

When German Khan, a gun-toting



oligarch, and his ex-air hostess



wife Angelika, sacked Chelsea interior designer **Carole Langton,**



he expected her to go quietly. But Carole is made of stronger stuff and dragged the Russian to court.

£££ later, who's winning?

Swatch team
From top left: German Khan; his wife Angelika; Carole Langton

Jeremy Young, Charlie Holding

Strange things happen when you fall out with a Russian oligarch. On the afternoon of 19 February 2009, Carole Langton, interior designer to many of Britain's wealthiest tycoons, was working in her office on Cheyne Walk, Chelsea, when she noticed an extremely tall, muscle-bound man park his motorbike directly outside. She had never seen him before. Dressed from head to toe in black leather, he looked like a character from *Eastern Promises*, the dark thriller about the Russian mafia in London. He walked over to Langton's office window and stared directly at her for several seconds, then smiled. As his lips parted, they

revealed a full set of gold teeth. But just as Langton became uneasy, two policemen walked by and the stranger jumped on his motorbike and raced away.

Coincidentally, that very morning Langton had sent witness statements to the lawyers of German Khan, the Russian businessman who has recently invested £74.5 million in property in Belgravia, as part of her lawsuit for unpaid fees. While there is no evidence whatsoever that the mysterious biker was linked to Khan, it was an unnerving and chilling experience.

For the past two years, Langton has been locked in a bitter legal dispute with Khan and his wife Angelika over her gutting and renovation of their £13.5 million duplex apartment in Eaton Square. The case is due

to be heard next year and the proceedings will provide a rare glimpse into the finances and lifestyle of Khan and his family in London.

The odds are stacked against Langton. She has been a highly regarded interior designer for the last 20 years. Her past clients include Hanson plc and the rock-star-turned-photographer Bryan Adams. For two years Langton, who describes her style as 'classically traditional', renovated and re-decorated a vast apartment in Eaton Square owned by Elliott Bernerd, the property entrepreneur. In 1992, soon after moving in, Bernerd was visited by Wafic Said, the Syrian financier and middleman in international arms deals. Said was so enchanted by the flat that he offered £10 million, despite

there being only 20 years left on the lease. Bernerd quickly accepted.

But while Langton runs a demonstrably successful business, she is up against the fearsome Khan who, despite the credit crunch, is still worth \$4 billion, according to *Forbes*. One has to wonder why she has taken him on. She sighs: 'This is unquestionably a matter of principle. Khan is very, very, very rich and very powerful. But we are not going to be intimidated.'

Like many oligarchs, Khan, 46, started as a street trader - in his case as a window cleaner in Kiev. He made his fortune in the mid-1990s by linking up with fellow Ukrainian Mikhail Fridman to set up the Alfa Group, which then acquired a lucrative shareholding in the privatisation of the state-owned oil company TNK. Described as tough, ruthless and reclusive, Khan's wealth is derived primarily from his shareholding in TNK-BP, the \$18 billion joint venture set up to exploit Russia's oilfields.

A keen amateur boxer, Khan carried guns to business meetings until mid-1999, when a new law banned this practice - according to *The Economist*. He once pulled out a pistol in front of a mayor of a Russian oil town, just to demonstrate inadequate security at City Hall. Today Khan's office in Moscow is still decorated with his personal gun collection.

Details of Khan's aggressive negotiating style emerged in court documents filed by Norex Petroleum, the Canadian oil company that has been suing TNK for many years. In a sworn affidavit, Alex Rotzang, managing director of Norex, alleged that Khan physically threatened him when they met to discuss TNK's acquisition of Yugraneft, a Russian subsidiary of Norex. During the meeting, Khan told Rotzang that TNK 'would run over Yugraneft like a steamroller' and 'eliminate those who go against us', according to Rotzang's affidavit, a claim that has been vigorously denied.

In the UK, Khan is best known for his enforcer role in the conflict between TNK and BP over control of their joint venture. Last year he was a key player behind the Russian government's pressure on BP to restructure the company. When BP requested 158 visa renewals for its foreign staff in Russia, Khan only requested 63 from the immigration authorities. In effect, this terminated the employment of nearly half of BP's technical experts. In response, an outraged Bob Dudley, CEO of TNK-BP, tried to sack Khan as the executive director, but the requested board meeting never took place.

The Russian partners called for Dudley to be dismissed instead. And then BP's offices were twice raided by the FSB, the Russian security service, and inspected four times by the Labour Ministry. BP's CEO was interrogated for six hours at the Ministry of Internal Affairs and corporate warfare broke out between BP and TNK. Dudley went into hiding and the BP employees were sent home. In August 2008, a Moscow court suspended Dudley as CEO for two years. Meanwhile, Khan was trying to seize control and restructure the joint venture.

'He [Khan] is forcing some of them out,' a BP source told the *Financial Times*. 'He doesn't tell them to go, but forces them into a position where they don't have a serious role left.' Eventually a peace deal was signed in January 2009, but the episode showed the power of Khan in one of the world's biggest oil companies.

Khan has invested much of his wealth overseas rather than in Russia. In 2006, he bought two flats in Eaton Square from the family of the late Lord Lever, a former Labour cabinet minister, for a combined £13.5 million. His wife Angelika, a striking blonde former air hostess,



Eastern promises Langton is still seeking payment from Khan for refurbishment work in Eaton Square

who dresses head-to-toe in Chanel, wanted to merge the two apartments and use it as a weekend home. She hired Langton to demolish, rebuild and decorate the property.

At first the two women got on well. The oligarch's wife made it clear that she adored ornate interiors and loved the colours gold and maroon. The refurbishment would be classic Russian OTT opulence. This was familiar territory to Langton and she began work on the design. But then on 19 April 2007, Khan terminated the contract, claiming that she 'was unhappy at not visually being able to understand the overall concept of the design'. 'We were told verbally that we were no longer on the job - with no explanation,' says Langton. 'I was shocked as we had no idea it was going to happen. We had received no complaints with regards to the work.'

Langton was owed around £100,000 and sent the specifications of the work done so far. Khan's property advisor, Brendan Kavanagh, confirmed that she would be paid. 'This is not

personal [sic] directed at how you work,' he wrote in an e-mail later that day. 'It's just a misunderstanding from the beginning. Angel[ik]a has indicated that the payment shall be released upon receipt of the information.'

But the Khans then did not pay. Langton instructed solicitors who issued a writ. From that moment the Khans made constant demands for more information and outside experts to be consulted. The case dragged on for months and legal costs have spiralled: 'over £120,000 for us and we understand approximately the same for the Khans,' says Langton.

At first the women got on well. **The oligarch's wife** adored ornate interiors and loved the colours **gold and maroon**

'These applications demonstrate a cynical attempt by wealthy defendants to price the claimant out of the courtroom and/or to win an adjournment of the trial,' alleged Lass Salt Garvin, Langton's solicitors, in a witness statement.

In their defence, German and Angelika Khan's lawyers have strongly denied the allegations and claimed that Langton 'failed to complete the work or provide the services for which she was contracted' and 'failed to provide any design concepts or ideas or drawings which the defendants (the Khans) could consider and review for approval and comment'. They also claimed that Langton 'produced one storyboard for one room only, which was produced extremely late and only after much pressure from the defendants and their advisors'.

The dispute will cost hundreds of thousands of pounds in legal fees, but Langton is determined to take her case into open court.

For German Khan, money is no issue. On 3 May 2006 he paid \$95 million for *Dora Maar au Chat*, painted by Picasso in 1941. The oligarch acquired the painting at Sotheby's in New York and made strenuous efforts to disguise his identity as the purchaser. And then last year he bought a 13,500sq ft house on Eaton Square for £62 million from Lord Harris, the carpet tycoon. He used an offshore company registered in the Seychelles to make the purchase. But such secrecy could be sacrificed if his dispute with Langton Interiors is heard in open court next year.

As for the indomitable Langton, she insists that she never considered swallowing the loss and moving on: 'It has made my life very difficult but I am determined to see this to its conclusion.'