



U.S. Department of Justice

Tax Division

REZ:REP:MFD:MFDaly
DJ 5-51-22914
CMN 2019201199

July 31, 2019

Marc Agnifilo
Jacob Kaplan
Brafman & Associates, P.C.
767 Third Avenue
New York, NY 10017

Re: LLB Verwaltung (Switzerland) AG (formerly Liechtensteinische Landesbank (Schweiz) AG)

Dear Messrs. Agnifilo and Kaplan:

On the understandings specified below, the U.S. Department of Justice, Tax Division (“the Tax Division”) will not prosecute LLB Verwaltung (Schweiz) AG (“LLB-V”), formerly known as the Swiss-based private bank “Liechtensteinische Landesbank (Schweiz) AG” (“LLB-Switzerland”), for any tax-related offenses under Titles 18 or 26, United States Code, or for any monetary transaction offenses under Title 31, United States Code, Sections 5314 and 5322, in connection with undeclared accounts owned and/or controlled by U.S. persons at LLB-Switzerland from 2002 through July 31, 2011 (the “Conduct”). LLB-V admits, accepts, and acknowledges responsibility for the Conduct as set forth in the Statement of Facts attached hereto as Exhibit A and agrees not to make any public statement contradicting the Statement of Facts. This Agreement does not provide any protection against prosecution for any offenses except as set forth above, and applies only to LLB-V and does not apply to any other entities or to any individuals. LLB-V enters into this Agreement pursuant to the authority granted by the Board of Directors of LLB-V (a copy of which is attached hereto as Exhibit B). LLB-V expressly understands that the protections provided under this Agreement shall not apply to any parent or successor entity unless and until such parent or successor formally adopts and executes this Agreement. In the event of any change in ownership or management whether by asset or stock sale, merger or any other similar business combination or transaction, LLB-V agrees that it will require as an express condition of any such change in ownership or management that the acquirer or successor entity agree to be bound by the terms of this Agreement, as evidenced by a resolution of the Board of Directors, a copy of which will be provided to the Tax Division.

In recognition of the Conduct, LLB-V agrees to pay the sum of \$10,680,554.64 as a penalty to the Tax Division. This shall be paid directly to the United States within seven (7) days of the execution of this Agreement pursuant to payment instructions provided to LLB-V.

This payment is in lieu of restitution, forfeiture, or criminal fine against LLB-V for the Conduct. The Tax Division will take no further action to collect any additional criminal penalty from LLB-V with respect to the Conduct, unless the Tax Division determines LLB-V has materially violated the terms of this Agreement as described below. LLB-V acknowledges that this penalty payment is a final payment and no portion of the payment will be refunded or returned under any circumstance, including a determination by the Tax Division that LLB-V has violated any provision of this Agreement. Moreover, if, after the execution of this Agreement, the Tax Division or LLB-V identifies additional accounts owned and/or controlled by U.S. persons that were not previously disclosed to the Tax Division about which LLB-V knew, or should have known, prior to this Agreement, the Tax Division may impose an additional penalty in connection with such accounts during the term of this Agreement. LLB-V agrees that it shall not file any petitions for remission, restoration, or any other assertion of ownership or request for return relating to the penalty amount or the calculation thereof, or file any other action or motion, or make any request or claim whatsoever, seeking to collaterally attack the payment or calculation of the penalty. LLB-V agrees that it shall not assist any others in filing any such claims, petitions, actions, or motions. LLB-V further agrees that no portion of the penalty that LLB-V has agreed to pay to the Tax Division under the terms of this Agreement will serve as a basis for LLB-V to claim, assert, or apply for, either directly or indirectly, any tax deduction, any tax credit, or any other offset against any U.S. federal, state, or local tax or taxable income.

LLB-V's obligations under this Agreement shall continue for a period of four (4) years from the date this Agreement is fully executed. LLB-V, however, shall cooperate fully with the Tax Division in any and all matters relating to the Conduct, until the date on which all civil or criminal examinations, investigations, or proceedings, including all appeals, are concluded, whether those examinations, investigations, or proceedings are concluded within the four-year term of this Agreement.

The Tax Division enters into this Agreement based, in part, on the following factors:

(a) LLB-V's disclosure of the Conduct, including how LLB-Switzerland structured, operated, and supervised its cross-border business for accounts owned and/or controlled by U.S. persons;

(b) Liechtensteinische Landesbank AG's ("LLB-Vaduz") termination of the banking activities by LLB-Switzerland and the return of LLB-Switzerland's banking license to FINMA in December 2013; and

(c) LLB-V's cooperation with the Tax Division as well as the cooperation of LLB-Vaduz, the parent of LLB-V, in this investigation.

Under the terms of this Agreement, LLB-V shall: (a) commit no U.S. federal offenses; and (b) truthfully and completely disclose, and continue to disclose during the term of this Agreement, consistent with applicable law and regulations, all material information relating to the Conduct that is not protected by a valid claim of privilege or work product with respect to the activities of LLB-V and its officers, directors, employees, agents, consultants, and others, which information can be used for any purpose, except as otherwise limited in this Agreement. LLB-V

shall disclose to the Tax Division any information required to be disclosed pursuant to this paragraph within one month of discovery.

Notwithstanding the term of this Agreement, LLB-V shall also, subject to applicable laws or regulations: (a) cooperate fully with the Tax Division, the Internal Revenue Service, and any other federal law enforcement agency designated by the Tax Division regarding all matters related to the Conduct; (b) provide all necessary information and assist the United States with the drafting of treaty requests seeking account information for accounts owned and/or controlled by U.S. persons, and collect and maintain all records that are potentially responsive to such treaty requests in order to facilitate a prompt response; (c) assist the Tax Division or any designated federal law enforcement agency in any investigation, prosecution, or civil proceeding arising out of or related to the Conduct by providing logistical and technical support for any meeting, interview, federal grand jury proceeding, or any federal trial or other federal court proceeding; (d) use its best efforts promptly to secure the attendance and truthful statements or testimony of any officer, director, employee, agent, or consultant of LLB-V at any meeting or interview or before a federal grand jury or at any federal trial or other federal court proceeding regarding matters arising out of or related to the Conduct; (e) provide testimony of a competent witness as needed to enable the Tax Division and any designated federal law enforcement agency to use the information and evidence obtained pursuant to LLB-V's cooperation with the Tax Division; (f) provide the Tax Division, upon request, consistent with applicable law and regulations, all information, documents, records, or other tangible evidence not protected by a valid claim of privilege or work product regarding matters arising out of or related to the Conduct about which the Tax Division or any designated federal law enforcement agency inquires, including the translation of significant documents at the expense of LLB-V; and (g) provide to any state law enforcement agency such assistance as may reasonably be requested in order to establish the basis for admission into evidence of documents already in the possession of such state law enforcement agency in connection with any state civil or criminal tax proceedings brought by such state law enforcement agency against an individual arising out of or related to the Conduct.

LLB-V agrees to retain all records relating to its U.S. cross-border business, including records relating to all for accounts owned and/or controlled by U.S. persons for a period of ten (10) years from the date of this Agreement.

With respect to any information, testimony, documents, records or other tangible evidence provided to the Tax Division pursuant to this Agreement, the Tax Division provides notice that it may, subject to applicable law and regulations, disclose such information or materials to other domestic governmental authorities for purposes of law enforcement or regulatory action as the Tax Division, in its sole discretion, shall deem appropriate.

It is understood that if the Tax Division determines, in its sole discretion, that: (a) LLB-V committed any U.S. federal offenses during the term of this Agreement; (b) LLB-V or any of its representatives have given materially false, incomplete, or misleading testimony or information; (c) the Conduct extended beyond that described in the Statement of Facts or disclosed to the Tax Division in the course of the investigation; or (d) LLB-V has otherwise materially violated any provision of this Agreement, then (i) LLB-V shall thereafter be subject to prosecution and any applicable penalty, including restitution, forfeiture, or criminal fine, for any

federal offense of which the Tax Division has knowledge, including perjury and obstruction of justice; (ii) all statements made by LLB-V's representatives to the Tax Division or other designated law enforcement agents, including but not limited to the appended Statement of Facts, any testimony given by LLB-V's representatives before a grand jury or other tribunal whether prior to or subsequent to the signing of this Agreement, and any leads therefrom, and any documents provided to the Tax Division, the Internal Revenue Service, or designated law enforcement authority by LLB-V shall be admissible in evidence in any criminal proceeding brought against LLB-V and relied upon as evidence to support any penalty on LLB-V; and (iii) LLB-V shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or documents or any leads therefrom should be suppressed.

Determination of whether LLB-V has breached this Agreement and whether to pursue prosecution of LLB-V shall be in the Tax Division's sole discretion. The decision whether conduct or statements of any current director, officer or employee, or any person acting on behalf of, or at the direction of, LLB-V, will be imputed to LLB-V for the purpose of determining whether LLB-V has materially violated any provision of this Agreement shall be in the sole discretion of the Tax Division.

In the event that the Tax Division determines that LLB-V has breached this Agreement, the Tax Division agrees to provide LLB-V with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, LLB-V may respond to the Tax Division in writing to explain the nature and circumstances of such breach, as well as the actions that LLB-V has taken to address and remediate the situation, which explanation the Tax Division shall consider in determining whether to pursue prosecution of LLB-V.

In addition, any prosecution for any offense referred to on page 1 of this Agreement that is not time-barred by the applicable statute of limitations on the date of the execution of this Agreement may be commenced against LLB-V, notwithstanding the expiration of the statute of limitations between such date and the commencement of such prosecution. For any such prosecutions, LLB-V waives any defenses premised upon the expiration of the statute of limitations, as well as any constitutional, statutory, or other claim concerning pre-indictment delay and agrees that such waiver is knowing, voluntary, and in express reliance upon the advice of LLB-V's counsel.

It is understood that the terms of this Agreement do not bind any other federal, state, or local prosecuting authorities other than the Tax Division. If requested by LLB-V, the Tax Division will, however, bring the cooperation of LLB-V to the attention of such other prosecuting offices or regulatory agencies.

It is further understood that this Agreement and the Statement of Facts attached hereto may be disclosed to the public by the Tax Division and LLB-V.


This Agreement supersedes all prior understandings, promises and/or conditions between the Tax Division and LLB-V. No additional promises, agreements, and conditions have been entered into other than those set forth in this Agreement and none will be entered into unless in writing and signed by both parties.



RICHARD E. ZUCKERMAN
Principal Deputy Assistant Attorney General
Tax Division

7/30/19

DATE



MARK F. DALY
Senior Litigation Counsel
JASON H. POOLE
Assistant Chief
U.S. Department of Justice, Tax Division
Northern Criminal Enforcement Section

7/31/19

DATE

AGREED AND CONSENTED TO:
LLB VERWALTUNG (SCHWEIZ) AG

CHRISTOPHER REICH
Chairman, Board of Directors
LLB Verwaltung (Schweiz) AG

DATE

APPROVED:

MARC AGNIFILO, ESQ.
JACOB KAPLAN, ESQ.
Brafman & Associates, P.C.

DATE

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RICHARD E. ZUCKERMAN
Principal Deputy Assistant Attorney General
Tax Division

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MARK F. DALY
Senior Litigation Counsel
JASON H. POOLE
Assistant Chief
U.S. Department of Justice, Tax Division
Northern Criminal Enforcement Section

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AGREED AND CONSENTED TO:
LLB VERWALTUNG (SCHWEIZ) AG



CHRISTOPH REICH
Chairman, Board of Directors
LLB Verwaltung (Schweiz) AG

25.7.2019

DATE

APPROVED:



MARC AGNIFILO, ESQ.
JACOB KAPLAN, ESQ.
Brafman & Associates, P.C.

7/25/19

DATE