



U.S. Department of Justice

Tax Division

CDC:LJW:TJS:DBO:iphant
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CMN 2014200659

June 11, 2015

Benjamin Brafman, Esquire
Marc Agnifilo, Esquire
Jacob Kaplan, Esquire
Brafman & Associates, P.C.
767 Third Ave., 26th Floor
New York, NY 10017

Re: Bank Linth LLB AG
DOJ Swiss Bank Program – Category 2
Non-Prosecution Agreement

Dear Mr. Brafman, Mr. Agnifilo, and Mr. Kaplan:

Bank Linth LLB AG submitted a Letter of Intent on December 30, 2013, to participate in Category 2 of the Department of Justice's Program for Non-Prosecution Agreements or Non-Target Letters for Swiss Banks, as announced on August 29, 2013 (hereafter "Swiss Bank Program"). This Non-Prosecution Agreement ("Agreement") is entered into based on the representations of Bank Linth in its Letter of Intent and information provided by Bank Linth pursuant to the terms of the Swiss Bank Program. The Swiss Bank Program is incorporated by reference herein in its entirety in this Agreement.¹ Any violation by Bank Linth of the Swiss Bank Program will constitute a breach of this Agreement.

On the understandings specified below, the Department of Justice will not prosecute Bank Linth 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 U.S. Related Accounts held by Bank Linth during the Applicable Period (the "conduct"). Bank Linth admits, accepts, and acknowledges responsibility for the conduct 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 Bank Linth and does not apply to any other entities or to any individuals. Bank Linth expressly understands that the protections provided under this Agreement shall not apply to any acquirer or

¹ Capitalized terms shall have the meaning ascribed to them in the Swiss Bank Program.

successor entity unless and until such acquirer or successor formally adopts and executes this Agreement. Bank Linth enters into this Agreement pursuant to the authority granted by its Board of Directors in the form of a Board Resolution (a copy of which is attached hereto as Exhibit B).

In recognition of the conduct described in this Agreement and in accordance with the terms of the Swiss Bank Program, Bank Linth agrees to pay the sum of \$4,150,000 as a penalty to the Department of Justice ("the Department"). 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 Bank Linth. This payment is in lieu of restitution, forfeiture, or criminal fine against Bank Linth for the conduct described in this Agreement. The Department will take no further action to collect any additional criminal penalty from Bank Linth with respect to the conduct described in this Agreement, unless the Tax Division determines Bank Linth has materially violated the terms of this Agreement or the Swiss Bank Program as described on pages 5-6 below. Bank Linth 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 Bank Linth has violated any provision of this Agreement. Bank Linth 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. Bank Linth agrees that it shall not assist any others in filing any such claims, petitions, actions, or motions. Bank Linth further agrees that no portion of the penalty that Bank Linth has agreed to pay to the Department under the terms of this Agreement will serve as a basis for Bank Linth 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.

The Department enters into this Agreement based, in part, on the following Swiss Bank Program factors:

(a) Bank Linth's timely, voluntary, and thorough disclosure of its conduct, including:

- how its cross-border business for U.S. Related Accounts was structured, operated, and supervised (including internal reporting and other communications with and among management);
- the name and function of the individuals who structured, operated, or supervised the cross-border business for U.S. Related Accounts during the Applicable Period;
- how Bank Linth attracted and serviced account holders; and
- an in-person presentation and documentation, properly translated, supporting the disclosure of the above information and other information that was requested by the Tax Division;

(b) Bank Linth's cooperation with the Tax Division, including conducting an internal investigation and making presentations to the Tax Division on the status and findings of the internal investigation;

(c) Bank Linth's production of information about its U.S. Related Accounts, including:

- the total number of U.S. Related Accounts and the maximum dollar value, in the aggregate, of the U.S. Related Accounts that (i) existed on August 1, 2008; (ii) were opened between August 1, 2008, and February 28, 2009; and (iii) were opened after February 28, 2009;
- the total number of accounts that were closed during the Applicable Period; and
- upon execution of the Agreement, as to each account that was closed during the Applicable Period, (i) the maximum value, in dollars, of each account, during the Applicable Period; (ii) the number of U.S. persons or entities affiliated or potentially affiliated with each account, and further noting the nature of the relationship to the account of each such U.S. person or entity or potential U.S. person or entity (e.g., a financial interest, beneficial interest, ownership, or signature authority, whether directly or indirectly, or other authority); (iii) whether it was held in the name of an individual or an entity; (iv) whether it held U.S. securities at any time during the Applicable Period; (v) the name and function of any relationship manager, client advisor, asset manager, financial advisor, trustee, fiduciary, nominee, attorney, accountant, or other individual or entity functioning in a similar capacity known by Bank Linth to be affiliated with said account at any time during the Applicable Period; and (vi) information concerning the transfer of funds into and out of the account during the Applicable Period, including (a) whether funds were deposited or withdrawn in cash; (b) whether funds were transferred through an intermediary (including but not limited to an asset manager, financial advisor, trustee, fiduciary, nominee, attorney, accountant, or other third party functioning in a similar capacity) and the name and function of any such intermediary; (c) identification of any financial institution and domicile of any financial institution that transferred funds into or received funds from the account; and (d) identification of any country to or from which funds were transferred; and

(d) Bank Linth's retention of a qualified independent examiner who has verified the information Bank Linth disclosed pursuant to II.D.2 of the Swiss Bank Program.

Under the terms of this Agreement, Bank Linth 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 described in Part II.D.1 of the Swiss Bank Program that is not protected by a valid claim of privilege or work product with respect to the activities of Bank Linth, those of its parent company and its affiliates, and its officers, directors, employees, agents, consultants, and others, which information can be used for any purpose, except as otherwise limited in this Agreement.

Notwithstanding the term of this Agreement, Bank Linth shall also, subject to applicable laws or regulations: (a) cooperate fully with the Department, the Internal Revenue Service, and any other federal law enforcement agency designated by the Department regarding all matters related to the conduct described in this Agreement; (b) provide all necessary information and

assist the United States with the drafting of treaty requests seeking account information of U.S. Related Accounts, whether open or closed, and collect and maintain all records that are potentially responsive to such treaty requests in order to facilitate a prompt response; (c) assist the Department or any designated federal law enforcement agency in any investigation, prosecution, or civil proceeding arising out of or related to the conduct covered by this Agreement 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 Bank Linth 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 covered by this Agreement; (e) provide testimony of a competent witness as needed to enable the Department and any designated federal law enforcement agency to use the information and evidence obtained pursuant to Bank Linth's participation in the Swiss Bank Program; (f) provide the Department, 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 covered by this Agreement about which the Department or any designated federal law enforcement agency inquires, including the translation of significant documents at the expense of Bank Linth; 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 described in this Agreement.

Bank Linth further agrees to undertake the following:

1. Bank Linth agrees, to the extent it has not provided complete transaction information pursuant to Part 11.D.2.b.vi of the Swiss Bank Program, and set forth in subparagraph (c) on pages 2-3 of this Agreement, because the Tax Division has agreed to specific dollar threshold limitations for the initial production, Bank Linth will promptly provide the entirety of the transaction information upon request of the Tax Division.
2. Bank Linth agrees to close as soon as practicable, and in no event later than two years from the date of this Agreement, any and all accounts of recalcitrant account holders, as defined in Section 1471(d)(6) of the Internal Revenue Code; has implemented, or will implement, procedures to prevent its employees from assisting recalcitrant account holders to engage in acts of further concealment in connection with closing any account or transferring any funds; and will not open any U.S. Related Accounts except on conditions that ensure that the account will be declared to the United States and will be subject to disclosure by Bank Linth.
3. Bank Linth agrees to use best efforts to close as soon as practicable, and in no event later than the four-year term of this Agreement, any and all U.S. Related Accounts classified as "dormant" in accordance with applicable laws, regulations and guidelines, and will provide periodic reporting upon request of the Tax

Division if unable to close any dormant accounts within that time period. Bank Linth will only provide banking or securities services in connection with any such "dormant" account to the extent that such services are required pursuant to applicable laws, regulations and guidelines. If at any point contact with the account holder(s) (or other person(s) with authority over the account) is re-established, Bank Linth will promptly proceed to follow the procedures described above in paragraph 2.

4. Bank Linth agrees to retain all records relating to its U.S. cross-border business, including records relating to all U.S. Related Accounts closed during the Applicable Period, for a period of ten (10) years from the termination date of the 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.

Bank Linth's obligations under this Agreement shall continue for a period of four (4) years from the date this Agreement is fully executed. Bank Linth, however, shall cooperate fully with the Department in any and all matters relating to the conduct described in this Agreement, 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.

It is understood that if the Tax Division determines, in its sole discretion, that: (a) Bank Linth committed any U.S. federal offenses during the term of this Agreement; (b) Bank Linth or any of its representatives have given materially false, incomplete, or misleading testimony or information; (c) the misconduct extended beyond that described in the Statement of Facts or disclosed to the Tax Division pursuant to Part II.D.1 of the Swiss Bank Program; or (d) Bank Linth has otherwise materially violated any provision of this Agreement or the terms of the Swiss Bank Program, then (i) Bank Linth shall thereafter be subject to prosecution and any applicable penalty, including restitution, forfeiture, or criminal fine, for any federal offense of which the Department has knowledge, including perjury and obstruction of justice; (ii) all statements made by Bank Linth'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 Bank Linth'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 Department, the Internal Revenue Service, or designated law enforcement authority by Bank Linth shall be admissible in evidence in any criminal proceeding brought against Bank Linth and relied upon as evidence to support any penalty on Bank Linth; and (iii) Bank Linth 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 Bank Linth has breached this Agreement and whether to pursue prosecution of Bank Linth 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, Bank Linth, will be imputed to Bank Linth for the purpose of determining whether Bank Linth 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 Bank Linth has breached this Agreement, the Tax Division agrees to provide Bank Linth with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, Bank Linth may respond to the Tax Division in writing to explain the nature and circumstances of such breach, as well as the actions that Bank Linth has taken to address and remediate the situation, which explanation the Tax Division shall consider in determining whether to pursue prosecution of Bank Linth.

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 announcement of the Swiss Bank Program (August 29, 2013) may be commenced against Bank Linth, notwithstanding the expiration of the statute of limitations between such date and the commencement of such prosecution. For any such prosecutions, Bank Linth 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 Bank Linth'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 Department. If requested by Bank Linth, the Tax Division will, however, bring the cooperation of Bank Linth 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 Department and Bank Linth consistent with Part V.B of the Swiss Bank Program.

This Agreement supersedes all prior understandings, promises and/or conditions between the Department and Bank Linth. 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.

AGREED AND ACCEPTED:

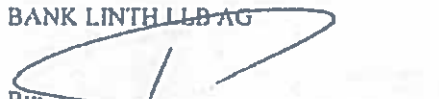
UNITED STATES DEPARTMENT OF JUSTICE, TAX DIVISION

 6/19/2015
CAROLINE D. CIRAOLO DATE
Acting Assistant Attorney General

 15 JUNE 2015
THOMAS J. SAWYER DATE
Senior Counsel for International Tax Matters

 6/19/2015
DARA B. OLIPHANT DATE
Trial Attorney

BANK LINTH LLD AG

 15th of June 2015
By: Dr. Georg Knobel DATE
Chairman, Board of Directors

 12th of June 2015
By: Dr. Heinz Knecht DATE
Vice Chairman, Board of Directors

APPROVED:

 JUNE 12, 2015
Benjamin Brafman DATE
Brafman & Associates, P.C.

EXHIBIT A TO BANK LINTH LLB'S NON-PROSECUTION AGREEMENT

STATEMENT OF FACTS

INTRODUCTION AND BACKGROUND

1. Bank Linth was founded in 1848 and headquartered in Uznach, Switzerland – approximately 35 miles southeast of Zurich.
2. In 2007, Liechtensteinische Landesbank AG Vaduz (“LLB-Vaduz”) purchased 74.2 % of Bank Linth’s shares. Despite the foreign majority ownership of its stock, Bank Linth is licensed and regulated pursuant to Swiss Law.
3. Bank Linth is a local bank with 19 branches, all within 30 miles of the bank’s headquarters in Uznach, and no offices outside of Switzerland. Bank Linth employs approximately 200 people.
4. As of December 31, 2013, Bank Linth had approximately 60,000 client accounts and approximately \$6.9 billion in assets under management, making it one of the largest regional banks in Eastern Switzerland.
5. Bank Linth’s core business is retail banking, primarily providing mortgages and loans for local customers. Bank Linth focuses primarily on local and regional clientele, therefore, all of its forms, publications and marketing advertisements are in German. Bank Linth’s website is also in German. Overall, less than five percent of Bank Linth’s assets under management are related to clients located outside of Switzerland, and of that five percent, approximately 80% of the clients are based in neighboring countries, mostly Germany.
6. In addition to accounts held by citizens and businesses based in Switzerland, Bank Linth provided private banking and asset management services to individuals and entities outside Switzerland, including citizens and residents of the United States (“U.S. taxpayers”). The majority of Bank Linth’s U.S. clients are Swiss residents, who in most cases have Swiss and U.S. passports.
7. Bank Linth provides its U.S. clients with services through private bankers based in Switzerland – it has no U.S. branches or U.S. desk. Moreover, Bank Linth’s relationship managers are not required to speak English and do not take business trips to the U.S. To the extent that Bank Linth completes transactions using U.S. dollars, they used one of three correspondent banks, including UBS AG (“UBS”) and Credit Suisse.

U.S. INCOME TAX AND REPORTING OBLIGATIONS

8. U.S. citizens, resident aliens, and legal permanent residents 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 tax year 1976, U.S. citizens, resident aliens, and legal permanent residents have had an obligation to report to the Internal Revenue Service (“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 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 is maintained. Moreover, since 1970, U.S. citizens, resident aliens, and legal permanent residents who have had a financial interest in, or signature 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 are 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”).

9. An “undeclared account” is a financial account owned by an individual subject to U.S. tax and maintained in a foreign country that had not been reported by the individual account owner to the U.S. government on an income tax return and an FBAR.
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 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 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 New York 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 accounts that helped conceal assets and income from the IRS. Since UBS, several other Swiss banks have publically announced that they were or are the targets of similar criminal tax investigations and that they would likewise be exiting and not accepting certain U.S. clients. These cases have been closely monitored by banks operating in Switzerland, including Bank Linth, since at least August of 2008.

OVERVIEW OF BANK LINTH’S U.S. CROSS-BORDER BUSINESS

12. During the Applicable Period,¹ Bank Linth provided private banking and asset management services to U.S. taxpayers through private bankers based in Switzerland.

¹ Capitalized terms not otherwise defined in this Statement of Facts have the meanings set forth in the Program for Non-Prosecution Agreements or Non-Target Letters for Swiss Banks, issued on August 29, 2013 (the “Swiss Bank Program”) or in the Agreement between the United States of America and Switzerland for Cooperation to Facilitate the Implementation of FATCA, dated February 14, 2013 (the “FATCA Agreement”).

13. Bank Linth was aware that U.S. taxpayers had a legal duty to report to the IRS, and pay taxes on the basis of, all of their income, including income earned in accounts that these U.S. taxpayers maintained at Bank Linth.
14. Bank Linth opened, serviced, and profited from accounts for U.S. clients with the knowledge that many were likely not complying with their tax obligations. Bank Linth's cross-border banking business aided and assisted U.S. clients in opening and maintaining undeclared accounts in Switzerland and concealing the assets and income they held in these accounts. The Bank used a variety of means to assist U.S. clients in concealing their accounts, including by assisting clients in opening and maintaining accounts in the names of sham entities, providing U.S. taxpayers with "numbered accounts" that concealed the taxpayers identity, facilitating U.S. taxpayers' withdrawal of cash from undeclared accounts, and agreeing to hold bank statements and other mail relating to accounts rather than send them to the U.S. taxpayers in the United States, thus ensuring that documents reflecting the existence of the accounts remained outside the United States, beyond the reach of U.S. tax authorities, and protected by Swiss banking secrecy laws.
15. More specifically, in four cases, Bank Linth established "numbered accounts" for U.S. taxpayers, under which the bank agreed to identify the customer within bank records under the normal anti-money laundering procedures and regulations but not to show the U.S. taxpayers by name on bank documents. Rather, the bank named only the account number on any bank documents, thus reducing the risk that U.S. tax authorities would learn the identities of the U.S. taxpayers.
16. In one case, Bank Linth opened an account for a U.S. taxpayer in the name of a foundation, thereby helping such U.S. taxpayer conceal his beneficial ownership of the account. This account was opened with the bank through Swisspartners, an external asset manager, in September 2008. Bank Linth opened this account without obtaining a signed Form W-9.
17. In one case, over an eight-month period in 2010, Bank Linth allowed a U.S. client to make several large cash withdrawals in conjunction with closing his Bank Linth account. The cash was withdrawn in Swiss and British currency, and totaled just under \$3 million. At the time, Bank Linth did not require supervisory approval for large cash withdrawals as long as the bank's anti-money laundering guidelines were followed, but subsequently, instituted a policy requiring supervisor approval for withdrawals in excess of 100,000 Swiss francs.
18. Due largely to the means provided by Bank Linth and its personnel, and with the knowledge that Swiss banking secrecy laws would prevent Bank Linth from disclosing their identities to the IRS, many of the U.S. clients of Bank Linth filed false and fraudulent U.S. Individual Income Tax Returns, Forms 1040, which failed to report their respective interests in their undeclared accounts and the related income. Moreover, many of the U.S. clients of Bank Linth also failed to file and otherwise report their undeclared accounts on FBARs.

19. In the Applicable Period, the Bank held a total of 126 U.S. Related Accounts with just over \$102 million in assets. Bank Linth opened 34 new U.S. Related Accounts after August 1, 2008. The 126 U.S. Related Accounts comprised approximately .2% of Bank Linth's business. Approximately 59 of the 126 accountholders were U.S. citizens. Of those, 31 held joint U.S. and Swiss citizenship, and approximately 34 were domiciled in Switzerland. Approximately 67 of the 126 accountholders were domiciled in the United States; four had domiciles in both Switzerland and the United States.
20. Bank Linth has been a Qualified Intermediary (QI) since 2001. The QI regime provided a comprehensive framework for U.S. information reporting and tax withholding by a non-U.S. financial institution regarding U.S. securities. The QI Agreement was designed to help ensure that non-U.S. persons were subject to the proper U.S. withholding tax rates and that U.S. persons were properly paying U.S. tax, in each case, with respect to U.S. securities held in an account with the QI.
21. The QI Agreement expressly recognized that a non-U.S. financial institution such as Bank Linth may be prohibited by foreign law, such as Swiss law, from disclosing an account holder's name or other identifying information. In general, a QI subject to such foreign-law restrictions must request that its U.S. clients either (a) grant the QI authority to disclose the client's identity or disclose himself by mandating the QI to provide an IRS Form W-9 completed by the account holder, or (b) grant the QI authority to sell all U.S. securities of the account holder (in the case of accounts opened before January 1, 2001) or to exclude all U.S. securities from the account (in the case of accounts opened on or after January 1, 2001). Following the effective date of the QI Agreement, a sale of U.S. securities, if any, held by a U.S. person who chose not to provide a QI with an IRS Form W-9 was subject to tax information reporting on an anonymous basis and backup withholding.
22. To maintain its QI status, Bank Linth required that all U.S. accountholders who invested or held U.S. securities provide an IRS Form W-9 to the bank. However, prior to 2008, Bank Linth did not believe that it had an obligation to collect tax forms from U.S. account holders who did not invest or hold U.S. securities.
23. Moreover, Bank Linth allowed its QI agreement to be subverted. On several occasions, Bank Linth opened accounts for U.S. taxpayers through an external asset manager, and one of these accounts was opened in the name of a sham foundation. In that instance, Bank Linth knowingly accepted and included in account records forms provided by the directors of the sham foundation that falsely represented the ownership of the assets in the account, for U.S. federal income tax purposes.

VOLUNTARY REMEDIAL MEASURES

24. In the wake of UBS, beginning in 2008, Bank Linth's majority owner LLB-Vaduz voluntarily implemented measures that it believed would stop helping undeclared U.S. taxpayers evade U.S. taxes. Bank Linth followed LLB-Vaduz's direction and thereafter began implementing its own remedial measures.

25. On March 26, 2009, Bank Linth issued a directive to its employees, requiring that any U.S. individuals seeking to open an account comply with the following requirements:
 - a. U.S. individuals were required to provide a signed IRS Form W-9;
 - b. Bank Linth's relationship managers were required to obtain approval to open any new accounts for U.S. individuals from the head of the Private Banking department or the head of the bank's compliance team;
 - c. Bank employees were forbidden to communicate with U.S. individuals physically present in the United States, and were prohibited from sending information relating to securities or bank products; and
 - d. U.S. individuals were required to sign the Bank's "Basic Agreement for U.S. Persons" with the bank stating their U.S. connection and agreeing to inform the bank of any status changes and acknowledging their understanding of the communication ban and the Bank's restrictions on providing offers of products and services to U.S. clients.
26. To ensure that policies regarding U.S. clients were followed, beginning in March 2009, Bank Linth began consolidating all of its U.S. client accounts within several relationship managers, who were closely supervised by Bank Linth's Compliance Department.
27. On September 23, 2009, Bank Linth updated the directive issued to its employees, requiring that all existing U.S. clients provide a Form W-9 and sign the Basic Agreement for U.S. Persons. The directive required that the agreement be signed within a reasonable period, but by no later than the client's next visit to the Bank. The directive also required that if the agreement was not signed before the end of 2011, the client's account would be closed, with limited exception.
28. On December 22, 2011, Bank Linth again updated the directive issued to its employees and prohibited the opening of new accounts with any U.S. individuals residing in the United States and restricted the opening of new accounts to any other U.S. individuals except under circumstances where the disclosure of such accounts by the bank would not be barred by Swiss bank secrecy laws.
29. On September 1, 2013, Bank Linth issued a formal directive taking the following actions:
 - a. New business relationships with U.S. connections were prohibited;
 - b. Existing business relationships with U.S. individuals domiciled in the United States were required to be terminated;
 - c. Were a U.S. connection to arise during the course of a business relationship, the relationship was required to be terminated unless prohibited by law;
 - d. Existing business relationships with U.S. individuals not domiciled in the U.S. were permitted to continue only if the relationship was established before

September 1, 2013 and the Bank had received a signed Form W-9 and disclosure statement; and

- e. Any exceptions to these rules would only be allowed with the consent of LLB-Vaduz's U.S. Compliance Committee.
30. Taken as a whole, the policies that Bank Linth implemented beginning in 2008 greatly reduced its U.S. business. Between August 1, 2008 and March 2015, Bank Linth closed 76 of its 126 U.S. Related Accounts.
31. As of May 2015, Bank Linth maintains 50 U.S. Related Accounts. Only one of Bank Linth's remaining U.S. Related Accounts has failed to provide any documentation indicating that it is held in compliance with U.S. tax laws, and the bank has placed a block on the account.

COOPERATION AND PARTICIPATION IN THE SWISS BANK PROGRAM

32. On July 24, 2013, LLB-Vaduz, Bank Linth's parent company, entered into a Non-Prosecution Agreement with the U.S. Attorney's Office for the Southern District of New York relating to LLB-Vaduz's U.S. related accounts. As part of its cooperation, LLB-Vaduz disclosed to U.S. officials in early 2013, prior to the August 29, 2013 statement announcing the Swiss Bank Program that Bank Linth had held declared and undeclared accounts for U.S. taxpayers. On December 30, 2013, Bank Linth notified the Department of Justice, Tax Division of its intent to request a Non-Prosecution Agreement as a Category 2 Bank in the Swiss Bank Program.
33. Prior to and throughout its participation in the Swiss Bank Program, Bank Linth has committed to providing full cooperation to the U.S. government and has made timely and comprehensive disclosures regarding its illegal U.S. cross-border business. Specifically, the bank, with the assistance of its U.S. and Swiss counsel and in consultation with its forensic investigators, has:
- a. conducted an expansive internal investigation which included but is not limited to: (1) interviews of key RMs and members of management; (2) reviews of client account files and correspondence; (3) analysis of relevant management policies; and (4) email searches;
 - b. described in detail the structure of its banking business, including, but not limited to: (1) the bank's management and supervisory structure; and (2) the names of management and legal and compliance officials, in compliance with Swiss privacy law;
 - c. provided detailed and specific information related to the structuring, operation, and supervision of its illegal U.S. cross-border business, including, but not limited to: (1) the misconduct committed by the bank; (2) the policies that contributed to the Bank's misconduct; and (3) the names of the relationship managers overseeing the bank's U.S. related business, in compliance with Swiss privacy law; and

- d. obtained affidavits from bank employees concerning the Bank's conduct and related matters.

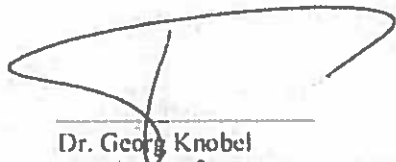
Exhibit B to the Letter dated June 11, 2015

Unanimous Resolution of the Board of Directors of Bank Linth LLB AG

The Board of Directors (the "Board") of Bank Linth LLB AG ("Bank Linth"), headquartered in Uznach, Switzerland, have agreed by unanimous consent as follows:

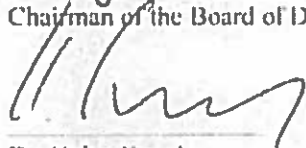
1. Benjamin Brafman, Esq., Marc Agnifilo, Esq. and Jacob Kaplan, Esq., are counsel for Bank Linth in connection to discussions with the United States Department of Justice regarding certain issues arising out of, in connection with, or otherwise relating to the conduct of Bank Linth's U.S. cross-border business;
2. Each member of the Board has read the entire Agreement dated June 11, 2015 between Bank Linth and the United States, including the Statement of Facts attached thereto as Exhibit A; understands and agrees to the terms of the Agreement; and acknowledges the accuracy of the Statement of Facts;
3. Board Members Dr. Georg Knobel and Dr. Heinz Knecht are hereby authorized to jointly sign the Agreement on behalf of Bank Linth;
4. Bank Linth is fully satisfied with its attorneys' representation during all phases of the investigation and resolution of this matter;
5. Bank Linth's entry into the Agreement is voluntary and did not result from force, threats, or promises (other than promises in the Agreement);

6. The Board members signing below acknowledge the Board's unanimous approval of the Agreement and collectively have authority to bind Bank Linth under Swiss law and pursuant to Bank Linth's charter, by-laws, and any other documents relevant to its governance.



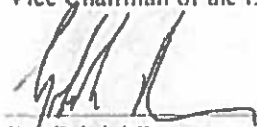
Dr. Georg Knobel
Chairman of the Board of Directors

June 12, 2015
Date



Dr. Heinz Knecht
Vice Chairman of the Board of Directors

June 12, 2015
Date



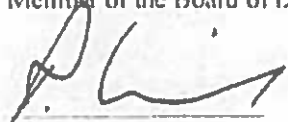
Dr. Gabriel Brenna
Member of the Board of Directors

June 12, 2015
Date



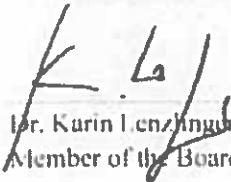
Dr. Kurt Mäder
Member of the Board of Directors

June 12, 2015
Date



Ralph Peter Siegl
Member of the Board of Directors

June 12, 2015
Date



Dr. Karin Lenzinger Diedenhofen
Member of the Board of Directors

June 12, 2015
Date



Benjamin Brafman, Esq.,
Marc Agnifilo, Esq.,
Jacob Kaplan, Esq.
Counsel to Bank Linth LLB AG

JUNE 12, 2015

Date