available written documentation which may contribute to this criminal legal matter.

As, in spite of all the efforts, the Complainant was not able to obtain the complete documentation, the Prosecutor's Office should, in accordance with its authority, obtain, especially:

- the date of the delivery of the Final Report of the Institute of Economic Sciences to "Luka Beograd" a.d, as well as the information to which persons or institutions the Report was delivered by the Institute of Economic Sciences

In Belgrade, 14.05.2010

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