

**EXHIBIT A TO LLB VERWALTUNG (SWITZERLAND) AG
NON-PROSECUTION AGREEMENT**

STATEMENT OF FACTS

INTRODUCTION

1. In 1997, Liechtensteinische Landesbank AG (“LLB-Vaduz”), a bank headquartered in Liechtenstein, acquired LLB (Schweiz) AG (“LLB-Switzerland” or “the Bank”) in Zurich, Switzerland. LLB-Switzerland was wholly owned, albeit indirectly, by LLB-Vaduz. LLB-Switzerland reported directly to the board of LLB-Vaduz.
2. LLB-Switzerland later opened private banking offices in Lugano and Geneva, Switzerland and a Representative Office in Abu Dhabi. By early 2011, LLB-Switzerland employed 109 individuals in their three branches and Representative Office.
3. LLB-Switzerland provided private banking and asset management services to individuals and entities inside and outside Switzerland, including citizens and residents of the United States (“U.S. clients”). LLB-Switzerland provided these services principally through private bankers based in Switzerland. LLB-Switzerland also acted as a custodian of assets managed by third-party external investment advisers based in Europe, including for assets beneficially owned and controlled by U.S. clients.
4. LLB-Switzerland was organized in different organizational units, including an external asset manager (“EAM”) department, which reported directly to the Bank’s Chief Executive Officer (“CEO”). The CEO and two other executives comprised the Bank’s Executive Board, which oversaw day-to-day operations. The Bank also had a board of directors with five members until 2009 and four members thereafter, which at all relevant times included one or more LLB-Vaduz executives.
5. In 2011, the U.S. Department of Justice informed LLB-Vaduz that it was a target of a grand jury investigation impaneled in the Southern District of New York. On July 30, 2013, LLB-Vaduz entered into a Non-Prosecution Agreement with the Department of Justice. The Non-Prosecution Agreement specifically carved out LLB-Switzerland from the protections afforded to LLB-Vaduz.
6. In March 2013, LLB-Vaduz announced that it intended to close LLB-Switzerland and return its banking license to the Swiss Financial Market Supervisory Authority. It subsequently changed its corporate name to LLB Verwaltung (Schweiz) AG (“LLB Verwaltung”). At present, LLB Verwaltung employs one individual and maintains an office in Zurich, Switzerland.

7. From 2002 to 2011, LLB-Switzerland, and some Bank employees, including members of the management, conspired with a Swiss asset manager (“EAM 1”), and with U.S. clients to conceal those U.S. clients’ assets and income from the IRS through various means, including using Swiss bank secrecy and nominee companies set up in tax haven jurisdictions. In 2002, the Bank had 11 U.S. clients with over \$12 million in assets under management. When the U.S. client base peaked in 2008 and 2009, the Bank had approximately 100 U.S. clients holding nearly \$200 million in assets. The majority of these accounts were held in the name of nominee entities.

U.S. INCOME TAX AND REPORTING OBLIGATIONS

8. U.S. citizens, resident aliens, and legal permanent residents (“U.S. persons”) have an obligation to report all income earned from foreign bank accounts on their tax returns and to pay the taxes due on that income. Since 1976, U.S. persons had an obligation to report to the IRS on the Schedule B of a U.S. Individual Income Tax Return, Form 1040, whether that individual had a financial interest in, or signature or other authority over, a financial account in a foreign country in a particular year by checking “Yes” or “No” in the appropriate box and identifying the country where the account was maintained.
9. Since 1970, U.S. persons who have had a financial interest in, or signature or other authority over one or more financial accounts in a foreign country with an aggregate value of more than \$10,000 at any time during a particular year have been required to file with the Department of the Treasury a Report of Foreign Bank and Financial Accounts, FinCEN Form 114, formerly known as Form TD F 90-22.1 (the “FBAR”). At all relevant times, the FBAR for the applicable year was due on June 30 of the following year.
10. Since 1935, Switzerland has maintained criminal laws that ensure the secrecy of client relationships at Swiss banks. While Swiss law permits the exchange of information in response to administrative requests made pursuant to a tax treaty with the United States and certain legal requests in cases of tax fraud, Swiss law otherwise prohibits the disclosure of identifying information without client authorization. Because of the secrecy guarantee that they created, these Swiss criminal provisions have historically enabled U.S. clients to conceal their Swiss bank accounts from U.S. authorities.
11. In 2008, Swiss bank UBS AG (“UBS”) publicly announced that it was the target of a criminal investigation by the IRS and the United States Department of Justice and that it would be exiting its cross-border business with the United States and no longer accepting certain U.S. clients. On February 18, 2009, the Department of Justice and UBS filed a deferred prosecution agreement in the Southern District of Florida in which UBS admitted that its cross-border banking business used Swiss privacy law to aid and assist U.S.

clients in opening and maintaining undeclared assets and income from the IRS. Since UBS's disclosure, several other Swiss banks publicly announced that they were or are the targets of similar criminal investigations and that, likewise, they would exit relationships with certain U.S. clients and not accept certain U.S. clients. Banks operating in Switzerland, including LLB-Switzerland, and its parent, LLB-Vaduz, have closely monitored the U.S. investigations.

LLB-SWITZERLAND PARTNERS WITH EAM 1

12. In 2003, LLB-Switzerland began a relationship with EAM 1, a Swiss citizen and resident, who owned a Swiss company that acted as a fiduciary and EAM ("EAM Firm 1"). EAM 1 offered to create nominee structures, including corporations, foundations, and trusts, that were used to conceal accounts owned by his U.S. clients at various Swiss financial institutions. In the aftermath of the investigation of UBS AG for tax and other violations, the Department of Justice indicted EAM 1 for conspiring with his U.S. clients to hide their money from the IRS in Swiss accounts.
13. In the course of entering into an agreement with the Bank, EAM 1 identified the United States as his key market, but also accepted clients from other countries. EAM 1's clients had accounts at the Bank, but EAM 1 acted as their main, if not sole, contact. As part of his contract with the Bank, EAM 1 received fifty percent of the fees that his clients paid to LLB-Switzerland. The Bank also delegated to him the authority to prepare account opening and "know your customer" documents for the Bank.
14. Before entering into an agreement with EAM 1, LLB-Switzerland had a small number of U.S. clients. That is, by the end of 2002, the Bank had 11 U.S. clients with assets under management of \$12 million. Some of these clients were undeclared.
15. LLB-Switzerland's relationship with EAM 1 led to a substantial increase of its U.S. client base. Although the Bank increased its undeclared U.S. population through means other than EAM 1, from 2006 onward, EAM 1 clients comprised the vast majority of LLB-Switzerland's U.S. clients.
16. EAM 1's main contact at LLB-Switzerland was Client Advisor 1, who worked for the EAM department. Client Advisor 1 had previously worked at another Swiss bank and started working at LLB-Switzerland in September 2002. Between the two jobs, Client Advisor 1 was introduced to EAM 1. Client Advisor 1 did not produce any notes for EAM managed clients, including for clients of EAM 1.
17. EAM 1 often used a particular arrangement for his U.S. clients that was designed to conceal the U.S. clients' ownership of assets in Swiss bank accounts. A Hong Kong corporation nominally would own the client's

LLB-Switzerland account. A Hong Kong service provider acted as the nominal shareholder of the corporation. EAM 1 and one or more of his employees served as “directors” of the corporation. A Liechtenstein foundation owned the Hong Kong corporation with EAM 1 and one or more of his employees would act as directors of the foundation. The identity of the U.S. client would not appear in any of the corporate documents created or maintained in Hong Kong. The name of the U.S. client would only appear as a beneficiary of the Liechtenstein foundation and on the Form A kept by LLB-Switzerland which identified the U.S. client as the beneficial owner of the assets held in the account.

18. In a 2005 sales letter that he handed out to prospective clients, EAM 1 explained that the strategy behind the layered structure was to prevent taxing authorities from obtaining information about the beneficial owners. According to EAM 1, because of the influence of U.S. and European tax authorities, “many of the offshore jurisdictions which were used in the past might not provide the optimal safety and security in the future anymore.” EAM 1 stated that the British Virgin Islands signed an information sharing agreement with the UK and the United States, making its corporations “kind of a dead instrument to use in most cases.” EAM 1 rejected the use of Panamanian corporations as the United States had “too much power” over Panama. In contrast, he prized Hong Kong corporations on the grounds that China provided Hong Kong “great support to defend itself against the pressure from Europe as well as from the United States.” EAM 1 further emphasized “Hong Kong has no tax treaties and law enforcement treaties with any country around the world.” Finally, given the multiple layers of nominee entities, EAM 1 asserted that, even if pressured to reveal information, no one in Hong Kong would know that the U.S. client was the real owner of the assets in the Swiss account and beneficiary.
19. LLB-Switzerland and its management knew that EAM 1 marketed his services, and the Bank’s, as a means of tax evasion as they kept a copy of the EAM 1 sales letter in their records. One manager at the Bank, who was in charge of the EAM business and supervised Client Advisor 1, considered EAM 1’s Hong Kong corporations to be “bestsellers” because clients assumed that China would not allow Hong Kong to provide information to U.S. authorities.
20. Facilitated by LLB-Switzerland, EAM 1 significantly aided and assisted U.S. clients to conceal their assets and income from the IRS. In addition to allowing clients to hold accounts through nominee companies, for example, the Bank provided hold-mail services, in which the Bank would not send mail to a client’s U.S. address, which might reveal that the existence of the client’s Swiss bank account. EAM 1’s clients all signed “non-disclosure forms” with LLB-Switzerland stating that they were “not prepared to submit the documents necessary” for “US withholding tax.” The Bank also allowed

EAM 1 to make cash withdrawals from U.S. client accounts, so that EAM 1 could provide cash to the clients while avoiding a paper trail that would connect the U.S. clients with LLB-Switzerland.

LLB-SWITZERLAND GAINS DOZENS OF U.S. CLIENTS IN THE WAKE OF UBS BECOMING THE TARGET OF A U.S. CRIMINAL INVESTIGATION

21. In 2008, it became public knowledge that UBS AG, Switzerland's largest bank, was the target of a U.S. criminal investigation focusing on tax and other violations. After these revelations, the amounts that LLB-Switzerland held for U.S. clients swelled. At the end of 2007, the Bank had 72 U.S. clients with almost \$80 million in assets. By the end of the next year, the number of U.S. clients increased to 107 but the assets more than doubled to over \$176 million. EAM 1 then brought about 40 U.S. clients from UBS and other banks to LLB-Switzerland. By the close of 2009, EAM 1 had 93 U.S. clients at LLB-Switzerland with \$196 million in assets under management. When the amount peaked in 2009, the Bank held nearly \$200 million for 93 U.S. clients.
22. The Bank's management knew that many of the U.S. clients coming to LLB-Switzerland were bringing undeclared funds with them. Indeed, a senior manager of the Bank's EAM business considered the fact that the Bank had branches only in Switzerland (and its parent in Liechtenstein) to be a "selling point" for the Bank.
23. In addition to the publicity surrounding the UBS investigation, Bank senior management knew that U.S. authorities arrested UBS executive Martin Liechti in May 2008 when he traveled to Florida. EAM 1 told Client Advisor 1 that Liechti's arrest prompted a number of his clients to transfer their assets from UBS to LLB-Switzerland.
24. For example, among EAM 1 U.S. clients were two attorneys with a law firm in California. They had previously held an account at UBS. In June 2008, the clients, through EAM 1, transferred over \$45 million from UBS to LLB-Switzerland. At LLB-Switzerland, a Hong Kong corporation nominally held title to the account, but the Bank documented the U.S. lawyers as the beneficial owners of the assets in the account. EAM 1 and one of his employees served as the "directors" of the nominee company.
25. By way of further example, EAM 1 had a jewelry dealer as a U.S. client with a UBS account. In October 2009, EAM 1 transferred the account, holding about \$15 million, from UBS to LLB-Switzerland. The client nominally held the account through a Liechtenstein foundation, for which EAM 1 and one of his employees were the "directors."

LLB-SWITZERLAND CONTINUES TO SERVICE UNDECLARED U.S. CLIENTS, EVEN AS ITS PARENT BANK REJECTS THEM

26. In August 2008, LLB-Vaduz, LLB-Switzerland's parent bank, prohibited U.S. persons from becoming clients of LLB-Vaduz. LLB-Vaduz did not mandate that LLB-Switzerland adopt the same policy. Despite management's awareness that the Bank was on-boarding undeclared U.S. clients that had left UBS or were exiting by UBS and other banks, LLB-Switzerland's management decided to make no changes regarding its U.S. clients and continued accepting new clients.
27. In December 2008, LLB-Switzerland instituted the policy to require Forms W-9 from new U.S. customers. However, the Bank specifically stipulated that this "requirement" could be waived for "business interests." The Executive Board of the Bank had to approve all account openings, including for U.S. clients, either with or without a Form W-9. After its policy change, the Bank accepted only four new clients without Forms W-9; one of them was a foreign diplomat to the United States, and the three others never funded their accounts at LLB-Switzerland.
28. Approximately one month after UBS entered into its Deferred Prosecution Agreement with the Department of Justice in February 2009, the IRS announced the Offshore Voluntary Disclosure Initiative ("OVDI") whereby U.S. taxpayers could avoid prosecution for tax evasion relating to their undeclared offshore accounts. Under the terms of the OVDI, U.S. taxpayers had to inform the IRS about the foreign banks and individuals who aided and assisted them in hiding their assets. Shortly thereafter, the Swiss media began to report on EAM 1's role in aiding and assisting U.S. clients with accounts at UBS to evade their taxes. In 2009, a Swiss newspaper published an article regarding EAM 1 that described him as an important contact for U.S. clients hiding money at UBS and stated that U.S. authorities had him under investigation for helping his clients evade U.S. taxes.
29. As a direct result of the article, LLB-Switzerland's management held a meeting with EAM 1 regarding his U.S. clients. The Bank's compliance officer proposed two courses of action: require U.S. clients to sign Forms W-9 and, should they refuse to do so, push the clients out of the Bank; or encourage U.S. clients to participate in the OVDI. LLB-Switzerland's management rejected requiring Forms W-9 for all customers. EAM 1 and a Bank employee opposed encouraging clients to join the OVDI. Ultimately, at that time, the Bank took no action regarding either its U.S. clients or its relationship with EAM 1 and business continued as usual.
30. LLB-Switzerland did not make any formal policy changes for approximately two years after this meeting. But between 2009 and July 2011, the Bank's U.S. clients decreased from 107 at its peak to 48 accounts. During that time, U.S. authorities brought charges against many Swiss bankers, fiduciaries and

external asset managers as well as their U.S. clients, and multiple Swiss banks announced that they were the targets of U.S. criminal investigations.

31. In early 2011, the Bank's management made a decision that LLB-Switzerland should no longer have undeclared U.S. clients. The Bank had two motivations: passage of the Foreign Account Tax Compliance Act of 2010 in the United States, which imposed new reporting requirements; and the increasing number of prosecutions of Swiss bankers, fiduciaries and external asset managers and U.S. clients for tax evasion connected to Swiss banking. The Bank took no action to implement that policy until shortly after a grand jury returned an indictment charging EAM 1 with conspiring with U.S. taxpayers to defraud the United States.

EXIT FROM THE U.S. CROSS-BORDER BUSINESS, REMEDIAL STEPS, AND MITIGATING FACTORS

32. The Bank's remediation has been comprehensive and it has halted and terminated all U.S. cross-border business with U.S. clients. On July 22, 2011, LLB-Switzerland sent letters to all U.S. persons who either were beneficial owners of or held signature authority over accounts. The letters instructed the U.S. persons to close their accounts. In early 2012, when all of its clients were exited, the Bank formally ended its relationship with EAM 1.
33. In 2013, LLB-Vaduz announced its intention to surrender LLB-Switzerland's banking license. By the end of the year, LLB-Switzerland closed and surrendered its banking license. All managers and employees implicated in the Department's investigation of the Bank's U.S. cross-border business were dismissed.
34. LLB-Switzerland's employees never traveled to the United States either to conduct business with U.S. clients or to solicit new clients. Other than its relationship with EAM 1, the Bank did not actively seek undeclared U.S. clients, and its overall business with undeclared U.S. clients remained comparatively small.
35. While the Bank's U.S. client base grew to be significant, even at its peak it did not dominate LLB-Switzerland's business. For example, at the end of 2010, the Bank held just over \$196 million for U.S. clients, while the Bank as a whole had approximately \$4 billion in assets under management.
36. LLB-Switzerland has cooperated with the Department of Justice in this investigation and provided information to the Department about its cross-border business with U.S. accounts. To do so, LLB-Switzerland has, among other things, conducted database searches, reviewed client dossiers, and analyzed relevant internal documents.

**THE IMPACT OF UNDECLARED ACCOUNTS ON
LLB-SWITZERLAND'S AUM, FEES, AND PROFIT**

37. LLB-Switzerland's conduct allowed it to increase the undeclared U.S. client assets that it held, thereby increasing its fees and profits. However, the Bank's facilitation of tax evasion by U.S. customers was not a material source of income for the Bank. The following table shows the approximate number of accounts held by U.S. clients from 2002 through 2011, including accounts held through structures; the approximate total assets under management for such accounts; and the total gross fees earned by LLB-Switzerland from accounts held by U.S. persons.

Date	Total Number of Accounts with U.S. Beneficial Owners (in millions)	Total AUM of Accounts with U.S. Beneficial Owners (in millions)	Total Gross Fees from Accounts with U.S. Beneficial Owners (in thousands)
12/31/2002	11	12	103
12/31/2003	19	22.5	173
12/31/2004	30	40.7	305
12/31/2005	45	40.2	393
12/31/2006	59	85.5	409
12/31/2007	72	79.9	450
12/31/2008	107	176.5	864
12/31/2009	93	196.3	1,150
12/31/2010	73	156.5	1,083
7/1/2011	48	69.1	436