CPI Property Group S.A. (CPIPGR)
Part 4:

More Concerns that Rhyme With "Pondering"

May 29, 2024

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Recap from Part III / Intro to Part IV: Transactions Giving Rise to Money Laundering Concerns

Our third report on CPI PG covered CPI PG's 2019 acquisition of Vitek's luxury vacation villa in St. Tropez, known as Villa Mas du Figuier. Vitek's original purchase and subsequent sale to CPI PG give rise to concerns about potential money laundering. Corporate filings show that when Vitek purchased the house, the seller financed €4.0m of the €12.5m purchase,[2] which strikes us as odd for a property of this type, especially because the seller's loan also allowed Vitek to accrue PIK interest.

The seller was a corporate entity managed by individuals serving as proxies. One of the two proxy individuals initially associated with the entity, André Zolty, is an attorney linked to multiple high-profile money laundering investigations.[3] The other proxy, Thierry Ulmann, acted as an attorney for Panama Papers law firm Mossack Fonseca subsequently to the transaction.[4]

In this Part IV, we examine other luxury residential transactions that also could indicate money laundering facilitated by CPI PG.

[1] https://muddywatersresearch.com/research/cpipgr/part-3/
[2] the other €8.45m was financed by two bank loans
[3] https://projects.thestar.com/panama-papers/canada-signatures-for-sale/, https://www.tdg.ch/comment-des-avocats-genevois-exploitent-les-failles-de-l-offshore-899303167890, https://www.miamiherald.com/news/local/community/miami-dade/article69249657.html
[4] https://www.nytimes.com/2016/06/16/world/europe/employee-of-panama-papers-law-firm-mossack-fonseca-is-arrested-in-switzerland.html

Part IV: In Bad Company

In the series of transactions presented herein between 2018 and 2024, proxies and offshore companies once again figure prominently.

The transaction structures appear intended to obfuscate the identities of buyers or sellers. Their mechanics are unnecessarily complex, indicating layering and integration.

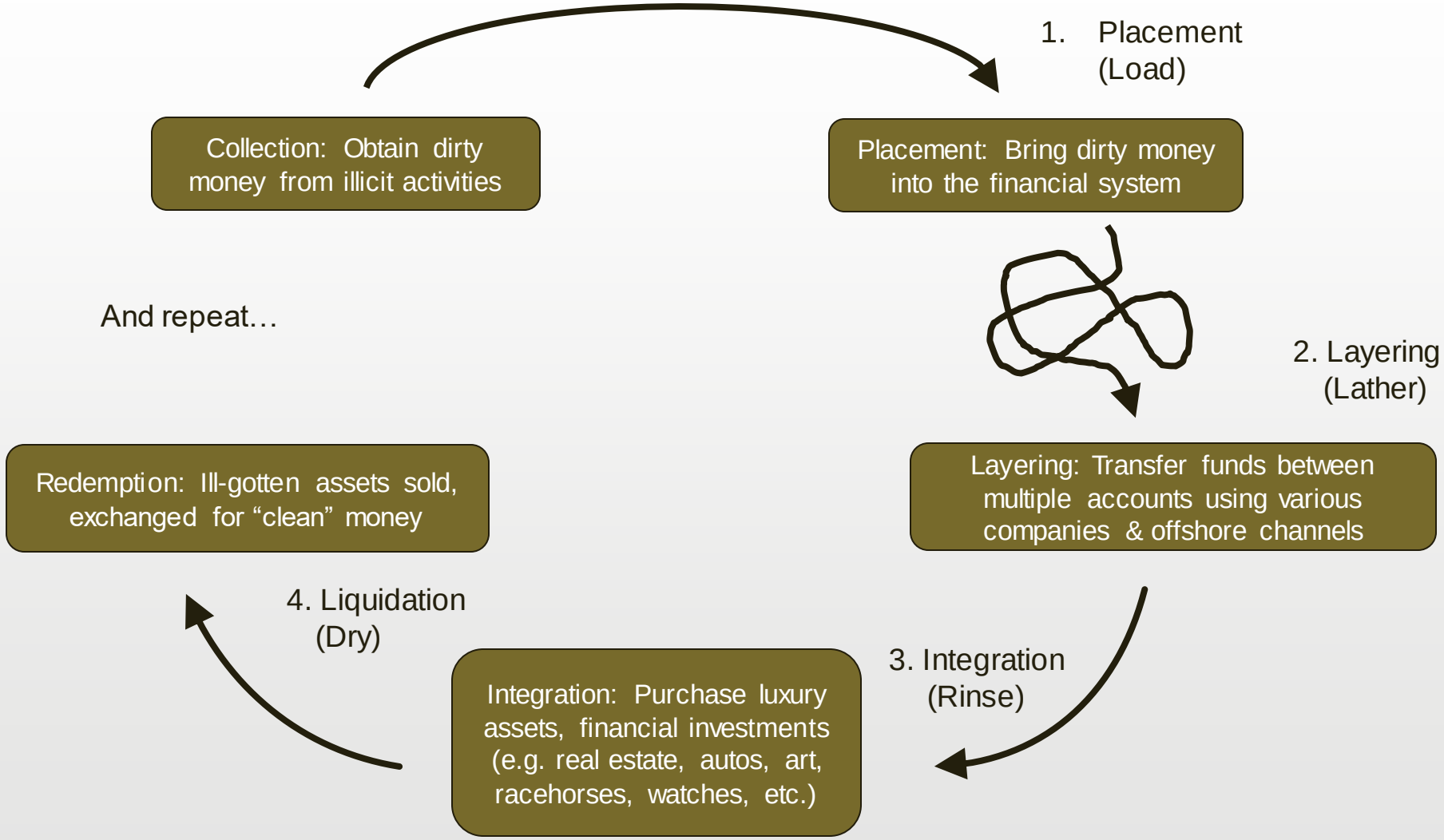
In short, these transactions bear hallmarks of money laundering, where CPI PG appears in the final, critical stage—possibly cashing out launderers and their clients with clean, bondholder funds.

We ask CPI PG's management to answer:

- Why does CPI PG repeatedly transact with shady characters and target properties where the sources of funds are highly questionable, including with ties to despots?
- Why do these transactions appear uneconomic?
- Why has CPI PG's management, whose CEO claims to value "transparency, openness and solid business logic", deflected simple questions about these questions transactions?[1]

[1] CPIPG 2023 Management Report, CEO Letter, Pg. 4

Background: Typical Global Money Laundering Cycle



Above: the Metrogate House at 3, 5 & 7 Queens Gate Terrace, London, SW7 5PE

The Pisach Flip

CPI PG Agrees to Buy Metrogate House via a Same-Day Property Flip

Summary of the Metrogate House Same Day Flip

On December 11, 2020, CPI PG bought the Metrogate House in a same-day property flip that appears to have been a "layering" and “integration” transaction typical of money laundering. We doubt that this was a bona fide purchase by CPI PG due to the additional money it paid to the flipper.

In 2020, CPI PG bought the Metrograte House via a flipper.[1]

- The property - Metrogate House consists of three interconnected buildings located at 3, 5, and 7 Queens Gate Terrace in the South Kensington neighborhood of London, a property used for overseas student housing.
- The ultimate buyer – CPI PG via its subsidiary 1 Bishops Avenue Ltd (1BAL),
- The flipper - Pisach Residential Limited (Pisach)
- The ultimate seller – Laroche Investments, a BVI company

On December 11, 2020, Pisach Residential Limited purchased the properties known as the Metrogate House from Laroche Investment Ltd (Laroche) for £16.375 million. The same day, CPI PG (via 1BAL) bought Metrogate House from Pisach for £19.5 million.[2]

In February 2024, CPI PG took a loss on disposing this property when it sold it to an entity owned by a Qatar investor, likely a member of the of the Al-Attiya family, one of the leading families of Qatar. CPI PG lost 9.2% versus its 2020 purchase price and 14.8% versus its 2023 carrying value. This second leg raises concerns about whether a member of the Qatari elite received a sweetheart deal.

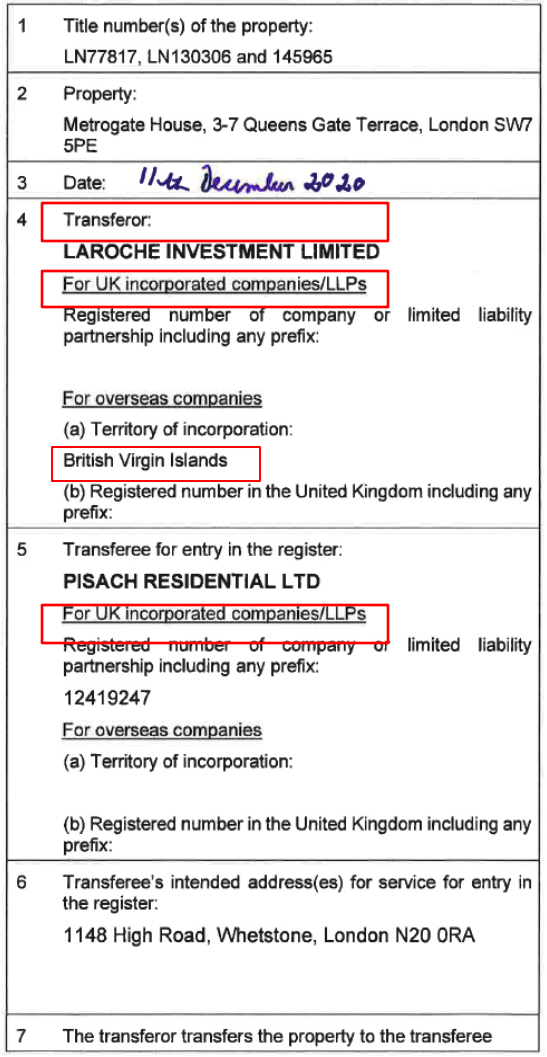
[1] Historic transaction information on https://landregistry.data.gov.uk/app/ppd/search, postal code SW7 5PE.
[2] Historical Copy of Register Title LN77817, UK Land Title Register (images on following slides)

Step 1: Pisach Purchases Metrogate House from Laroche

On December 11, 2020, Pisach Residential Limited purchased the properties known as the Metrogate House from a BVI company, Laroche Investment Ltd., for £16.375m.[1]

Based on the original £16.375 million transfer price, we estimate Pisach would have paid stamp tax of ~£2.372m.[2]

Therefore, the gross price paid by Pisach was likely ~£18.747m.



1 Title number(s) of the property:
LN77817, LN130306 and 145965

2 Property:
Metrogate House, 3-7 Queens Gate Terrace, London SW7 5PE

3 Date: 11th December 2020

4 Transferor:
LAROCHE INVESTMENT LIMITED
For UK incorporated companies/LLPs
Registered number of company or limited liability partnership including any prefix:

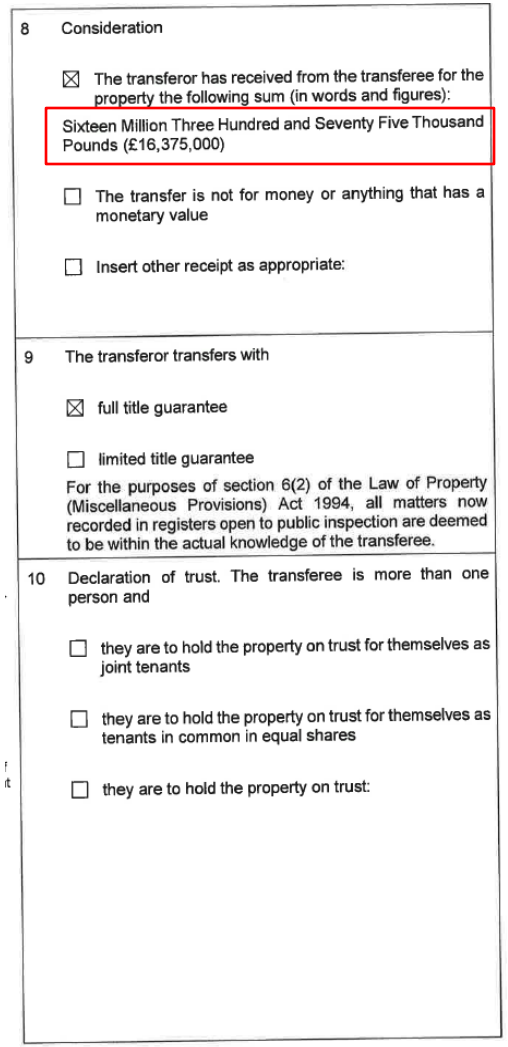
For overseas companies
(a) Territory of incorporation:
British Virgin Islands
(b) Registered number in the United Kingdom including any prefix:

5 Transferee for entry in the register:
PISACH RESIDENTIAL LTD
For UK incorporated companies/LLPs
Registered number of company or limited liability partnership including any prefix:
12419247
For overseas companies
(a) Territory of incorporation:

(b) Registered number in the United Kingdom including any prefix:

6 Transferee's intended address(es) for service for entry in the register:
1148 High Road, Whetstone, London N20 0RA

7 The transferor transfers the property to the transferee



8 Consideration

☒ The transferor has received from the transferee for the property the following sum (in words and figures):
Sixteen Million Three Hundred and Seventy Five Thousand Pounds (£16,375,000)

☐ The transfer is not for money or anything that has a monetary value

☐ Insert other receipt as appropriate:

9 The transferor transfers with

☒ full title guarantee

☐ limited title guarantee

For the purposes of section 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994, all matters now recorded in registers open to public inspection are deemed to be within the actual knowledge of the transferee.

10 Declaration of trust. The transferee is more than one person and

☐ they are to hold the property on trust for themselves as joint tenants

☐ they are to hold the property on trust for themselves as tenants in common in equal shares

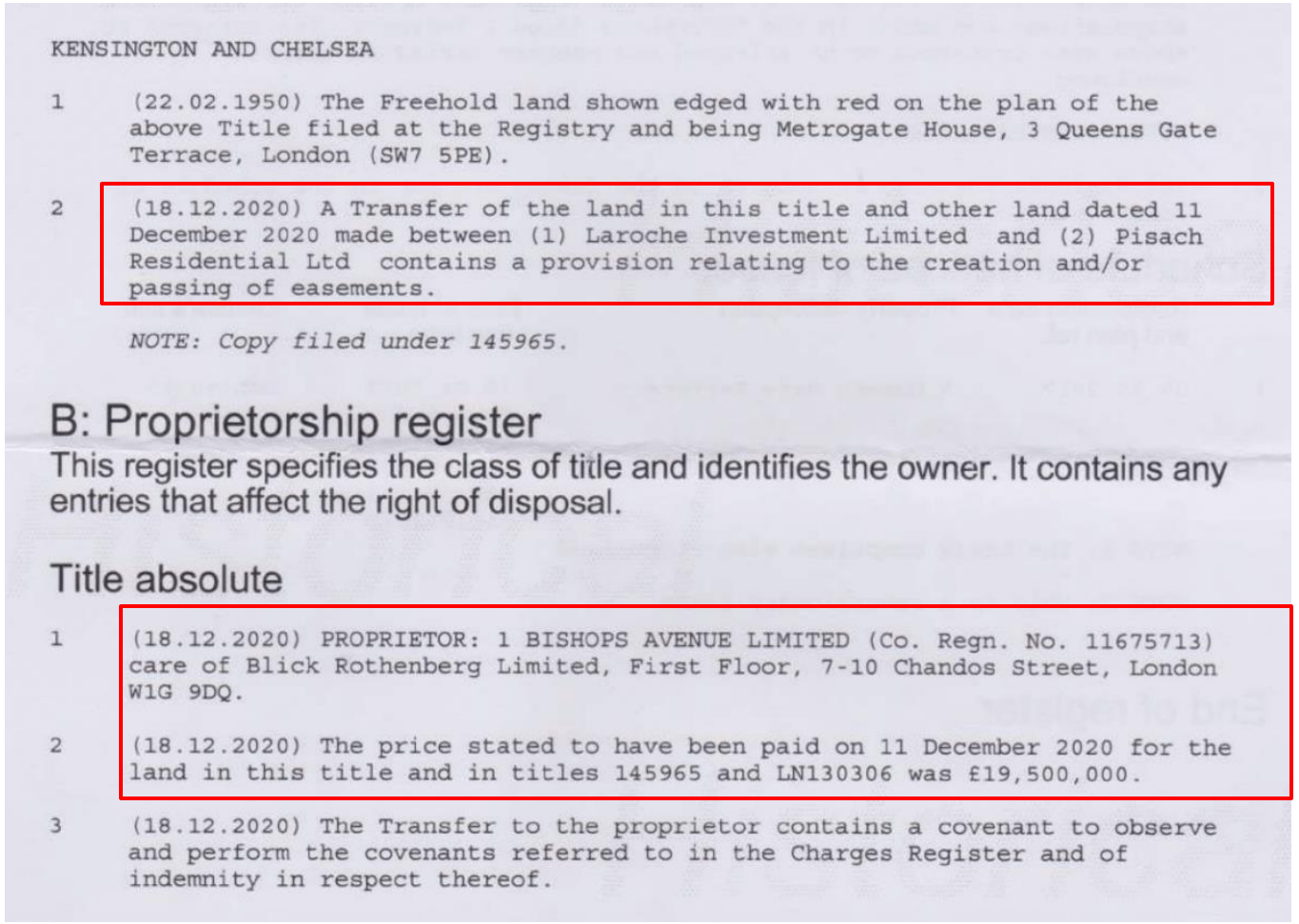
☐ they are to hold the property on trust:

[1] UK Land Title Register history, Title numbers LN77817, LN130306, and LN145965.
[2] https://www.gov.uk/government/publications/rates-and-allowances-stamp-duty-land-tax/stamp-duty-land-tax-rates-8-july-2020-to-30-june-2021

Step 2: Pisach Sells Metrogate House to 1BAL

On the same day, December 11, 2020, Pisach sold the Metrogate House properties to 1BAL for £19.5m.[1]

Net of stamp duties, we estimate the flip generated Pisach ~£753,000 in profits on the near-instantaneous transaction.



KENSINGTON AND CHELSEA

1 (22.02.1950) The Freehold land shown edged with red on the plan of the above Title filed at the Registry and being Metrogate House, 3 Queens Gate Terrace, London (SW7 5PE).

2 (18.12.2020) A Transfer of the land in this title and other land dated 11 December 2020 made between (1) Laroche Investment Limited and (2) Pisach Residential Ltd contains a provision relating to the creation and/or passing of easements.

NOTE: Copy filed under 145965.

B: Proprietorship register

This register specifies the class of title and identifies the owner. It contains any entries that affect the right of disposal.

Title absolute

1 (18.12.2020) PROPRIETOR: 1 BISHOPS AVENUE LIMITED (Co. Regn. No. 11675713) care of Blick Rothenberg Limited, First Floor, 7-10 Chandos Street, London W1G 9DQ.

2 (18.12.2020) The price stated to have been paid on 11 December 2020 for the land in this title and in titles 145965 and LN130306 was £19,500,000.

3 (18.12.2020) The Transfer to the proprietor contains a covenant to observe and perform the covenants referred to in the Charges Register and of indemnity in respect thereof.

[1] Historic transaction information on https://landregistry.data.gov.uk/app/ppd/search, postal code SW7 5PE.

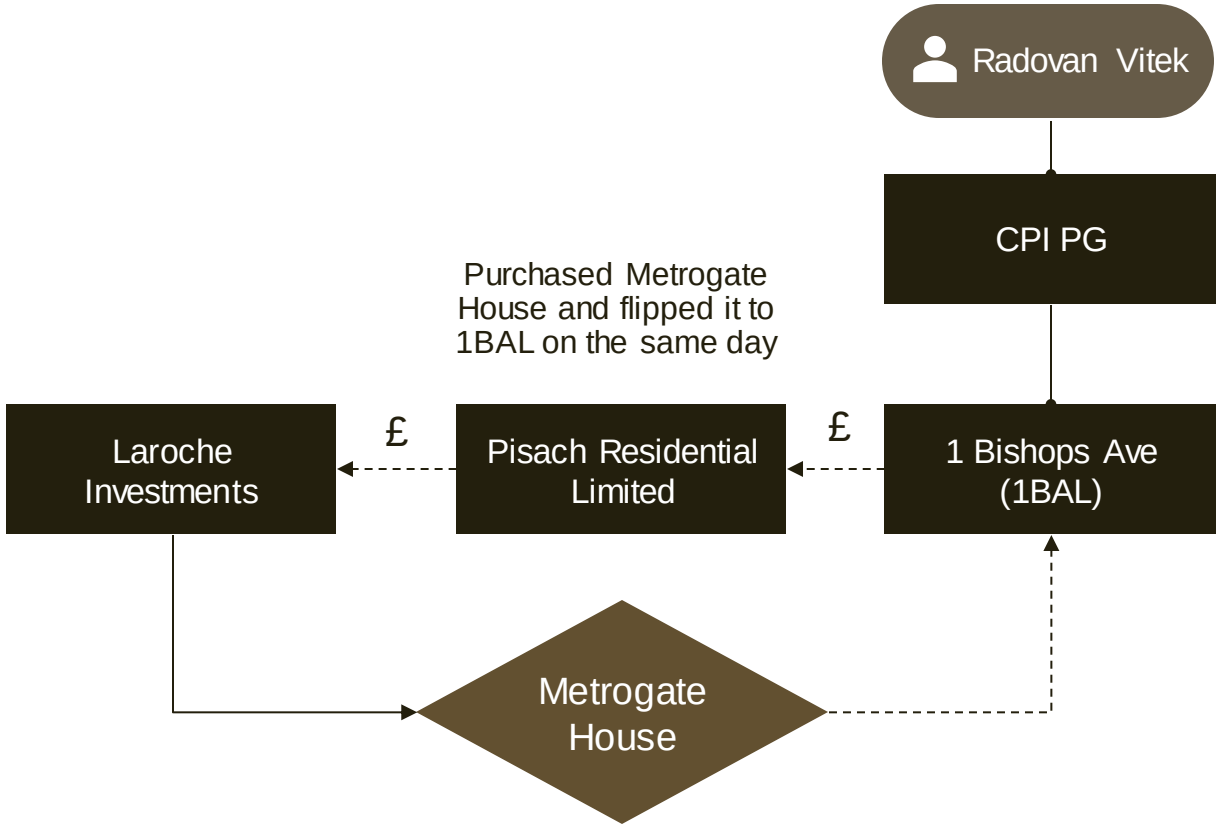
It Seems Impossible 1BAL and CPI PG Were Unaware of This Flip

How could CPI PG not been aware of this flip?

The identity of the buyer and seller should have been established early as the contracts were drawn up.

CPI PG's due diligence seemingly would have identified the property owner as Laroche Investment Ltd (BVI). However, its purchase contract would have been with the flipper, Pisach, not the property owner.

We believe that the flip was designed to hide the true identities of the real ultimate beneficial owners.



Metrogate Wasn't Pisach's Only Same Day Flip

In 2021, Pisach executed a second same-day flip (that did not involve CPI PG). This further indicates that CPI PG's deal with Pisach was highly problematic.

In this transaction, Pisach Residential bought and sold the Ventures Hotel in back-to-back transactions. We estimate that Pisach would have paid just under £18 million for the properties, including stamp duty. In a possible coincidence, the buyer appears to have been the former Prime Minister of Qatar.

When the deal went through in July 2021, the purchasing entity, Hume Real Estate (UK) Ltd was owned by an Irish national, Patrick McKillen.[1] Hume has since been renamed Constellation (Sussex) Ltd.[2] Patrick McKillen then sold Constellation to a Luxembourg company called Selene S.a.r.l. in April 2022.[3] Constellation and Selene are ultimately owned by His Excellency Sheikh Hamad Bin Jassim Bin Jaber Al-Thani, aka "HBJ", the former Prime Minister of Qatar.[4]

[1] UK property title records, 12-20 Sussex Gardens, W2 1PN
[2] https://find-and-update.company-information.service.gov.uk/company/13399326, Hume/Constellation was incorporated in May 2021; just three months before the flip apparently for this acquisition.
[3] UK Companies House recorders for Hume Real Estate (UK) Ltd., confirmation statement dated May 27, 2022.
[4] https://find-and-update.company-information.service.gov.uk/company/13399326/persons-with-significant-control

CPI PG Lost Money When It Sold Metrogate to Qatari Elite

On Feb 28, 2024, CPI PG announced that the Metrogate House had been disposed of to "a local investor."[1,2] CPI PG provided the information as part of a group announcement covering three separate and distinct disposals. No individual pricing information on Metrogate House was provided. CPI PG stated that:

> *Gross proceeds from the three disposals were nearly €80 million. On average, sales took place at prices which are similar to the June 2023 book value.*
>
> *- CPI PG Press Release dated Feb 28, 2024*

When questioned on the FY2023 earnings call, CPI PG management declined to provide further information on the transaction and buyer.

UK Land Registry records show the Feb 28, 2024, transaction was for just £17.9m,[3] 14.8% less than its recently reset book value of £21.0m in 2Q23[4] and £1.6m (8.2%) less than what CPI PG paid in Dec 2020.

Below: UK Land Registry for Metrogate House shows the buyer, price, and date

Title register for:

Metrogate House, 3 Queens Gate Terrace, London, SW7 5PE (Freehold)

Title number: LN77817

Accessed on 22 April 2024 at 20:17:56

This information can change if we receive an application. This service can not tell you if HM Land Registry are dealing with an application.

This is not an official copy. It does not take into account if there's a pending application with HM Land Registry. If you need to prove property ownership, for example, for a court case, you'll need to order an official copy of the register.

Register summary

Title number	LN77817
Registered owners	Diro International Limited 102 Seymour Place, London W1H 1NF
Last sold for	£17,900,000 on 28 February 2024 This value covers more than just the land in this title

[1] CPI PG FY 2023 earnings conference call, David Greenbaum and Mindee Lee: "David Greenbaum: "It was sold to a local investor, Mindee, do you want to answer?" Mindee Lee, "Yes, basically it was sold to a local investor flagging the local value. And unfortunately, were not able to disclose more pertinent information. And of course we have the NDA which was filed."

[2] https://www.cpipg.com/storage/app/uploads/public/65d/f74/9a1/65df749a15b8f212062426.pdf

[3] UK Land Registry records for title LN77817. The three interconnected properties at 3, 5, and 7 Queens Gate Terrace, London, SW7 5PE report the same, shared total price of £17.9m.

[4] In April 2023 CPIPG transferred Metrogate House to Mackworth Properties in an intercompany transaction at a price of £21.0m, resetting the book value. See UK Land Registry records for the transaction data and pricing.

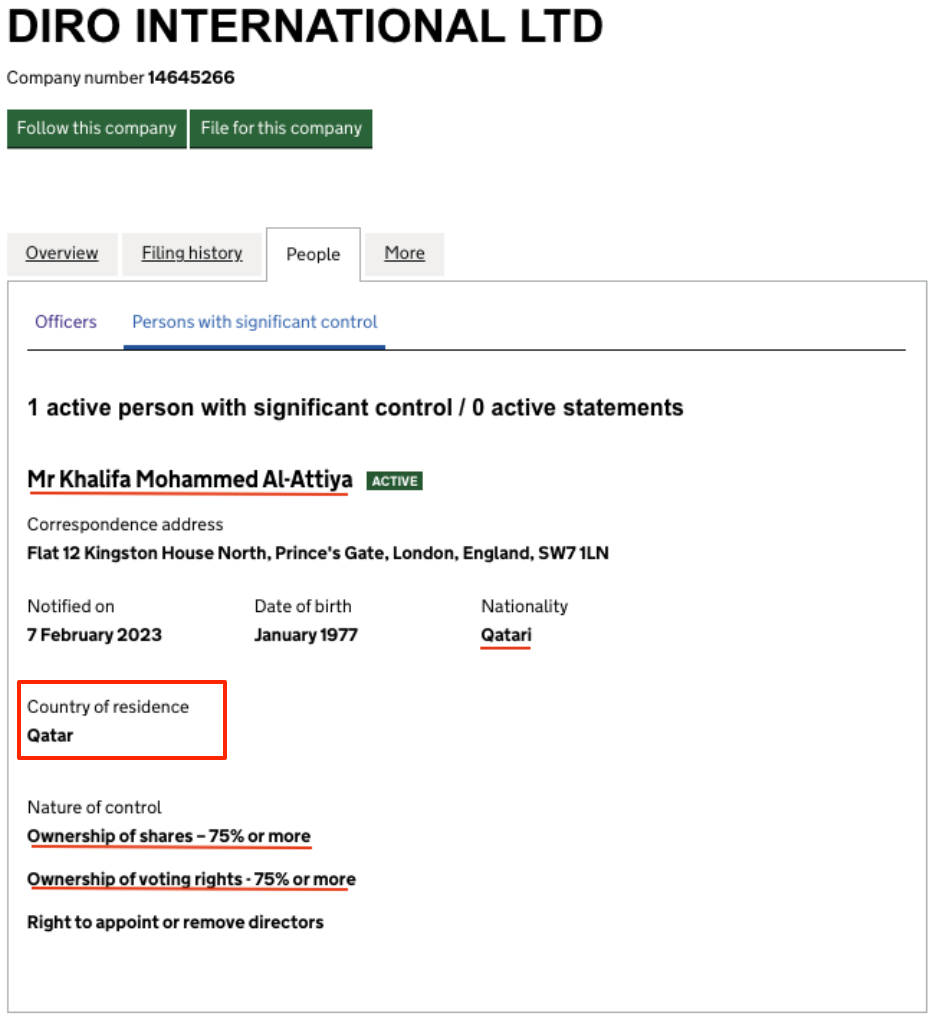
Diro International Ltd's UBO Does Not Appear to be a "Local Investor"

Contrary to CPI PG's claims, the buyer, Diro International Ltd, does not appear to be a "local investor."

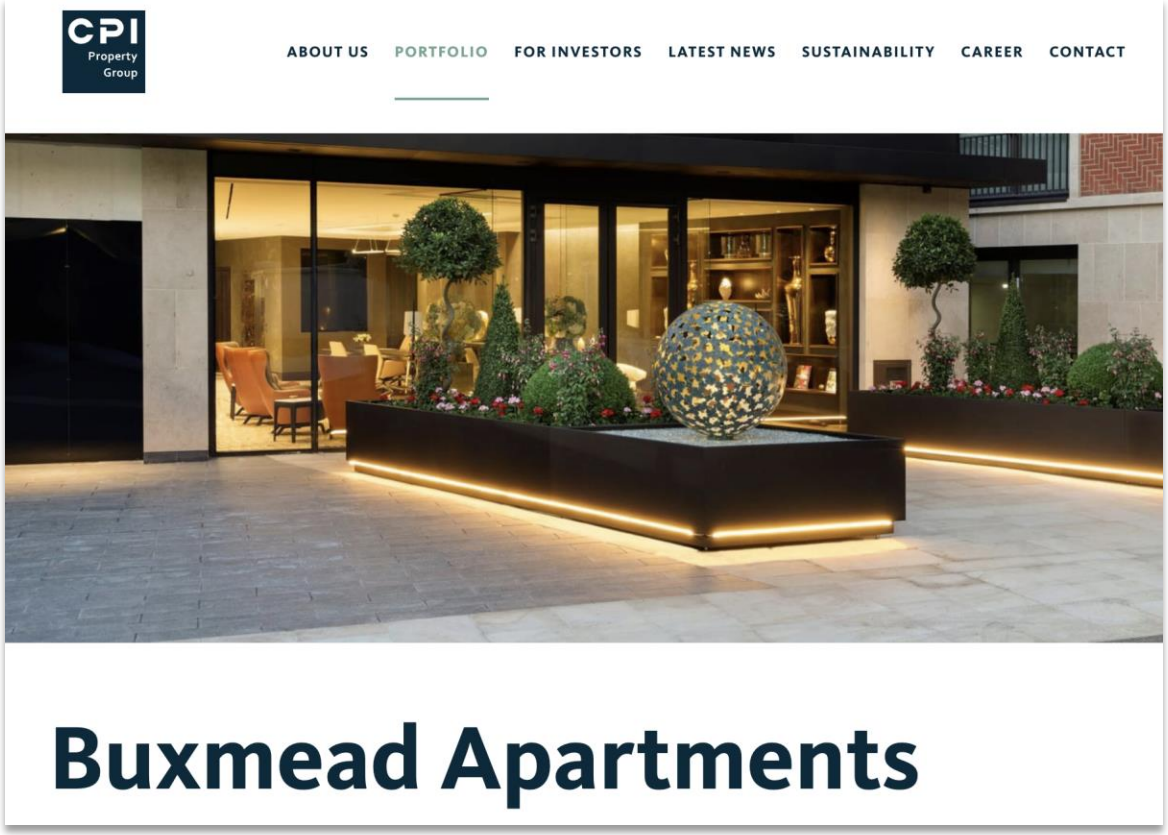
Diro International's UBO, with 100% interest, is a Qatari, Khalifa Mohammed Al-Attiya.[1,2]

We believe Khalifa Mohammed Al-Attiya is likely a member of the Al-Attiyah family, one of the leading families of Qatar.[3]

Below: UK Companies House: Diro International's UBO is a Qatari investor[4]



[1] https://find-and-update.company-information.service.gov.uk/company/14645266/persons-with-significant-control
[2] Diro International Ltd, incorporation documents dated 2023-02-07 show a sole shareholder (100%), Khalifa Mohammed Al-Attiya
[3] https://rpl.hds.harvard.edu/faq/tribal-families-qatar
[4] Diro International Ltd, 2023 accounts filed with UK Company House



Source: https://www.cpipg.com/en/portfolio/buxmead-apartments

Buxmead Properties

A Luxury London Laundromat?

CPI PG Purchases 11 Luxury Apartments in a Development Notorious for Questionable Money

The Buxmead is an apartment complex located at 67 The Bishops Avenue.[1]

The Buxmead was developed using ~£38.6m of money from Kazakhstan's ruling Nazerbayev family.

We find it implausible that Vitek and CPI PG were unaware they were transacting with a development funded by Kazakh oligarchs in what possibly was a money laundering scheme.

Below: The Independent's 2015 article describes the inflows of dirty money being laundered including via The Bishops Avenue[2]

London property boom built on dirty money

Billions stolen through corruption flood into capital's broken housing market

Jim Armitage • Wednesday 04 March 2015 01:02 GMT • Comments

Carlton House on The Bishops Avenue in north-west London, owned by Mukhtar Ablyazov *(Susannah Ireland)*

Billions of pounds of corruptly gained money has been laundered by criminals and foreign officials buying upmarket London properties through anonymous offshore front companies – making the city arguably the world capital of money laundering.

[1] https://www.cpipg.com/en/portfolio/buxmead-apartments
[2] https://www.independent.co.uk/news/uk/home-news/london-property-boom-built-on-dirty-money-10083527.html

CPI PG Purchased 11 Buxmead Apartments

CPI bought 1 Bishops Avenue Limited ('1BAL') from Radovan Vitek for £1 on Dec 14, 2018 as part of a disclosed related party transaction.[1]

When CPI PG acquired 1BAL, it was an empty holdco. 1BAL's name suggests it was a special purpose entity created by Vitek to transact in Bishops Avenue real estate. (The Buxmead, as we stated supra, is at 67 The Bishops Avenue.)

On Dec 17, 2018, a few days after CPI had acquired it, 1BAL itself acquired 11 luxury apartments at the Buxmead.[2]

CPI PG's purchase prices for the 11 apartments recorded in the UK Land Registry totalled £60.1 million; individual apartments ranged in price from £3.2 million to £6.8 millon.[3]

Below: CPI PG's disclosure of the 1 Bishops Avenue Acquisition

1 Bishops Avenue Limited

On 13 December 2018, the Group acquired 100% share of 1 Bishops Avenue Limited ("Bishops") for the consideration of 1 GBP (app. EUR 1). The entity had no assets at the acquisition date. On 17 December 2018, Bishops acquired 11 luxury apartments at Buxmead in North London.

The purchase price of the apartments was GBP 60.1 million (EUR 66.9 million), fully allocated to investment property by the Group.

This acquisition was recognized as a property asset acquisition as the acquired company does not constitute business as defined by IFRS 3.

[1] CPI PG 2018 MR, p. 146, "The Company acquired 1 Bishops Avenue Limited from Radovan Vitek, the ultimate beneficial owner of the Company."
[2] CPI PG 2018 Management Report, p. 100
[3] UK Land records shown an acquisition price of just £55.9 million, the higher figure is likely primarily due to the inclusion of approx. £8.3m in stamp duties.

The Youngest Daughter of Nursultan Nazarbayev Claimed her Personal Money Financed the Buxmead

In a 2016 lawsuit, Aliya Nazarbayev explained how her personal wealth had been invested into UK properties, including the Buxmead via her wealth advisors Malik Ishmuratov and and Denis Korotkov.[1,2,3]

Aliya is the youngest daughter of Kazakhstan's infamous former dictator, Nursultan Nazarbayev.

Below left: Aliya Nazerbayeva, Below right: Vladimir Putin wishes Pres. Nursultan Nazarbayev a happy birthday

[1] Nazarbayeva v. Ishmuratov, Korotkov-Koganvocich, Particulars of Claim, 23-03-2016, HC-2016-000924, UK High Court of Justice, Chancery Division
[2] https://www.telegraph.co.uk/world-news/2022/01/08/kazakh-despots-daughter-went-london-spending-spree-moving-300m/
[3] https://efile.fara.gov/docs/6939-Informational-Materials-20220115-9.pdf

Aliya Nazarbayeva's Claim is Clear, Her Kazakh Wealth Managers Put ~£38.6m of Her Personal Money into the Buxmead

Whether Aliza Nazarbayeva was actually defrauded (or not) is immaterial.

Her money *was* used to finance the Buxmead.

Aliya's complaint states that ~£38.6m of her money was invested in the Buxmead in two transactions:[1]

1. a 2010 loan for $27.3m (£17.3m)

2. a 2011 bond for £21.3m ($34.7m)

Below: Aliya's complaint states a $27.3m (£17.3m) loan was made with her funds to the acquire land for the Buxmead

B. The unauthorised Buxmead Loan

61. On or around 1 October 2010, the Defendants used Ms Nazarbayeva's Funds and/or caused her to make a loan to Harrison Varma in connection with the Buxmead Development (the "**Buxmead Loan**"):

(1) On or around 1 October 2010, Marstock transferred the Buxmead Loan sum of $27,266,855.10 to SGH Martineau LLP, an English law firm.

(2) On or around 1 November 2010, Buxmead Limited (formerly Harrison Varma (67 The Bishop's Avenue) Limited) acquired a parcel of land at 65-67 The Bishop's Avenue (the "**Buxmead Land**") for a purchase price of £30,250,000.

(3) Ms Nazarbayeva did not consent to any loan to Buxmead Limited (or Harrison Varma), or otherwise to entering into any transaction with Buxmead Limited (or Harrison Varma), or to any transaction concerning the Buxmead Development.

(4) Ms Nazarbayeva has received no benefit from the Buxmead Loan.

(5) Neither Ms Nazarbayeva nor any of the Alsarah Companies were granted security over the Buxmead Land.

(6) Save as set out in the following subparagraph, the Buxmead Loan has never been repaid to Ms Nazarbayeva or any of the Alsarah Companies, nor have they received any interest payments.

Below: Aliya's complaint states her wealth advisors purchased £21.3m ($34.7m) in "Buxmead bonds"

63. In breach of the Agreement and fiduciary duty and in furtherance of the Defendants' conspiracy to harm Ms Nazarbayeva, Ms Nazarbayeva's Funds were also invested by the Defendants (i) indirectly in the Buxmead Development; and (ii) subsequently in JSC Liberty Bank, Georgia ("**Liberty Bank**") in the Defendants' own names.

64. As regards the unauthorised indirect investment in the Buxmead Development and the subsequent use of Ms Nazarbayeva's Funds by the Defendants to invest in Liberty Bank on their own behalf:

(1) On or around 3 March 2011, Buxmead Limited issued a £33,525,198 zero coupon deep discount bond, arranged by Oracle, for £21,305,870 (the "**Buxmead Bond**").

(2) On or around 9 November 2011, Avere BSB Investment Limited (formerly Bishops Investment Limited) ("**Avere**"), a Bahamian corporation, issued £36,511,241 of secured zero coupon deep discount bonds with a maturity of 31 March 2015 (the "**Avere Bond**").

(3) Shortly after the issue of the Avere Bond, KNG Investment acquired all or the majority of the Avere Bond for the sum of £26,300,000. £21,300,000 of this sum was then used to purchase the Buxmead Bond.

(4) On or around 16 April 2014, the Buxmead Bond was redeemed in full. However, the Avere Bond was not redeemed. The Buxmead Bond was instead replaced by

[1] Nazarbayeva v. Ishmuratov, Korotkov-Koganvocich, Particulars of Claim, 23-03-2016, HC-2016-000924. Prior to making an investment into the Buxmead with Aliya's money, Malik and Denis also arranged for her to purchase a Harrison Varma project known as the Grange View Property in Highgate for ~£8.75m.

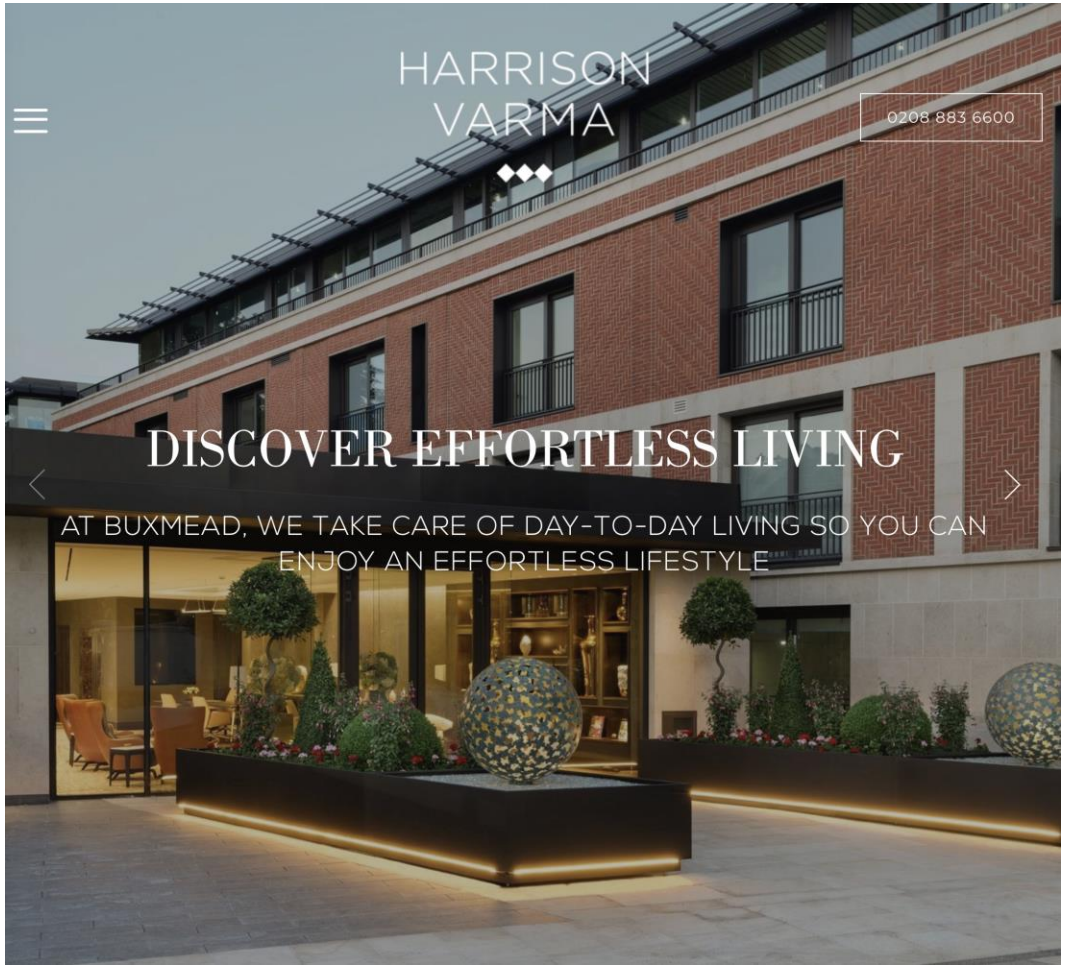
The Buxmead's Seller: Harrison Varma

The purchase was made from Buxmead Ltd, formerly known as “Harrison Varma (67 The Bishops Avenue) Limited".[1]

The Buxmead residential development, from which 1BAL acquired 11 flats, was a project of the Harrison Varma group, itself a property developer that focuses on ultra-high-end residences in North London.[2]

Harrison Varma worked with the Oracle Capital Group, the wealth managers for President Nazarbayev’s daughter, who channeled Nazarbayev money into the Buxmead project.[3]

Below: Harrison Varma’s page for the Buxmead[2]



[1] Per UK Companies House records for Buxmead Ltd.
[2] https://www.harrisonvarma.co.uk/buxmead/
[3] Nazarbayeva v. Ishmuratov, Korotkov-Koganvocich, Particulars of Claim, 23-03-2016, HC-2016-000924. Aliya Nazarbeyava is identified as the President's daughter. The defendants are both Kazakh businessmen.

Did CPI PG Receive a Discount on the Buxmead Properties?

CPI PG purchased 11 of the 20 units at the Buxmead.[2]

Prior to CPI PG stepping in, the 2016 and 2017 recorded selling prices were significantly higher. In 2018, CPI PG bought its flats for a range of ~£500/sf to £1,800/sf, other buyers in 2016 and 2017 paid in a range of £1,650/sf to £2,600/sf.

It appears that CPI PG purchased these 11 units at an average price per square foot that was at a 46% discount to the sales made in the prior two years.

This giant difference begs the question: Why did CPI PG receive a significant discount?

CPI PG's 2018 Purchase of the Buxmead Flats was at a Discount to 2016-2017 Levels

Flat #	Owner	Sqr Ft	Original purchase date	Original price	Original price GBP/sf
1	Temirlan Safin	6,491	Jun 2017	£ 13,719,510	£ 2,114
2	1BAL (CPI PG)	6,426	Dec 2018	£ 3,150,000	£ 490
3	1BAL (CPI PG)	3,132	Dec 2018	£ 5,600,000	£ 1,788
4	1BAL (CPI PG)	3,175	Dec 2018	£ 5,500,000	£ 1,732
5	A. Ansair	3,132	June 2017	£ 8,100,000	£ 2,586
6	M. Ansari	3,175	Aug 2017	£ 7,850,000	£ 2,472
7	1BAL (CPI PG)	7,319	Dec 2018	£ 6,800,000	£ 929
8	1BAL (CPI PG)	6,846	Dec 2018	£ 5,050,000	£ 738
9	1BAL (CPI PG)	5,630	Dec 2018	£ 5,250,000	£ 933
10	1BAL (CPI PG)	3,218	Dec 2018	£ 5,650,000	£ 1,756
11	1BAL (CPI PG)	3,143	Dec 2018	£ 4,650,000	£ 1,479
12	1BAL (CPI PG)	3,218	Dec 2018	£ 5,150,000	£ 1,600
13	Zhanar Seidvaliyeva	3,143	Dec 2017	£ 7,900,000	£ 2,514
14	The Landsbergs	7,287	Dec 2017	£ 15,704,000	£ 2,155
15	1BAL (CPI PG)	6,028	Dec 2018	£ 5,550,000	£ 921
16	Iuliia Nikolaeva	3,692	Aug 2017	£ 8,100,000	£ 2,194
17	The Jacksons	3,073	Dec 2016	£ 8,000,000	£ 2,603
18	Michael Durst	4,661	June 2017	£ 7,700,000	£ 1,652
19	1BAL (CPI PG)	2,949	Dec 2018	£ 3,550,000	£ 1,204
20	Coleman & Bennet	2,217	Nov 2020	£ 5,000,000	£ 2,255

Source: UK Land Registry Records

Does a 2017 Crime Bill Explain CPI PG's Discount?

Several of the Buxmead's 2016 and 2017 buyers appear to have been ultra-wealthy businesspeople, either Middle Eastern or Kazakh, with links to organized crime and political violence.

In January 31, 2018, the UK's new crime bill (Criminal Finances Act 2017) came into effect, which included a new power to attack Unexplained Wealth, the UWO.[1] The UK security minister warned: "We will come for you, for your assets and we will make the environment you live in difficult."[2]

The new legislation appears to have been enforced seriously almost immediately. In 2018, the NCA began a successful, high-profile prosecution of Zamira Hajiyeva, wife of a jailed Azeri banker found guilty of defrauding a state bank of ~£2.2 billion.[3] In the fall of 2018, the UK courts found her guilty under the new Unexplained Wealth Order. After losing appeals in 2020, the NCA began the final steps towards seizing her £15 million home in Knightsbridge.[4]

Following the first success, in 2020 the NCA pursued additional UWO investigations, including into the Nazarbayev extended family.[5]

As of late 2018, the publicity of the UWO investigations and intent of the UK to aggressively pursue cases appears to have had a cooling effect on the market, reducing demand by despots seeking to clean their dirty money.

According to Anna Bradshaw, AML expert and partner with Peters & Peters, London: "The NCA's use of UWOs may … also [have been] causing considerable nervousness about past dealings that may come back to haunt them."[6]

[1] https://www.legislation.gov.uk/ukpga/2017/22/contents/enacted
[2] https://www.bbc.com/news/uk-42926819
[3] https://www.theguardian.com/uk-news/2018/oct/10/wife-of-mcmafia-banker-with-16m-harrods-spending-habit-named
[4] https://www.standard.co.uk/news/crime/nca-mcmafia-knightsbridge-banker-wife-jahangir-zamira-hajiyev-b1092761.html
[5] https://www.bbc.com/news/uk-51809718, This case became highly controversial after the defendants won a legal battle to avoid making a disclosure of the sources of their wealth.
[6] https://www.moneylaundering.com/news/loan-documents-link-barclays-to-kazakhstani-family-accused-of-corruption/

Bondholder Funds Paid for the Buxmead

Below: CPI PG's disclosures show that the 1BAL transaction was funded with €66.2 million in loans from the Group.[1]

3.2 Loans to affiliated undertakings

The following amounts owed by affiliated undertakings have been considered:

Name of the undertaking	Int. Rate	Maturity	2018	2017
			KEUR	KEUR
Prime Tourist Resort (Cyprus) Limited	3.00%	May 16, 2026	47,961	47,921
Spojené farmy a.s.	8.00%	December 31, 2022	972	546
Mercuda, a.s.	4.00%	December 31, 2020	43	--
Czech Property Investments, a.s.	2.47%	October 4, 2024	35,682	35,682
Czech Property Investments, a.s.	2.31%	October 4, 2024	94,591	94,591
CPI Hotels, a.s.	8.10%	December 31, 2020	9,814	12,755
GSG Holding2. GmbH	1.50%	December 31, 2023	5	--
Isalotta GP GmbH & Co.Verwaltungs KG	6.00%	December 31, 2020	43	40
Orco Immobilien GmbH***	4.00%	December 31, 2020	50,448	48,420
Vitericon Projektentwicklung GmbH*	0.00%	December 31, 2020	23,620	23,620
SCI MAS CANTAGRELI	1.47%	December 31, 2024	8,947	8,513
1 Bishops Avenue Limited*	4,00%	Unspecified	59,488	--
1 Bishops Avenue Limited*	0.00%	December 31, 2069	6,754	--
CM Hotels SA**	3.00%	December 31, 2020	1,478	1,031

Below: Bank loans and proceeds from CPI PG's EMNT programme refinanced the UK acquisitions[2]

In 2019, CPIPG issued bonds in Hong Kong Dollars and US Dollars totaling €362 million equivalent via our EMTN programme, and completed schuldschein loans for €170 million. Proceeds were used to refinance debt including a bridge loan related to our UK acquisition and drawings under our revolving credit facility; some of the proceeds will also be held in cash.

[1] CPI PG 2018 Management Report, p. 14
[2] CPI PG 2018 Management Report, p. 20

1BAL – The Buxmead – Overview of Pricing and Economics

Initially, in 2018, 1BAL purchased the Buxmead apartments with funds provided by CPI PG at what appears to be a discount.

The opportunity for CPI PG to step into this new market appears to have been created by the UK's 2017 crime bill, which authorized the UK's FCA to seize UK assets of oligarch and other corrupt actors through its new Unexplained Wealth Order. By late 2018, this new law seemingly produced a cooling effect, dampening the interest of ultra-high net worth foreigners in luxury London properties.