CPI Property Group S.A. (CPIPGR)
Part 3: "The Kind of Fella I Am"[1]

January 25, 2024

CPI's purchase of Vitek's St. Tropez vacation villa gives rise to concerns that CPI PG bondholder funds have facilitated money laundering.

Above: Poster for the Netflix drama *The Laundromat*, based on the Panamanian law firm Mossack Fonseca

[1] Song by John Mellencamp

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CPI Property Group S.A.

Muddy Waters is short the credit of CPI Property Group ("CPI PG"). To date, we've shown how CPI PG's controlling shareholder, Radovan Vitek, has stripped the company of assets and how CPI PG has significantly inflated the values of its investment properties.

In this Part III, we're showing a series of transactions involving an Italian landbank, called Collina Muratella, that seemingly resulted in an almost €100 million hole from an announced €35 million transaction.

We also cover a series of transactions previously disclosed as "Pietroni" in which we suspect bondholder money was used to facilitate money laundering through a villa in St. Tropez that CPI PG owns after purchasing it from Vitek. The Pietroni transaction was disclosed as costing CPI PG only €1; but, it saddled CPI PG with over €45 million in debt – including €10.1 million owed (and paid) to Vitek. The Pietroni assets were so obviously overvalued that they were impaired the year after CPI PG purchased them from Vitek.

[4] CPI PG H1 2023 Management Report, Pg. 16.

Collina Muratella

€20 Million Cash and €78.6 Million Receivables Seemingly Missing From a €35 Million Landbank Acquisition

Collina Muratella Overview

In a series of transactions in 2021, CPI PG reported buying a landbank complex ("Collina Muratella") for €35.3 million.[1] The purported consideration included CPI PG paying €28.5 million to purchase bank loan receivables due from the Collina Muratella holding companies totaling €103.9 million. The CPI PG entity that reportedly bought the receivables was newly formed CPI Italy 130 SPV.

However:

•CPI Italy 130 SPV's accounts show that it only paid €8.54 million. It was supposed to have paid €28.5 million.[2] We question whether this discrepancy indicates a cash hole in CPI PG's accounts?

•CPI Italy 130 SPV's accounts show that it bought only €25.3 million gross book value loan receivables. It was supposed to have bought gross book value loan receivables totaling €103.9 million (then existing).[3] We question whether the balance of the receivables is held outside the group, with the expectation that they will eventually be paid (with CPI PG cash)? (We note that CPI Italy 130 SPV's "exclusive purpose is to carry out one or more credit securitization operations… including disbursement of loans, converting receivables into shares, and other security and equity instruments.")[3]

•The three Collina Muratella entities still show loan payables of €104.1 million as of December 31, 2022, indicating that CPI PG expects to pay loan principal and accrued interest to somebody.

[1] CPI PG Annual Management Report 2021, Pg. 127. "On 12 March 2021, the Group acquired 100% share in three Italian companies Millenium S.r.l., Freccia Alata S.r.l. and Peabody Lamaro Roma S.r.l. forming Collina Muratella Complex, a landbank for a planned residential complex in Rome, Italy. As part of the transaction, the Group purchased bank loans below their nominal values through its newly-founded investment vehicle CPI Italy 130 SPV."
[2] CPI Italy 130 SPV Financial Statements 2021, Pg. 8: "During the 2021 financial year, the Company completed the following additional acquisitions: based on two transfer contracts respectively with (i) Freccia Alata Real Estate Srl, and (ii) Lamaro Appalti SpA, has purchased a portfolio of rights and monetary receivables deriving from some shareholder loans claimed from Peabody Lamaro Roma Srl Unipersonale and Freccia Alata 2 Srl Unipersonale, and from Millennium Srl Unipersonale - for a total consideration equal to Euro 8,538,610, compared to a GBV equal to Euro 25,273,573." (Machine translated from the Italian.)
[3] Millenium S.r.l., Freccia Alata S.r.l. and Peabody Lamaro Roma S.r.l. financial statements for the years 2021 and 2022.
[4] CPI Italy 130 SPV Financial Statements 2021, Pg. 5

Collina Muratella Owed over €100 Million

In 2019, the three holdcos that made up the Collina Muratella landbank complex—which were owned by apparent arms-length parties at the time—had over €100 million total in past due loan payables to a group of banks. CPI PG claimed to acquire the banks' receivables as part of purchasing the entities' equity.

The three Collina Muratella entities are:

i) Peabody Lamaro Roma S.r.l.
ii) Freccia Alata 2 S.r.l. and
iii) Millennium S.r.l.

Collina Muratella – CPI Buys the Entities and Loan Receivables

CPI PG's financials state that CPI Italy 130 SPV is the entity that acquired the receivables. They also show that the consideration to purchase the receivables was €28.5 million. Below is CPI PG's disclosure from its 2021 report (emphasis added):[1]

3.6 Property asset acquisitions in 2021

Collina Muratella Complex

On 12 March 2021, the Group acquired 100% share in three Italian companies Millenium S.r.l., Freccia Alata S.r.l. and Peabody Lamaro Roma S.r.l. forming Collina Muratella Complex, a landbank for a planned residential complex in Rome, Italy. As part of the transaction, the Group purchased bank loans below their nominal values through its newly-founded investment vehicle CPI Italy 130 SPV.

Total consideration of the acquisition was EUR 35.3 million (including EUR 28.5 million paid by the Group to settle the bank loans).

The acquisition was recognized as a property asset acquisition as the company does not represent a business as defined by IFRS 3.

[4] CPI PG Annual Management Report 2021, Pg. 127.

Collina Muratella Entities' Disclosures Agree that CPI Italy 130 SPV Bought the Loan Receivables

CPI Italy 130 SPV acquired the loan receivable for each entity. Each Collina Muratella entity's financials report the acquisition of the loan receivables by CPI Italy 130 SPV, which occurred prior to the acquisition of the holdcos' equity by CPI PG. These disclosures are substantially similar to one another. The disclosure below is from Millennium S.r.l. (Google translation, emphasis added):

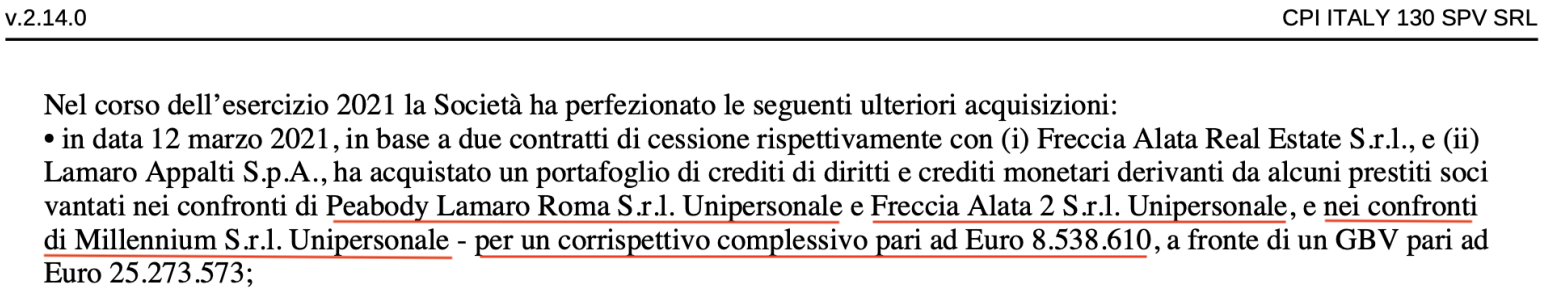
> "As at 31 December 2019, the Company had an overdue debt towards the banks BNP Paribas SA, Banca IFIS SpA, Unione di Banche Italiane SpA, AMCO – Asset Management Company SpA, Banca Monte dei Paschi di Siena SpA and Banca Carige SpA for an amount equal to Euro 22,196. On 29 December 2020, this debt, within the broader process of acquiring the shares of the Companies by the CPI group, **was purchased without recourse by CPI Italy 130 SPV Srl,** a vehicle controlled by the parent company CPI PG, and, therefore, it was reclassified among "Payables to companies subject to the control of the parent companies." The formalization of the debt renegotiation beyond the 2022 financial year is underway."[1]

[1] Millenium SRL Financial Statements 2021, Pg. 5.

CPI Italy 130 SPV's 2021 Financials Show Discrepancies

CPI Italy 130 SPV's financials report it only paid €8.5 million, rather than €28.5 million. The disclosure also only shows it purchased loans with a Gross Book Value of €25.3 million, rather than €103.9 million:

> "During the 2021 financial year, the Company completed the following additional acquisitions:
> • on **12 March 2021**, on the basis of two sale agreements respectively with (i) Freccia Alata Real Estate S.r.l., and (ii) Lamaro Appalti S.p.A., it acquired a portfolio of rights receivables and monetary receivables deriving from some shareholder loans claimed against **Peabody Lamaro Roma S.r.l. Unipersonale and Freccia Alata 2 S.r.l. Unipersonale, and towards Millennium S.r.l. Unipersonale - for a total consideration of Euro 8,538,610**, against a **GBV of Euro 25,273,573...**"[1,2]



v.2.14.0 CPI ITALY 130 SPV SRL

Nel corso dell'esercizio 2021 la Società ha perfezionato le seguenti ulteriori acquisizioni:
• in data 12 marzo 2021, in base a due contratti di cessione rispettivamente con (i) Freccia Alata Real Estate S.r.l., e (ii) Lamaro Appalti S.p.A., ha acquistato un portafoglio di crediti di diritti e crediti monetari derivanti da alcuni prestiti soci vantati nei confronti di Peabody Lamaro Roma S.r.l. Unipersonale e Freccia Alata 2 S.r.l. Unipersonale, e nei confronti di Millennium S.r.l. Unipersonale - per un corrispettivo complessivo pari ad Euro 8.538.610, a fronte di un GBV pari ad Euro 25.273.573;

We note that the date of the debt acquisitions disclosed here (March 21, 2021) differs from the date provided in the holdcos' own filings (December 29, 2020), likely because the debt and equity purchases were a two-part, coordinated transaction.

[1] Translated by Google
[2] CPI Italy 130 SPV's 2021, p. 8 Note: CPI Italy 130 SPV describes the purchased debt as shareholder loans; however, the three subsidiaries from whom the loans were purchased describe the debt as bank loans. Two intermediate holdcos Freccia Alata Real Estate S.r.l., and Lamaro Appalti S.p.A. sat atop the three subsidiaries. The transaction for the equity of the holdcos was conducted with these two intermediate holdcos and included the coordinated purchase of the debts owed.

If CPI Italy 130 SPV Only Paid €8.5 million, What Happened to the Other ~€20 Million?

CPI Italy 130 SPV Purchase Price for Collina Muratella Loans vs. CPI PG Claimed Payment Consideration		
CPI reported consideration paid to acquire loan receiveables	€	28.5
CPI reported net cash outflow connected with acquisition of loan receivables	€	28.5
CPI 130 SPV reported consideration paid to acquire loan receivables	€	8.5
Difference	€	20.0

The payments for the Collina Muratella debt acquisition display a ~***€20.0 million discrepancy***.

Given the pattern of behavior we detail throughout, **it seems possible—if not probable—that this discrepancy signals a cash hole in CPI PG's 2021 accounts**.

To Whom do the Collina Muratella Entities Owe the Additional €78.6 Million?

The Collina Muratella subsidiary filings show that as of December 31, 2021 and 2022, the entities still owed over €100 million in loan payables, which is significantly greater than the €25.8 million GBV receivables that CPI Italy 130 SPV owns.

CPI Italy 130 SPV's business purpose is securitization. **Does Vitek (or a proxy) hold these missing loan receivables?**

Collina Muratella Property Holding Companies Debt Transfer to CPI Italy 130 SPV

Units: Euro millions	Paybable due to CPI 130 SpV[1]		Transferred Debt	Debt Status	Lenders
Company	12/31/22	12/31/21	12/31/20	12/31/19	
Millenium S.r.l.	€ 23.1	€ 22.6	€ 22.2	Overdue	BNP Paribas SA, Banca IFIS SpA, Unione di Banche Italiane SpA, AMCO – Asset Management Company SpA, Banca Monte dei Paschi di Siena SpA and Banca Carige SpA
Freccia Alata 2 S.r.l.	€ 64.8	€ 64.8	€ 64.8	Overdue	BNP Paribas SA, Banca IFIS SpA, Unione di Banche Italiane SpA, AMCO – Asset Management Company SpA, Banca Monte dei Paschi di Siena SpA and Banca Carige SpA
Peabody Lamaro Roma S.r.l.	€ 16.2	€ 17.4	€ 16.9	Overdue	BNP Paribas SA, Banca IFIS SpA, Unione di Banche Italiane SpA, AMCO – Asset Management Company SpA, Banca Monte dei Paschi di Siena SpA and Banca Carige SpA
Total	€ 104.1	€ 104.8	€ 103.9		

[1] Payables to companies subject to the control of parent companies, "I Debiti verso imprese sottoposte al controllo delle controllanti"

INTERNATIONAL CONSORTIUM OF INVESTIGATIVE JOURNALISTS

An ICIJ Investigation

THE PANAMA PAPERS

Exposing the Rogue Offshore Finance Industry

A giant leak of more than 11.5 million financial and legal records exposes a system that enables crime, corruption and wrongdoing, hidden by secretive offshore companies.

Pietroni – Giving Rise to Concerns of Money Laundering Facilitated by Bondholder Money

Villa Mas du Figuier

In 2019, CPI PG bought a luxury vacation villa in St. Tropez from Vitek as part of the Pietroni transaction. The villa is called Villa Mas du Figuier.

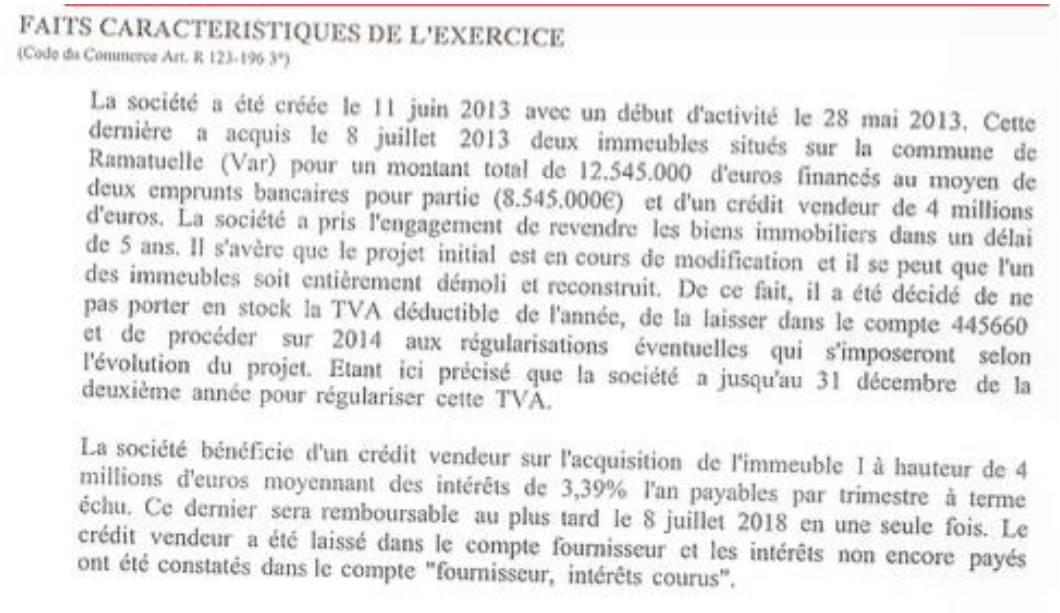
Vitek's transactions involving Villa Mas du Figuier give rise to concerns about potential money laundering facilitated by CPI PG bondholder money. Corporate filings show that when Vitek purchased the house, the seller financed €4.0 million of the purchase, which strikes us as odd for a property of this type. Even stranger, the seller's loan seemingly allowed Vitek to accrue interest.[1]

The seller was a corporate entity that was managed by proxies. One of the two proxy individuals initially associated with the entity is an attorney who has the misfortune of being linked to multiple high profile money laundering investigations. The other is an attorney who used to work for the other proxy, and who subsequently represented Panama Papers law firm Mossack Fonseca.

[1] Les Mas du Figuier SAS (France) auditor's report on the annual accounts, Dec 31, 2013: The auditor's report explains that the 2013 transaction was financed by means of two bank loans and seller financing of €4.0 million "with interest of 3.39% per year payable quarterly in arrears. The latter will be reimbursable no later than July 8, 2018 in one installment." The line item in the Les Mas financials from the years 2013-2016 show the €4.0m seller loan principle unchanged and additional amounts payable accruing. As at Dec 31, 2016, the total value of that accounts payable line was €4.8m, a balance due that implies accrued interest. See also infra for an excerpt from the financials referencing accrued interest on the seller financing.

Villa Mas du Figuier – Odd Transaction Structure

Les Mas de Figuier's 2013 financials state that the seller of the property financed Vitek's purchase with a five-year vendor loan for €4.0 million at an interest rate of 3.39%, payable quarterly in arrears.[1] It strikes us as odd that on a St. Tropez property with a total purchase price of €12.5 million in 2013, the seller would provide financing.



FAITS CARACTERISTIQUES DE L'EXERCICE
(Code du Commerce Art. R 123-196 3°)

La société a été créée le 11 juin 2013 avec un début d'activité le 28 mai 2013. Cette dernière a acquis le 8 juillet 2013 deux immeubles situés sur la commune de Ramatuelle (Var) pour un montant total de 12.545.000 d'euros financés au moyen de deux emprunts bancaires pour partie (8.545.000€) et d'un crédit vendeur de 4 millions d'euros. La société a pris l'engagement de revendre les biens immobiliers dans un délai de 5 ans. Il s'avère que le projet initial est en cours de modification et il se peut que l'un des immeubles soit entièrement démoli et reconstruit. De ce fait, il a été décidé de ne pas porter en stock la TVA déductible de l'année, de la laisser dans le compte 445660 et de procéder sur 2014 aux régularisations éventuelles qui s'imposeront selon l'évolution du projet. Etant ici précisé que la société a jusqu'au 31 décembre de la deuxième année pour régulariser cette TVA.

La société bénéficie d'un crédit vendeur sur l'acquisition de l'immeuble I à hauteur de 4 millions d'euros moyennant des intérêts de 3,39% l'an payables par trimestre à terme échu. Ce dernier sera remboursable au plus tard le 8 juillet 2018 en une seule fois. Le crédit vendeur a été laissé dans le compte fournisseur et les intérêts non encore payés ont été constatés dans le compte "fournisseur, intérêts courus".

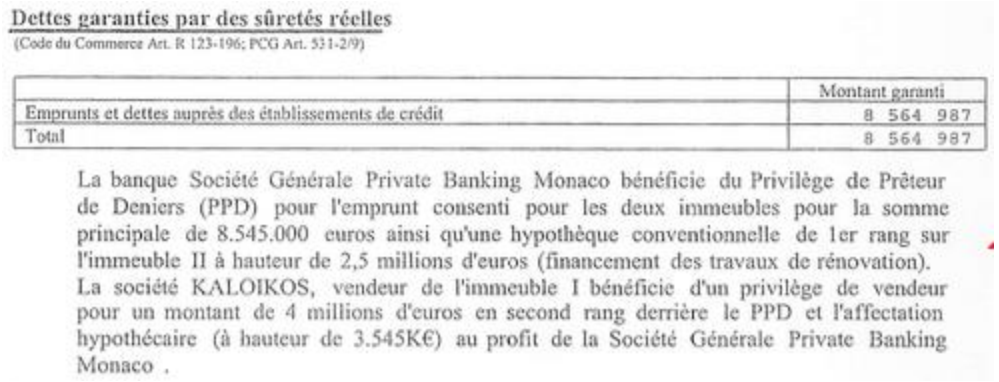
"The company was created on June 11, 2013 with a start of activity on May 28, 2013. On July 8, 2013, the latter acquired two buildings located in the town of Ramatuelle (Var) for a total amount of €12,545,000 partly financed by means of two bank loans (€8,545,000) and a vendor loan of €4 million. The company made a commitment to resell the real estate within 5 yrs. It turns out that the initial project is being modified and one of the buildings may be completely demolished and rebuilt. As a result, it was decided not to carry the deductible VAT and to it in the account 445660 and to proceed in 2014 with any adjustments that will be necessary according to the evolution of the project. It being specified that the company has until Dec 31 of the second year to regularize the VAT.

The company benefits from a seller's loan on the acquisition of building I in the amount of €4 million with interest of 3.39% per year payable quarterly in arrears. The latter will be reimbursable no later than July 8, 2018 in one installment. The vendor credit has been left in the supplier account and the interest not yet paid has been recorded in the "supplier, accrued interest" account."

[1] Les Mas du Figuier SAS (France) auditor's report on the annual accounts, Dec 31, 2013

Villa Mas du Figuier – Suspicious Seller

Les Mas de Figuier's 2013 financials state that the seller was an entity called Kaloikos.



Dettes garanties par des sûretés réelles
(Code du Commerce Art. R 123-196; PCG Art. 531-2/9)

	Montant garanti
Emprunts et dettes auprès des établissements de crédit	8 564 987
Total	8 564 987

La banque Société Générale Private Banking Monaco bénéficie du Privilège de Prêteur de Deniers (PPD) pour l'emprunt consenti pour les deux immeubles pour la somme principale de 8.545.000 euros ainsi qu'une hypothèque conventionnelle de 1er rang sur l'immeuble II à hauteur de 2,5 millions d'euros (financement des travaux de rénovation). La société KALOIKOS, vendeur de l'immeuble I bénéficie d'un privilège de vendeur pour un montant de 4 millions d'euros en second rang derrière le PPD et l'affectation hypothécaire (à hauteur de 3.545K€) au profit de la Société Générale Private Banking Monaco .

"The bank Société Générale Private Banking Monaco benefits from the Privilege of Lender of Deniers (PPD) for the loan granted for the two buildings for the principal sum of 8,545,000 euros as well as a conventional mortgage of 1st rank on the building I to amounting to 2.5 million euros (financing renovation work). The KALOIKOS company, seller of building I, benefits from a seller's privilege for an amount of 4 million euros in second place behind the PPD and the mortgage allocation (in the amount of €3,545K) for the benefit of Société Générale Private Banking Monaco."

[1] Les Mas du Figuier SAS (France) auditor's report on the annual accounts, Dec 31, 2013

A Google Search Leads to a Swiss Company Called Kaloikos S.á.r.l

The company STE KALOIKOS SARL was created on **March 1, 1997** , 27 years ago . Its legal form is **Foreign company not registered with the RCS** . activity is: legal support for movable asset management . In 2021, it was categorized as Small or Medium Business. It had no employees.

Its head office is located at 24 RTE MALAGNON CH 1208 GENEVA SWITZERLAND . It has 2 establishments , **1 of which is in operation** .

Summary sheet | Proof of registration | Leaders | Financial datas | Advertisement

Legal information from STE KALOIKOS SARL

Denomination	STE KALOIKOS SARL
SIREN	412 270 316
SIRET of the head office	412 270 316 00018
VAT N °	*Unknown VAT number or structure not subject to VAT*
Main activity (NAF/APE)	Legal supports for movable asset management
NAF/APE code	66.19A
Address	24 RTE MALAGNON CH 1208 GENEVA SWITZERLAND
Juridical nature	Foreign company not registered with the RCS
Employee workforce portion of the structure	Non-employing unit (no employee during the reference year and no workforce as of 12/31) (reference year not provided)
Structure size	Small or Medium Enterprise (SME), in 2021
Creation date	01/03/1997
Last modification of Insee data	06/12/2011

The information below and on the left is from a French government website.[1] The information below shows this entity used the villa Mas du Figuier as its address, making it obvious it is the seller.

Summary sheet | Proof of registration | Leaders | Financial datas | Advertisement

Legal information for the STE KALOIKOS SARL establishment in SAINT-TROPEZ

company denomination	STE KALOIKOS SARL
Type of establishment	SECONDARY (→ see the company page)
Address	DOMAINE MAS DU FIGUIER, CHEMIN DE STE ANNE, 83990 SAINT-TROPEZ → see on the map

[1] https://annuaire-entreprises.data.gouv.fr/entreprise/ste-kaloikos-sarl-412270316

The Swiss Registry Turns Up Two Interesting Attorneys

Ref.			Gesellschafter, Geschäftsführer und Zeichnungsberechtigte		
Eintr	Änd.	Lös.	Name und Vorname, Heimatort, Wohnort,	Funktionen	Zeichnungsart
1		3	**Zolty** André, de Genève, à Genève, pour une part de CHF 10'000	associé	sans signature
1		m 7	**Ulmann** Thierry, de Genève, à Genève, pour une part de CHF 10'000	associé gérant	signature individuelle

Ref.	TAGEBUCH		SHAB PUBLIKATION		Ref.	TAGEBUCH		SHAB PUBLIKATION	
	Nummer	Datum	Datum	Seite/Id		Nummer	Datum	Datum	Seite/Id
1	9941	22.10.1996	01.11.1996	6708	2	277	08.01.1998	21.01.1998	464
3	969	23.01.1998	04.02.1998	853	4	12739	26.07.2012	31.07.2012	6791688
5		Complément	19.12.2013	7225832	6	10709	25.06.2014	30.06.2014	1582961
7	1210	20.01.2016	25.01.2016	2617653	8	5630	21.03.2018	26.03.2018	4135025

The Swiss registry contains a Kaloikos S.á.r.l. that was initially registered at 24 Route de Malagnon in Geneva (see previous slide).[1] (Kaloikos began the liquidation process in 2018.)

The two initial representatives were attorneys André Zolty and Thierry Ulmann.

[1] https://www.ge.ch/consulter-registre-du-commerce-commander-documents

André Zolty Has Had Some Apparent Bad Luck With Clients Since Then

THE CANADA PAPERS Part 3: Signature zolty 1/10

McIntyre first got into this side-business when she was working as a secretary for a Toronto lawyer in the early 1990s. Her boss approached her and asked her if she wanted to make extra money by signing documents, and introduced her to a Swiss lawyer named Andre Zolty, she said in her deposition.

Zolty would send documents for McIntyre's signature and she would return them.

Zolty has come up repeatedly in the nine-month long Panama Papers investigation as he registered 895 offshore corporations through Mossack Fonseca.

De Grandpré Chait, the Montreal law firm that represented Zolty in Canada, told the Star that they made verifications over the years and determined Zolty "had an irreproachable reputation."

Yet in 2010, Zolty was identified by name as "the primary source of the nominee entities and false documents" by U.S. federal attorney Wifredo Ferrer during a criminal trial for massive tax evasion.

Two years later, the Associated Press reported that Zolty was under "investigation in Switzerland and other countries for the alleged laundering of money from illicit drug sales." He was subsequently cleared by Swiss and New York police.

https://projects.thestar.com/panama-papers/canada-signatures-for-sale/

zolty 3/8 OUR COMMUNITY

NY Hasid resorts to hunger strike after nearly a year in Bolivian prison

Jacob Ostreicher, a father of five from Borough Park, has been fasting since April 15, denies allegations of ties to drug trafficking and money laundering

By BEN SALES
13 May 2012, 4:06 am

https://www.timesofisrael.com/ny-chasid-resorts-to-hunger-strike-after-nearly-a-year-in-bolivian-prison/

zolty

February 6, 2016, drama! Mossack Fonseca agrees to keep the Cohen Assor companies... with a small change of shareholder for the sake of form. It must be said that the André Zolty study is one of its largest clients in Switzerland, spending nearly $60,000 in commissions with MF per year. In twenty years, it created more than 900 offshore companies via Mossack Fonseca, more than 200 of which are still active today.

https://www.tdg.ch/comment-des-avocats-genevois-exploitent-les-failles-de-l-offshore-899303167890

The Cohens' nine-bedroom waterfront mansion at 5930 North Bay Rd., Miami Beach, is now being listed for $29.5 million. The proceeds will go to the Cohens' creditors.

Cohen-Levy also planned to build a 93-story tower in downtown Miami.

Mossack Fonseca said it does not comment on individual cases.

THROUGH THICK AND THIN

Leaked emails between Mossack Fonseca employees show that the firm was still acting as the registered agent for the companies in May 2015 — four years after the Cohens were convicted.

The firm initially didn't seem to know that the Cohens owned the companies, which had been set up at the request of a Swiss lawyer, André Zolty, in the late 1990s, according to the records.

But the last email in the file shows that Mossack Fonseca finally resigned in July 2015, at least for the companies named by the feds, citing the Cohens' criminal convictions. It stayed on for the others.

https://www.miamiherald.com/news/local/community/miami-dade/article69249657.html

Speaking of Mossack Fonseca (from the Prior Slide)… Guess Who Thierry Ulmann Once Represented?

EUROPE | Employee of Panama Papers Law Firm, Mossack Fonseca, Is Arrested in Switzerland

Le Temps quoted a lawyer for Mossack Fonseca, Thierry Ulmann, as saying: "What we know is that the data were removed from his computer in Geneva and that this I.T. worker had full access privileges."

The law firm filed a complaint against the worker for illegal removal of data and for violating the confidentiality of the law firm, Mr. Ulmann told Le Temps.

Mr. Ulmann could not be reached for comment on Wednesday evening.

https://www.nytimes.com/2016/06/16/world/europe/employee-of-panama-papers-law-firm-mossack-fonseca-is-arrested-in-switzerland.html

Not surprisingly, Mr. Ulmann's LinkedIn profile shows that he once worked for Mr. Zolty

Concerns that Bondholder Funds Facilitated Money Laundering with Pietroni / Villa Le Mas du Figuier are Reasonable

- The vendor financing, including the apparent ability to accrue interest, seem odd.

- André Zolty, who has never been formally accused of wrongdoing, seems at the very least to have the misfortune of working with multiple clients involved in various problematic activities, including money laundering.

- Thierry Ulmann, who has never been formally accused of wrongdoing, is closely associated with Mr. Zolty and represented the notorious law firm Mossack Fonseca.

- Could all of these facts be mere coincidences and the Villa Le Mas du Figuier transaction was completely above board? Yes. But they certainly give rise to reasonable concerns that the Villa Le Mas du Figuier, which is now owned by CPI PG, was used to launder money.

Pietroni – Putting Aside Money Laundering Concerns, Pietroni Still Smells. After Vitek Couldn't Sell the Villa, He Stuffed CPI PG With It While Pocketing at Least €10 Million

Pietroni - A Unique "Cash Out Refi"

CPI PG bought Vitek's splendid St. Tropez vacation villa from him in 2019 through the Pietroni acquisition. The estate, named Villa Mas du Figuier, fittingly is owned by an entity called Les Mas du Figuier SAS (France).[1] When CPI PG bought the vacation villa from him, CPI PG paid Vitek €10.1 million cash and seemingly assumed tens of millions of Euro of debt on the property.[2,3] (It's unclear the exact amount of debt outstanding at the time because Vitek, as he frequently does, bundled the home with other entities and assets.)

CPI PG purchased the home after Vitek was unsuccessful in selling it.[4]

The home is now available for rent for ~€150,000 per week. (We are unsure whether bondholders would get a discount.) A well-placed source said the owner's children occasionally still use the home. We assume that refers to Vitek's children.

Perhaps to obscure the transaction, CPI PG misleadingly reported a nominal purchase price of €1 for Pietroni.[5]

At the time of transfer, Les Mas du Figuier (the entity) was owned by Pietroni. Pietroni owned two other assets:

- A problematic entity called SCP Reflets (Monaco), discussed infra
- 67 million shares of CPI PG, which is also problematic and discussed infra

[1] CPI FIM 2022 Management Report, Pg. 23
[2] CPI PG Annual Management Report 2019, Pg. 138.
[3] CPI FIM SA 2019 Financials, Pg. 23, Note 3.2, Loans to Affiliated Undertakings. Here, the loan amount is reported as being €10.23 million. CPI FIM SA 2019 Financials, Pg. 37 also records the receivable due at year end at €10.393 million. The difference seems to be considerable since the acquisition was made on Nov 29, leaving only one more month to accrue the additional interest.
[4] A listing appeared as early as August 2018, see: https://web.archive.org/web/20180822222114/http://www.residences-immobilier.com:80/fr/83/maisons-de-prestige/vente/selection-biens-st-tropez-35969.html
[5] CPI PG Annual Management Report 2019, Pg. 117.

How Did Vitek Get Away With Pietroni? By Calling it a €1 Purchase

It almost seemed like charity when Vitek sold Pietroni to CPI PG in a disclosed related party transaction for reported consideration of just €1. The property owned by Les Mas du Figuier was described as an "investment property".[1]

Les Mas du Figuier had a payable to Vitek of €10.1 million. CPI PG paid off the receivable, handing Vitek over €10 million cash.[2,3]

Pietroni also had €35.5 million of third-party debt, which CPI PG assumed with the acquisition. It's unclear how much of the debt was Les Mas de Figuier's because it last filed financial statements for 2016. As of 2016 though, it showed €22 million of debt, which did not include any liabilities to Vitek.[4]

As shown infra, the house was impaired the following year by €6.5 million.

[1] CPI PG 2019 Financial Statements, p. 117, The 2019 CPI PG management report describes Les Mas both as a "luxury property" and also separately as an "investment property."
[2] CPI PG 2019 Financial Statements, Note 10, p. 138, "As part of the transaction, the Group acquired current financial liability of EUR 10.1 million provided by (and repaid to) the majority shareholder."
[3] CPI FIM SA 2019 financials, note 3.2, Loans to Affiliated Undertakings reports a slightly higher amount, €10.23m: "The Company acquired loan to Les Mas du Figuier from Radovan Vitek at the nominal value in the amount of KEUR 10,230."
[4] Les Mas du Figuier 2016 financial statements: As of 2016, Les Mas du Figuier total liabilities were €21.96 million, including €11.1 million to banks, €4.8 million to suppliers, and €6.1 million to the previous owner of the home.

The Best Part!

It's hard to imagine that the St. Tropez vacation home transaction could be any dodgier. But that would be underestimating Vitek.

Les Mas du Figuier (the entity) has lost its auditor TWO TIMES.

Les Mas Auditor Changes

Below: Auditor change disclosure, 2018.

LES MAS DU FIGUIER
Société par actions simplifiée au capital de 1 500 euros
Siège social : 37 Boulevard Marinoni
06310 BEAULIEU SUR MER
793 567 082 R.C.S. NICE

EXTRAIT DU PROCES-VERBAL
DES DECISIONS DE L'ASSOCIEE UNIQUE
DU 30 JUIN 2018

- ...,
- Nomination d'un nouveau Commissaire aux Comptes suppléant en remplacement du Commissaire aux Comptes suppléant devenu titulaire,
- Pouvoirs pour l'accomplissement des formalités.

[...]

CINQUIEME DECISION

L'Associée unique constate que, suite à la démission du Commissaire aux Comptes titulaire, Monsieur Patrick CALVI, Commissaire aux Comptes suppléant, est devenu titulaire, conformément aux dispositions de la loi et des statuts.

En conséquence, elle nomme en qualité de nouveau Commissaire aux Comptes suppléant, pour la durée restant à courir du mandat de son prédécesseur, la société ALP'AZUR CAC SAS, dont le siège est sis Les Vikings B1, 31 rue Paul Bounin CS 61051 – 06101 NICE CEDEX 1.

SIXIEME DECISION

L'Associée unique donne tous pouvoirs au porteur de copies ou d'extraits du présent procès-verbal pour remplir toutes formalités de droit.

5th Resolution:

The Sole Partner notes that, following the resignation of the principal Statutory Auditor, Mr. Patrick CALVI, alternate Statutory Auditor, has become principal, in accordance with the provisions of the law and the articles of association. Consequently, it appoints as new alternate Statutory Auditor, for the remaining term of the term of office of its predecessor, ALP'AZUR CAC SAS, of which the head office is located at Les Vikings B1, 31 rue Paul Bounin CS 61051-06101 NICE CEDEX 1.

Certifié conforme
La Présidente

SAS Les Mas du Figuier
au Capital de1500€
37, boulevard Marinoni
06310 BEAULIEU SUR MER
✆ +33 (0)6 14 26 86 93
Siret 793 567 082 00037

Below: Auditor change disclosure, 2020.

LES MAS DU FIGUIER
Société par actions simplifiée
au capital de 1 500 euros
Siège social : 37 Boulevard Marinoni
06310 BEAULIEU SUR MER
793 567 082 R.C.S. NICE

EXCERPT FROM THE MINUTES OF THE SOLE SHAREHOLDER'S DECISIONS FROM SEPTEMBER 14, 2020

EXTRAIT DU PROCES-VERBAL DES
DÉCISIONS DE L'ASSOCIÉE UNIQUE
DU 14 SEPTEMBRE 2020

CINQUIEME DÉCISION

Les mandats de Monsieur Patrick CALVI, Commissaire aux Comptes titulaire, et de la société ALP'AZUR CAC, Commissaire aux Comptes suppléante, étant arrivés à expiration, et après avoir constaté que la Société n'avait pas dépassé à la clôture de l'exercice deux des trois seuils légaux et réglementaires imposant la désignation d'un Commissaire aux Comptes titulaire et d'un Commissaire aux Comptes suppléant pendant les deux exercices précédant l'expiration des mandats, l'Associée Unique décide de ne pas procéder à la désignation de Commissaires aux Comptes.

SIXIEME DÉCISION

L'Associée Unique donne tous pouvoirs au porteur de copies ou d'extraits du présent procès-verbal pour remplir toutes formalités de droit.

5th Resolution:

The mandates of Mr. Patrick CALVI, Principal Statutory Auditor, and of the company ALP'AZUR CAC, Alternate Statutory Auditor, having expired, and after noting that the Company had not exceeded at the end of the financial year two of the three legal and regulatory thresholds imposing the appointment of an incumbent Statutory Auditor and a substitute Statutory Auditor during the two financial years preceding the expiration of the terms of office, the Sole Partner decides not to appoint Statutory Auditors Accounts.

Certifié conforme
La Présidente

LES MAS DU FIGUIER
SASU
37 Boulevard Marinoni
06310 Beaulieu-sur-Mer
RCS Nice n° 793 567 082

Le Mas du Figuier Truly is a Magnificent Home

La Mas du Figuier Truly is a Magnificent Home

Sole agent - Le Mas du Figuier - high-end property in Saint-Tropez

Located in Saint-Tropez, in the middle of a vast wooded estate of 2.5 hectares, 5,000 sq.m of which are vineyards, this beautiful house built in the Mediterranean style has been totally refurbished to offer an exceptional level of performance. Nestled in an exclusive, sought-after area, in absolute calm, the Mas du Figuier is 5 minutes from the village of Saint-Tropez, the Place des Lices, the port and the beaches of Pampelonne. With the architecture designed to blend the elegant interior with the landscaped exteriors planted with by vines, olive trees and other fruit trees, the Mas du Figuier offers a main residence of approx. 460 sq.m, a guest pavilion of 180 sq.m (4 bedrooms) with its own swimming pool, a caretaker's house of 160 sq.m (3 bedrooms), an independent wellness area with SPA, gym etc, an infinity pool, Pétanque field and a tennis court. The main villa, decorated with elegance and taste, offers spacious interiors, that open onto the outside thanks to large bay windows bringing exceptional luminosity. The entrance is majestic, the reception rooms - including the living room of 100 sq.m - all exceptional, giving access to terraces and summer loungers to better appreciate the mild climate of the Riviera. Several dining areas have been designed for each hour of the day, with a "breakfast" corner, a dining room, and a summer dining room facing the swimming pool and the vineyard for an "Al Fresco" dinner. The house also has 5 en suite bedrooms, a laundry room, a professional kitchen with high-end equipment, an office space, etc. - ST835

Check out the video tour of Les Mas du Figuier!

https://www.youtube.com/watch?v=WlfVPQkuysU&t=59s

Pietroni – Vitek on a Cold Streak of Personal Property Investments (Which CPI PG Then Buys)

Pietroni — Another Losing Property Investment

Pietroni had a second subsidiary, called SCP Reflets (Monaco). It also owns a purported investment property. Thus far, we are unable to identify the specific property. Still, there is good reason – two good reasons in fact – to suspect that the SCP Reflets transaction has filth on it.

The first reason SCP Reflects seems improper is that Pietroni bought it **only eight days before selling it to CPI**.[1] In other words, Pietroni, while still under Vitek's control for only eight more days, acquired SCP Reflets (Monaco). At this point, we can only theorize why Petroni was involved with SCP Reflets, as opposed to CPI PG buying SCP Reflets directly, or even...stay with us here...CPI PG never acquiring it at all.

When we see a quick flip of an entity, it's usually because the consideration is inflated. Sometimes it's real cash consideration and is inflated to strip the company. Other times, the consideration is inflated only on paper, and the higher price is designed to cover up a cash hole in the purchasing company's accounts. With Vitek's proclivity for assigning debts to CPI PG, one should consider a modified version of the first scenario (cash consideration), in which Vitek novates debts to CPI PG as consideration for an asset(s) with materially inflated valuations.

Second, it's obvious that Vitek did inflate the asset value of SCP Reflets. In 2020, which was the year following the Pietroni acquisition, CPI PG **impaired the value of SCP Reflets' real estate by €7.1 million**. Between SCP Reflets and Les Mas de Figiuer, the total property impairments in the year following the acquisition were €13.6 million.[2]

[1] Pietroni 2019 Financial Statements, Note 4.2 p. 7, "On November 21, 2019, the Company purchased 1,000 shares of SCP Reflets, making it the only shareholder. Subsequently on November 29, 2019, the Company sold 1 SCP Reflets share to CPI FIM SA."
[2] CPI FIM Annual Management Report 2020, Pg. 54.

Vitek Clearly Screwed CPI PG Through Petroni – the Next Year, the Real Estate Was Impaired *by €13.6 million*[1]

Value adjustments

			2020			2019
Value adjustments	Value adjustments of current assets	Value adjustments of fixed assets	Total	Value adjustments of current assets	Value adjustments of fixed assets	Total
Note	12	17	--	12	17	--
Owned by the Company (directly, indirectly) - affiliated	**(28)**	**30,710**	**30,682**	**(13)**	**1,505**	**1,492**
CEREM S.A.	--	37,154	37,154	--	(1)	(1)
CPI Pigna S.r.l.	--	(5,433)	(5,433)	--	--	--
CPI REV Italy II S.r.l.	--	(417)	(417)	--	--	--
Data Trade s.r.o.	24	377	401	(2)	(23)	(25)
Development Doupovská, s.r.o.	--	--	--	1	10	11
FAMIACO ENTERPRISES COMPANY LIMITED	(13)	(216)	(229)	(12)	(203)	(215)
Karviná Property Development, a.s.	(39)	(8)	(47)	--	--	--
Les Mas du Figuier	--	(6,472)	(6,472)	--	--	--
SCP Reflets	--	(7,109)	(7,109)	--	--	--
Szczecin Project sp. z o.o. w likwidacji	--	12,834	12,834	--	1,722	1,722

[1] CPI FIM Financial Statements 2020, Pg. 54.

Pietroni – Not Really a €1 Acquisition

Pietroni – Les Mas du Figuier and SCP Reflets Saddled CPI PG With Debt

In addition to the €10.1 million CPI PG paid Vitek, CPI PG explains that as part of the acquisition, it took on €35.5 million in new debt in the form of two new bank loans.[1]

The assumed debt was likely at one or both of Pietroni's subsidiaries because as of December 31, 2019, Pietroni had no liabilities. (Pietroni did not consolidate its subsidiaries.)[2]

(Note that in early 2019, Vitek's company Efimacor, which was also Pietroni's creditor and the source of the CPI PG shares, converted all liabilities to equity.)

Pietroni s.r.o.
Balance sheet
Dec 31 2019

Pietroni, s.r.o.

Rozvaha
k 31. prosinci 2019

Total Equity & Liabilities

Označ. a	PASIVA b	řád. c	Běžné účetní období (2019) 5	Minulé účetní období (2018) 6
	PASIVA CELKEM	9	402 068	402 101
A.	**Vlastní kapitál** Equity	10	402 068	101
A.I.	Základní kapitál Basic capital	11	200	200
A.I.1.	Základní kapitál	12	200	200
A.II.	Ážio a kapitálové fondy Premium and capital	13	402 000	
A.II.2.	Kapitálové fondy Captial funds	14	402 000	
A.II.2.1.	Ostatní kapitálové fondy Other capital funds	15	402 000	
A.IV.	Výsledek hospodaření minulých let (+/-) P/L prior yr	16	- 99	- 92
A.IV.1.	Nerozdělený zisk nebo neuhrazená ztráta minulých let (+/-)	17	- 99	- 92
A.V.	Výsledek hospodaření běžného účetního období (+/-)	18	- 33	- 7
B. + C.	**Cizí zdroje** Foreign sources	19		402 000
C.	**Závazky** Liabilities	20		402 000
C.II.	Krátkodobé závazky Current liabilities	21		402 000
C.II.6.	Závazky - ovládaná nebo ovládající osoba	22		402 000

Liabilities - controlled or controlling person

Pietroni: Zero current liabilities at YE 2019

[1] CPI PG Annual Management Report 2019, Pg. 129. "As an effect of acquisition of Pietroni (see Note 3.4), the Group reports two new bank loans of EUR 35.5 million maturing between 2020 and 2030."
[2] Pietroni Financial Statements 2019 are company level financials. They are not identified as "Consolidated Financials", as they would be if Pietroni's subsidiaries were consolidated.

Pietroni – Subsidiaries' Liabilities

Les Mas's 2013 financial statements report its real estate purchases were initially financed by two bank loans with a principal sum of €8.5 million and seller financing of €4 million (see supra) for a total of just €12.5 million. By YE2016 another bank loan for €2.5 million was added to finance renovations, meanwhile recorded accrued interest on seller financing increased that total due to €4.8 million, and another €6.1 million in other debts was added, bringing the total liabilities to €22.0 million. In 2016, the property was still under construction and no income was recorded.[1]

Les Mas 2016 Financials (last year on file) – Liabilities:

				2016	2015
DETTES (4)	Emprunts obligataires convertibles		DS		
	Autres emprunts obligataires		DT		
	Emprunts et dettes auprès des établissements de crédit (5)	Loans and debts with credit institutions	DU	11 077 164	10 878 235
	Emprunts et dettes financières divers (Dont emprunts participatifs EI)		DV		
	Avances et acomptes reçus sur commandes en cours		DW		
	Dettes fournisseurs et comptes rattachés	Trade payables and related accounts	DX	4 809 166	4 334 662
	Dettes fiscales et sociales		DY	751	8 057
	Dettes sur immobilisations et comptes rattachés		DZ		
	Autres dettes	Other debts	EA	6 073 558	1 738 815
Compte régul.	Produits constatés d'avance (4)		EB		
		Total liabilities TOTAL (IV)	EC	21 960 639	16 959 771
	Ecarts de conversion passif *	(V)	ED		
		TOTAL GÉNÉRAL (I à V)	EE	21 848 664	16 861 675

SCP Reflets, acquired just 8 days prior to the acquisition, did not publish financials.

[1] Les Mas 2016 financial statements

Pietroni – One Final, Questionable, Asset

Pietroni — The Case for Creating VitekCoin

Through the Pietroni acquisition, CPI PG also re-acquired 67,000,000 of its own shares from Vitek purportedly at ~€0.54/share, which was a €29.8 million premium to Vitek's original purchase price.[1] The shares were originally acquired in June 2016 and September 2017[2] by Vitek's company Efimacor Sarl for €0.10 / share. (The shares were transferred to Pietroni in December 2018. These were initially set up as a loan, but in January 2019, the accounting was changed to be recorded as an equity contribution by Vitek.[3])

In contrast, CPI PG's two previous share buybacks, including one which occurred on July 1 of that year, were made at just €0.30/share.[4]

Given that Vitek is constantly issuing himself CPI PG shares and then having CPI PG buy them back at a premium, the whole exercise strikes us as slightly absurd. With the valuations seemingly being so arbitrary, Vitek and CPI PG might as well conduct these transactions with Pokeman trading cards, VitekCoin, or some other pointless asset.

[1] CPI PG Annual Management Report 2019, Pg. 127.
[2] Efimacor 2017 Financial Statements, Pg. 3.
[3] Pietroni 2019 Annual Report p.9. The debt-to-equity conversion was made by Vitek's company Efimacor Sarl, which marked up the value of the shares in the process from €0.10/shr to €0.23/shr.
[4] CPI PG Annual Management Report 2019, Pg. 128.