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MACHOL PROJECT DETAILS:

1. I and Late Senator Aijaz Ali Khan Jatoy were best friends since 1970.
2. I had started fish farming in Thatta District in 1989.
3. Marhoom Aijaz and I kept in touch and he visited me in 1994 and was very keen on fish farming and offered to start a Joint Venture.
4. We met at Karachi Gymkhana in 1994 and decided to start a partnership. Present were Marhoom Aijaz, Abid Jatoy and Burzin Painigara (Parsi). I only knew Marhoom Aijaz.
5. A Four member partnership was informally formed to start fish farming on 500 acres with equal shares of 25% each. The 3 partner excluding myself would provide 15 lacs each or a total of Rs. 45 lacs. I would search for suitable land, construct ponds, provide fish seed on loan from my farms, expertise & technical knowhow, and run the fish farm.
6. I found a suitable piece of land (432 acres) on Jati Road, Sujawal, Thatta. This particular land is known as 'Machol'. The asking price was Rs. 8000 per acre, but I managed to bring the price down. I asked the owners (from Karachi) to talk directly to Marhoom Aijaz as the deal had to be finalized by the 3 partners. At this point, Burzin decided to oust Abid Jatoy out of the partnership. Burzin said that he was not satisfied with Abid Jatoy's working and financial dealings. As I did not know Abid, I did not object. The profit sharing now was 33.33% each.
7. The total land deal was completed in Karachi at the residence of Marhoom Aijaz, Aijaz and Burzin paid for the land price and commissions, which came to Rs. 15,50,000/-. Out of the 432 acres purchased, Marhoom had purchased 76-22 acres in the name of Altaf Hussain Jatoy and 89-04 acres in the name of Abid Hussain and Manzoor Jatoy, totaling 165-26 acres. Marhoom then gave me full authority over these 165-26 acres through Registered Irrevocable General Power of Attorney on 25 Jan 1995. I have the originals with me.
8. We took possession of the land. Now Marhoom and Burzin had to provide working capital. Unfortunately they had no more funds. We started with Rs. 1000/- only!!
9. Even though I was in charge of the whole show, nothing was done without prior consultation between the 3 partners. We decided to build one large pond / man-made lake of 400 plus acres. This lake encompasses other land also. Due to continuous cash shortages, I was forced to sell my premature fish from my existing farms (at a loss) and raised and invested Rs. 10,21,120/- (1994-96) for preparation and construction of one large lake, nursery ponds, fingerling ponds, seed, feed, salaries and so on. I recruited the staff. Marhoom and Burzin invested a further Rs. 6,82,276, bring their total to Rs.22,32,276.
10. As such, not only was I doing all the leg work, I had also put in an equal amount as Capital.

11. After purchasing the land, the partners failed to provide working capital for starting the project as had been initially agreed. In fact we started with Rs. 1000/- and everyone chipped in a little at a time, me included. As such, things did not go according to plan as we were always short of funds to run the farm. The first and second fish crops were harvested pre-maturely in 12 month's time instead of the recommended 18 months due to shortage of funds.

12. Late Aijaz Ali Khan Jatoi was an old friend since the 1970's and Burzin was new to me. Marhoom Aijaz used to blame Burzin for not providing the necessary funds, which infuriated him. On the other hand, Marhoom was always polite, respectful and kind towards me, so much so that he asked my help to set up 2 fish farms at his own land in Badin and to manage these as well. One of the strangest things that occurred was that Marhoom handed over all documents of our land at Sujawal including sale deeds of land exclusively in the name of your client to me for safekeeping. I did remind Marhoom Aijaz several times that he had left all the documents in my possession, but he insisted that I keep them. Marhoom Aijaz trusted me implicitly. Maybe Burzin held a grudge against me for this reason that Marhoom respected me, listened to my suggestion and was impressed by my hard work, honesty and efficiency. The fact that your client's land documents were handed to me for safekeeping, probably further enraged him and his animosity towards me grew stronger.

13. It took us quite some time to complete the project. Due to shortage of funds, the anticipated work could not be fully completed. Some of the bunds of the lake were not high enough or up to good standard. As per General Ledger, the first fish harvest (1 year growth period Nov. 95- Nov. 96) between 27-11-96 to 26-01-97 netted us Rs. 600,000 each after all expenses. Your client duly received his share. Trial balances were submitted to both partners, who had access to all books, fish sales slips, accounts ledgers, farm expenses copy etc. Burzin was assigned to checking the books and he did this thoroughly every month. Both partners frequently visited the fish farm and also communicated and picked up their share directly from the Fish Merchant / Broker. Several reports were also presented to the partners regarding farm matters. As the fish was being sold in Thatta, Burzin picked up part of his share directly from the Fish Broker. His first visit to the fish market resulted in his clothes getting soiled, and as such, on his next visits, Burzin insisted that the fish broker meet him outside the market to pay him his share. Mr. Ismail Khatri, the Fish Broker, is a willing witness.

14. After about 2 months, Burzin suddenly had a bout of amnesia, or maybe driven by jealousy due to my close relationship with Marhoom Aijaz, started his vicious campaign of MUDSLINGING, as he had done to get rid of Abid Jatoi. He complained to several people including Mr. Shah Mohammed Shah that Khalid Memon had only given me Rs. 100,000 from the first fish harvest. He also tried to say this in front of Marhoom but was scoffed at and this probably enraged him further. He started his malicious campaign against me and as Marhoom would not listen to him, he started spreading these rumours to other members of the Jatoi family, and he was able to sow seeds of doubt. Even though we met several times to discuss, the harm had been done. Due to the mindset of the Feudal cadre, doubts prevailed and my name was maligned. If Marhoom Aijaz had any doubts, he would have immediately asked me to hand over the land documents and charge of the fish farm. But he never did. On the contrary, he encouraged me to visit his farms regularly, provide fish seed, technical know-how and fisheries staff. Aijaz Jatoi sadly passed away in September 1997.

14a. As the bunds were not up to standard, and water level low in some parts of the lake, there was a problem with overgrowth of noxious weeds. Also some of the bunds had subsided which is a normal procedure. As the money was distributed from the first harvest, we again had no funds to repair and improve the bunds. I personally borrowed money from the fish broker, my brother and used my share to raise money to complete the farm and bring it up to standard. I personally put in just over Rs. 15,00,000/- towards reconstruction, water course repair, weeding, fish seed, fish feed, salaries and ration etc. During this time, Burzin interfered in the technical side and forced me to overstock the lake with 40,000 grass carp (normal stocking 15,000). The grass carp ate all the grass in the lake within 3 months and caused the following problems. First, the other fish, such as rohu rely on grasses as food and their growth suffered. Secondly we had to buy truckloads of Maize and Barseem to feed the voracious grass carp. Thirdly I had to double the fertilization to induce Theli and Morakhi fish to grow to increase value at harvest. Anyway, after the harvest, deduction of loans taken, some

profit sharing, I objected that some amount must be left as balance for next year's expenses. We kept around Rs. 7 lacs for future expenses. As such there was little left to share. The grass carp size was 7-8" and sold for Rs. 7-8 per kilo. Anyway, we still harvested Rs. 31 lacs of fish. I also cleared Rs. 2,75,000 ADBP loan outstanding on the owners, which we had deducted and which we had to pay. I also purchased additional land for all of us. This land was in between our piece of land.

15. In 1999, I showed the then current ledger and a file to Burzin during his visit to the farm, which although was up to date but needed further entries and finalizing. Your client took the ledger plus the file with him to his house in Karachi and promised to return the same within 1-2 weeks. I warned him that I do not have an extra copy of the records and I will have these photocopied or copy to another ledger and then he can keep the ledger. He insisted and took away the incomplete ledger and the file. I called Burzin several times, and continuously reminded him that I needed the ledger and file to complete the accounts. Sometimes Burzin would acknowledge taking something from me, but he could not remember exactly what, and sometimes he would develop amnesia and say that he has never taken any ledger. He said maybe it is in Pakistan, maybe I have it here in USA, I will check. He came to Pakistan a few times but could not find the ledger. Believe it or not, Burzin finally returned the ledger to me in December 2006, seven years after he took it and has the gall to tell me that the ledger is incomplete. I still have not received the file. He deliberately took the ledger and deliberately kept it for 7 years. Suddenly it appeared like MAGIC as he wanted to prove his point that the accounts were incomplete. How convenient.

16. Everyone in Sindh knows about the cyclone in Thatta District in 1999 and the acute water shortages during the period 2000 – 2003. The newspapers were full of these reports and I have several hundred cuttings about the state of agriculture and aquaculture during this period. Some of these reports are directly related to fish farms in the area including a report about our farms. The Government declared Thatta and Badin a calamity zone and 95% of the farmers in Sindh suffered losses in all 3 fields, i.e. Agriculture, Aquaculture and Livestock. Several thousand people migrated as there even wasn't enough drinking water. Our farm of 500 acres had only 30-40 acres of water during six months of any given year during this period and no one profited under these adverse conditions. We had to contact fisheries department to obtain permission to sell undersized fish during closed season. There are several hundred witnesses to this fact. Even Dhani Buksh Jatoi suffered huge losses during this period. Only a moron would deny these facts.

17. I continuously kept in touch with Burzin during this period as he had run off to USA by then. I have copies of emails with reports of the disaster and the water problems. I also sent Burzin progress reports during this period. If Burzin wishes to deny these, I have proof. If Burzin denies the fact that there wasn't an acute problem, and all the newspapers were giving wrong information, and that millions of people in Sindh did not suffer losses during the worst drought of 2000 - 2003, I have no cure for his ailment. In fact, I did not claim the losses which in fact I was entitled to. Neither have I received any profits from the sales of fish from 2003 to 2007, to which I am entitled to. During my recent exchange of emails and telephone conversations with Burzin, I understood that his intentions were not honourable as he gave conflicting statements and even mentioned that he himself was worried about his share and he doubted whether he would receive any monies from his partner Dhani Buksh Jatoi, who had been looking after the farm for the last 4 years. I was dealing with a devious and cunning person with no moral or ethical values, habit of deliberate forgetfulness, and that he had started his mudslinging campaign as early as 1997 against me for no apparent reason. That Burzin has always refused to acknowledge receipt of accounts or receipt of monies, has consistently refused to accept that I had sent him several reports, refused that I had ever given him the accounts ledger, which mysteriously re-appeared after 7 years, I would be downright stupid not to take certain precautions.

18. I also suffered huge losses during the drought period, starting from cyclone of May 1999 to acute water shortage till 2004. I stopped fish farming in 2002, when I had only 50 acres of water out of a total of 1100 acres. I lost more money on Machol Lake in March 2002 as the harvested fish did not even cover my expenses. Acute shortage of water decreased growth rates as we had 30% water for 8 months and 0% water for the remaining period. As such I left Hyderabad for Karachi to start another business in July 2002. I have accounts till 2002.

19. Dhani Bux s/o Marhoom Aijaz decided to look after the farm, and we had a meeting at Machol with Burzin present. Dhani Bux had promised to look after the farm properly and keep in touch and take advice. At this time, the water situation had slightly improved. Dhani Bux did not do as promised to provide funds to stock the farm. He failed completely and decided to give Machol to Ismail Khatri Fish Broker Thatta for 25% share. Ismail Khatri was to make total investment. Ismail put in Rs. 8 lacs for stocking, running expenses, salaries, ration, and feed and so on. Dhani Bux decided to harvest the fish in 2003, even though it was not ready. Dhani Bux did not visit the farm regularly or take advice on the stocking rates, or the general requirements of the farm. Dhani Bux had promised to sell the fish to Ismail. Instead, he took over the farm, sold the fish in Hyderabad and did not give a single rupee to Ismail. Not even part of his investment. Ismail ran from pillar to post but to no avail. He still has not received a single rupee from Dhani Bux (DB).

20. When he started harvesting, I rang DB several times. He said he was collecting the money and would give accounts later when all the fish were sold. He did not contact me once. He kept stalling me and only talked to me 3 times, when I had phoned him a hundred times. I talked to Burzin who also did not help.

21. DB also mentioned that I had looked after the farm for 5 years and had not given any accounts after his father's death. I told him that I had called him several times and I had given all accounts to Burzin. He was adamant and did not give me any accounts for that period.

22. He took over the farm completely and restocked. He started harvesting in 2006 but did not attend my calls. I kept in touch with Burzin who was in Canada. He too gave me conflicting views. I wrote to Dhani Bux and complained about his attitude and kept calling him. The response was the same. He would collect the money and when all the fish were sold, he would do the Hisab. He harvested over Rs. 35 lacs net of fish and gave me Rs. 1 lac only after I called him a few hundred times.

23. I did not like his attitude when he said that because I had kept the lake for 5 years, he would also keep it for the same time. I told him that I had always furnished accounts and it is strange that you are partners in profit and not in loss. Anyway, things got worse and we decided to go separate ways.

24. Burzin said that Jatoi's are too powerful and do not take that attitude. I told him That I am only afraid of Allah Almighty and no one else. I am not in the wrong and I have never done anything wrong as far as running Machol and its accounts.

25. Burzin asked me to wait as he plans to visit Pakistan in December 2006 and will help resolve the matter.

26. I became suspicious of both DB and Burzin and knew they were trying to defraud me of my rightful share. As such I recorded all telephone calls and meetings. Burzin came to Pakistan to help settle this issue. He arrived on 21 December 2006 and informed me that the one and only final meeting is to take place on 8<sup>th</sup> January 2007, 18 days after his arrival and just 36 hours before his trip to India. Coincidence or coercion. He repeatedly reminded me during the meeting that I had to decide fast as he has no time. He told me that DB was not willing to meet me and he had forced DB for this meeting. DB started with that he has the physical possession of the lake and he will not relinquish it under any circumstances. He asked his own working farm manager about the current price of the land, who devalued the actual market price of the land by 30%. I was rushed and coerced through the deal and promised 1<sup>st</sup> installment payment on 8<sup>th</sup> February 2007. I did not argue a great deal as I have absolute trust in Allah Almighty and I did not want any confrontation with the son of my late best friend.

27. After discussion between DB, Burzin and myself (Mr. Abu Bakr Shaikhani was also present during this meeting), I got a very rough deal which was finalized in difficult and coercive circumstances. Land worth over Rs. 50 lacs was purchased by both DB and Burzin at a throwaway price of Rs. 29,90,000/-. Worst still, the payment was to be made in 6 equal quarterly installments of approx. 5 lacs each, with the first installment to be paid on or before 10<sup>th</sup> February 2007. An informal agreement was signed by all parties and witnessed by

Mr. Shaikhani. It was agreed that either party had the right to purchase the whole land under the same terms and conditions. As DB was adamant and I did not have the necessary finances, I gave them the first option to which they agreed. I confirmed with DB that the payments must be made in time or on default, I will have the right to purchase the same under the same terms and conditions. I indicated that even though I did not have the money, I had investors ready to finance me in this deal. DB gave his solemn word that 'Chacha', do not worry, the payments would be made on time and even much before.

28. The first installment was not paid on time. I called DB and his family who asked me to wait. On 6 March 2007, I sent a registered AD letter to Dhani Bux and Burzin Pajnigara, giving them 7 days notice of cancellation of the informal agreement. I had to send Burzin letter to his address in Karachi as he was in Canada. When I asked Burzin address during his visit to Pakistan, he of course willingly obliged. Only the address was that of "TWICE THE DEAL PIZZA", and that speaks itself about Burzin's real intentions. He has now changed his name and is known as Burzeen M. Pajnigara. I then contacted Legal Aid Canada to enquire about any help they could offer in this matter. I also wrote to the Parsi community in Mississauga to find out the exact address of Burzin J. Pajnigara aka Barzeen J. Pajnigara so that I could serve him with the above mentioned notice. Notices cannot be served to PO Box or fictitious addresses. The payment was to be made either collectively or individually by Dhani Bux or Burzin on 10<sup>th</sup> February, as per our informal agreement for sale of Agricultural Land / Fish Farm 'Machol', situated in Sujawal, Thatta District for a sale consideration of Rs. 29,90,000/-.

29. Dhani Bux phoned me the next morning (the first time that he had phoned me ever), apologized for the delay and said that the 1<sup>st</sup> installment was ready and I come to Hyderabad and collect it. The meeting was scheduled for the next day 8<sup>th</sup> March 2007 at Hyderabad Gymkhana.

30. When I arrived at Hyd. Gymkhana with a friend on the scheduled time, DB was late by 1 hour. His attitude and demeanor was high-handed, and he seemed or acted very cross and agitated. This was a ploy to break me, weaken or shake my confidence. he again was trying his bullying tactics. His Uncles arrived shortly and asked to see the documents. His Uncle Wilayat Jatoi deployed the same tactics and said that the papers are incomplete and so on and so forth. After a while, I told them that if they had any objection with the deal and were not confident, as per our informal agreement, I had the right to purchase the same. And I will accept the papers as they stand. This took the wind out of the lot and they cooled down.

31. My lawyer (from Hyderabad) arrived with the agreement and undertaking. DB and others refused to sign it as they were some conditions regarding default (a normal agreement that covers both the buyer and seller). They wanted me to exclude certain clauses that my lawyer completely disagreed with. Anyway, neither party signed the documents. DB gave me 2 cheques, one for Rs.1 lac and another for Rs. 4 lacs as 1<sup>st</sup> installment. DB uncles gave solemn verbal undertaking that they would ensure all installments are paid on time and became angry at DB for not keeping to his word and commitment. I gave DB a receipt (with instructions by my lawyer). DB requested that the next installment is due on 8<sup>th</sup> May. Can I give him some extra time? I obliged and gave DB a 30 day grace period.

32. I deposited the 2 cheques in my account in Karachi. The 4 lac cheque bounced. I contacted DB who asked me to represent the cheque. I told him no, I will collect the 4 lacs from him in cash the next day. I had to deposit Rs. 1000 into his bank account for the 4 lac cheque to be cleared. His assistant then transferred the money to my bank online, which cost me additional Rs400 plus charges for returned cheque. I have a copy of the returned cheque.

33. The 2<sup>nd</sup> installment became due on 8<sup>th</sup> June 2007 (inclusive of 30 day grace period). I called and called, talked to his Uncles, sent SMS, made hundreds of calls but to no avail. On 27<sup>th</sup> June, 2007, DB was kind enough to send Rs. 3 lacs online to my account. He promised to send the remaining Rs 2 lacs within 8-10 days. He has not sent the balance till 25 August 2007.

34. DB does not answer my calls, SMS's anymore. I have talked to his family and friends, his uncles, who keep asking me to wait. DB has no intentions of paying. DB says he has no money.

35. DB Uncle Zafar Jatoi visited me last month to give me an alternate solution.

- a. Wait until DB harvest his fish, which will be 16 -18 months from now. I can charge him extra.
- b. DB will not sell any of his 4 pieces of land to pay off my debt.
- c. DB will not sell Machol to me, but he may lease it to me for 1 year.

I told Zafar that I cannot wait for 16-18 months. I now know that DB does not stick to his word. As far as anyone leasing Machol, Ismail Khatri's fate is well known and no one will lease Machol. If I could get someone to agree to leasing, it is a stupid idea and totally unfeasible for 1 year lease. It takes 2 years for a crop to mature. The minimum period is 3 years as I have to take my amount as well and the investor would want a good profit on his investment. Anyway, Zafar said that he would tell DB to sell his land immediately and pay off my debt.

36. In the meantime, I did get hold of an investor and gave the news to DB and his family. This was 2 weeks back. Apparently these were all delaying tactics and the Jatoi's have no intention of either paying me or resolving this matter. As such I have decided to take legal recourse.

37. I have cooperated with DB in every way possible to avoid confrontation and the hassle of taking legal action. Maybe I should have taken this action a long time ago. Only my friendship to DB's late father came in between. Considering the sale of Complete Fish Farm at throwaway price, the payments to be made in six installments in 18 months, making it extremely difficult by giving me only a few hours to make an important decision of selling my share of the fish farm, depriving me of my full share of the land by deducting 33 acres from my total holdings and depriving me of my share of the profits for last 5 years, delaying payment of 1<sup>st</sup> installment by 4 weeks and not committing to a definite date for payment, delaying 2<sup>nd</sup> installment and only paying part of it, not answering my telephone calls and giving me no definite date or helping to resolve this matter, I have no alternative but to seek legal recourse.

38. Under your counsel, I would like you to decide and take legal action on the following possible issues:

- a. Court Stay Order 'Machol'
- b. Notices to Dhani Bux & Burzin
- c. Re-evaluation of the land and value of total holding (not if the court decides that I may purchase the same on the same terms and conditions.
- d. Compensation against late payment, mental stress, expenses (telephone calls, time wasted)
- e. Claim for my share for the last 5 years.
- f. Notice in newspapers (optional)?
- g. Claim Legal expenses
- h. Any other point that I have missed out.

*1. left charge of Machol - Mar/April 2002. Karachi July 2002.  
Dhani Bux + Burzin control April 2002 - Aug/Sep: 2007 - 5yrs 4 months.  
Option - Khalid to be given complete charge + profits/loss - of Machol  
for next 5 years -*