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Commission de Surveillance du  
Secteur Financier Luxembourg  
110, route d'Arlon  
L-2991 Luxembourg

Luxembourg July 15 2010

Att : Mr. Benoît Juncker – Mr. Jean-François Hein  
Re : Deposits in Danske Bank International S.A., Luxembourg  
Case # :  
Your reference : SG.09/247-NDE/MR/LTG 1090 – Jur.10/577-BJ/KF LTG 1090  
Our reference : 653147  
Posting by : Fax and mail  
Your fax # : 26 25 16 01  
Numbers of pages : 11  
Attachment : 2 (3 p)  
Copy :

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In reference to our letter to CSSF of June 25 2010 we would like to add the following:

## 1. Section C No 8 – *Unsolicited offers*<sup>1</sup>

### 1.1 Who initiated the financial actions? – Phone call of August 29 2007

In CSSF's letter to us of March 12 2009 the control body states that:

*"It appears from the bank's position that you never signed a discretionary management agreement and that the disputed investments originate from your initiative and were carried out at your express order."*

The bank knows that this is a false statement wilfully carried out (towards a public institution) to avoid any probe into this matter and into what seems to be a shady financial policy, as well as to avoid any liabilities against us.

On August 29 2007 Danske Bank International S.A. (i.e. Øyvind Bjørnsen, one of the Wealth Managers the bank has provided us with) called us suggesting increasing our "credit" with the bank, from €1. million to € 1.2 million:

0:19:14: *"Dere har en kredittramme på 1 mill. nå. Med dette (utbetalinger) så kommer du til å havne akkurat på grensen. For ordens skyld så kan jeg søke om å bare få denne opp til 1.2 slik at du har spillerom. Mest sannsynlig så vil du jo alltid trenge det, fordi du har jo, du har jo et annet et større beløp i norske kroner som har ligget og ventet litt på, eh, at den norske kronen skulle styrke seg, for å eventuelt nedbetale litt lån. Eh, men, da, på en måte, det koster ikke noe mer å ha, å ha større rammer, så jeg kan sette i gang med det med en gang. Så da vil jeg eventuelt sende noen papirer til dere etter hvert."*

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<sup>1</sup> letter to CSSF of June 25 2010

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*"At the moment you have a credit limit of some € 1 million. With this (payments) you will end up exactly on the limit. For the sake of good order I can apply for an enhancement to get it up to € 1.2 million so that you can have some scope. Most likely you will always need it, because you have, you have another considerable<sup>2</sup> amount in Norwegian Kroner which have been laying there waiting a bit for, eh, the NOK to strengthen, for a possible down-payment of some loan. Eh, but, then, in a way, it will not cost you anything more to have some wider frames, so I can carry out this right away. So then I will possibly send you some papers."*

In short Danske Bank International's arguments for increasing our debt were:

*You will need this. You need some margins. It won't cost you anything to extend your scope.*

Danske Bank International didn't tell us that we didn't need this credit or this credit extension. We understand now that if we were in need of cash in order to manage daily bills (which seems to have been the reason why Danske Bank International suggested to extend the credit), the bank should instead – considering our situation; a family with no income – have suggested to sell all our "investments" (thus rather reducing our risk and making us able to pay our house loan and so forth) instead of increasing the credit hence putting us in 1) higher debt and 2) higher risk. Danske Bank International didn't even touch these essential issues in their evaluation of the situation.

### **1.2 Who initiated the financial actions? – Phone call of October 9 2007**

In a phone conversation on October 9 2007 the Wealth Manager basically – contrary to what CSSF and the bank claims today – disclosed that he (and the bank) constantly was 1) thinking of us and 2) assessing the state of our savings. The main reason why the bank called us that day was that they had got the idea to sell half of an investment in some Japan funds and instead invest in two different Norwegian funds (Skagen).

CSSF and the bank claims that we initiated all investments and that these investments were carried out at our express orders. The fact has been turned around by CSSF and the bank. We have never had the competence or any relevant knowledge sufficient to carry out or even come up with these financial ideas and transactions. In this regard we would like to provide CSSF with an excerpt of the conversation of October 9 2007 proving that the bank not only carried out the investments but also incited and gave birth to them:

0:12:22:

*ØB (Bjørnsen): Ellers har jeg tenkt litt over, på en måte, endringer eller ikke, og jeg syns at vi kanskje burde vurdere å bytte, gjøre en liten endring på fonds som vi har sittet med, som vi har sittet med veldig, veldig lenge. Og i og for seg før min tid også. Et Japan fond...*

*ØB: By the way I have been thinking a little bit about, in a way, changes or not, and I think that we should consider to change, do a small alteration on funds which we have been sitting on, which we have been sitting on for a long, long time, even before my time. A Japan fund...*

0:14:32:

*ØB: Jeg synes i utgangspunktet at vi kunne, at vi kunne vurdert, eh, noen fond som vi ikke har investert i i det hele tatt.*

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<sup>2</sup> The amount was NOK 4 million or approximately €500.000, thus we had more than enough cash to manage the daily bills. There was no need for this extension of our "credit".

ØB: *I think that we could, as a starting point, consider, eh, some funds which we have not invested in before.*

0:15:03

ØB: *Em, så jeg synes kanskje det kunne vært en ide å vurdert litt i to Skagen fond.*

ØB: *Em, so I think it could have been an idea to consider a bit in two Skagen funds.*

0:21:16:

HJB (Berge): *Ja, du vil ikke gå ut med hele (selge hele Japan)?*

ØB: *Jeg må si at jeg har vært litt mer usikker på, på, ved valget enn på lenge. Ehm. Jeg satt og grublet lenge på, på hva jeg skulle si. Og noe fasit svar på det har jeg i hvert fall ikke. Ehm, men til slutt endte jeg i hvert fall ned på at jeg synes vi skulle i hvert fall starte med halvparten og så se det an i tre til seks måneder mer og så ta en ny vurdering.*

HJB: *So, you won't sell all (of the Japan funds)?*

ØB: *I have to tell you that I have been a little more uncertain on, on, about this choice than in a long time. Ehm. I sat and mulled over what to tell you for a long time. And I do not have any key (book) to this. Ehm, but finally I ended up with the solution that I think we should at least start with half of it, and then wait and see for three to six months more and then make a new assessment.*

The first sequence in this conversation proves that it was the bank that came up with the idea to get rid of the Japan funds. The second sequence proves that the bank wanted us to consider some other funds. The third sequence proves that the bank had already "found" some Norwegian funds in which the bank would suggest us to invest in. The fourth sequence proves that the bank – for some reason or other – had been sitting and considering the state and health of our savings on their own initiative. In this conversation the Wealth Manager also told us that he knew these guys in Skagen and that he even had invested some of his own money in these funds, hence using this information in an attempt to talk us into Danske Bank International's investment-ideas.

We never asked or initiated Danske Bank International S.A. or Bjørnsen to do anything with our savings, not this time either. How come then was Bjørnsen (and Danske Bank International) sitting and mulling over what to do and what to tell us about the Japan funds?

He told us that **he had** made a choice: 1) to sell half of the Japan fund, and 2) to invest in two Norwegian funds (Skagen). How come did Danske Bank International S.A. assess our savings? How could Danske Bank International S.A. make choices in regards to our savings without our knowledge?

For once, this shows that the bank was constantly thinking of and assessing the state of our savings, hence totally contradicting CSSF's and the bank's allegations that we initiated the investments.

Later on in this conversation Bjørnsen asked us whether he could commence with his ideas:

ØB: *Eh, så hvis du er enig i at det er en god ide, så tror jeg vi kanskje skulle selge, og hvis du synes det er en god ide eventuelt, at vi gjør noe annet, så synes jeg at vi skal gjøre det før eventuelt, eh, pengene kommer inn på konto.*

HJB: *Jaha?*

ØB: *Eh*

HJB: *Jeg synes det er en god ide at jeg legger det opp i hendene dine.*

ØB: *Ja. Jeg får jo alltid oppgjør fra deg.*

HJB: *Ja, nei, jeg har, ikke har jeg, jeg har ikke sånn oversikt at jeg kan si det, men jeg stoler på det du gjør, jeg, og, så det er ikke noe problem, altså.*

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ØB: *Eh, so if you agree that this is a good idea, then I think we should sell, and if you think it is a good idea to possibly, that we do something else, then I think we should do this before possibly, eh, the money is deposited in the account.*

HJB: *Ok?*

ØB: *Eh*

HJB: *I think it's a good idea that I put this in your hands.*

ØB: *Yes. After all I always get settlement/fee from you.*

HJB: *Yes, no, I have not, I have not such general view/perspective to put me in a position to say that (whether this is a good idea or not), but I trust what you do, I, and, so it is not a problem.*

For the reasons mentioned earlier, we trusted – and had to trust – the bank. This understanding between the bank and us becomes evident in this last sequence of the tape. If this was a misinterpretation, then the bank should have opposed immediately instead of inviting us to put all our trust in the hands of the bank, as they have been doing since the opening of the account back in 2003.

Finally we would like to put some focus and at least a question mark on the following: Why was it so important for the bank to re-invest the money from the Japan sale, *before* it reached our account? What would have happened if the money from this sale had ended up in our account? Why did the bank try to avoid this?

## **2. Section C No 3, 4 and 5 – Problems and allegations that needs attention<sup>3</sup>**

In regards to our house loan it is important to notice that while Bjørnsen – who in October 2006 asked us to make a NOK 1 million down-payment on our house loan – in 2007 is talking about a “credit” of some €1 million, his co-Wealth Manager on our portfolio is talking about a “house loan”. This is proven by Kaupang Leighton’s statement in the meeting with the bank on September 29 2008:

2:47:51

Kaupang Leighton (AKL): *Men har dere, får jeg spørre, har dere andre hus? Eier dere hus i Norge?*

Baranyi (KB): *Nei*

AKL: *Da har dere krav på også, en såkalt apocasiotan teres???*<sup>4</sup>

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<sup>3</sup> letter to CSSF of June 25 2010

Berge (HJB): *Hva betyr det?*

AKL: *Det er hjelp for rentebetaling på lån.*

HJB: *Hvorfor har vi krav på det?*

AKL: *Fordi at hvis du kun eier ett hus, og dere har et boliglån, så får dere en, altså første, jeg lurer på om det er de første 2 – 300.000 euroene så får dere avdrag for hvert barn dere har sammen... Dere får barnebidrag som er så og så mange hundre euro per barn, og så får dere da dette rentefradraget på lån, og det blir også regnet per barn. Det er ikke store summene. Altså, jeg får, med mine to barn så får jeg noe sånn som 170 euro, men det hjelper jo på lånet hver eneste måned som de overfører inn på konto.*

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AKL: *But, do you have, may I ask you, do you have other houses (estates)? Do you own a house in Norway?*

KB: *No.*

AKL: *Then you are also entitled to a so called apocasiodan teres???*

HJB: *What does that mean?*

AKL: *It is help in regards to payments of interest on loan?*

HJB: *Why are we entitled to this?*

AKL: *Because, if you only own one house, and you have a **house loan**, then you get a deduction on, I wonder if it is the first € 2 – 300.000 for every child you have together...You get child benefits which is so and so many euro for each child, and then you get this deduction on the interest on loan, which also depends on how many children you have. We are not talking about big amounts here. I mean, I get, with my two children I get something around 170 Euro, but it helps on the loan every month as they transfer this into the account.*

Note that the Wealth Manager concludes that we are entitled of this benefit. Kaupang Leighton and the bank is by this conclusion obviously of the opinion that we have a house loan, or at least the bank yet again attempts to make us believe in this.

In regards to the loan, whether you call it a house loan or whatever else, the bank claims that we were in breach of the "agreement" in October 2008 as well as in November 2009 (re: letter from Bonn Schmitt Steichen of November 23 2009). In their letter of October 17 2008 the bank claimed that we were in breach of the "agreement" as our assets and collaterals valued to some €744.359,0646 did not add up with our debt to the bank of some €746.119,3295.

These numbers are based on the bank's statement provided to us as an attachment to the letter of October 17 2008. The problem with the bank's numbers is that the bank has been hiding the real value of our house, thus opening for an arbitrary assessment whenever deciding whether we are in breach of any agreements or not.

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<sup>4</sup> We don't recognize this word, so it is most likely misspelled.

As we have been stressing earlier, we were never in breach of any agreements, as our house (the collateral) was worth some €880.000 at the time of this alleged breach. Even if it wasn't worth €880.000<sup>5</sup> – which the bank, if so claimed, has to prove – it was still worth more than €695.000.

The fact is that the bank, in a fax of September 27 2006 to the Chambres des Experts du Grand-Duché de Luxembourg, requested for an urgent valuation of the house in question. See the fax attached to this letter as **Appendix # 1**.

Nine days later, on October 6 2006, Gilles Kintzele S.A.R.L provided the bank with the requested valuation, stating that the house in question was worth some €752.826,14 and not as the bank claims; some €695.000. See page 1 and 4 of this valuation attached to this letter as **Appendix # 2**.

Note that the first time we saw these two documents was on July 8 2010.

According to the bank the house was valued – in terms of valuation of collaterals – at some 60% of the actual value. This means that the collateral value of the house was, on October 17 2008, estimated to some €451.695,684 and not as claimed by the bank; €417.000. Accordingly we have never been in breach of any "contracts" with the bank.

The bank claims in their letter to us of January 14 2009 that the bank was unable to *"...make use of your suggestion to consider real estate sales prices in you neighbourhood or your Ph.D programme, as neither of the suggestions offered immediate improvement of the security ratio"*.

Firstly; we never asked the bank to consider real estate sales prices in our neighbourhood. Secondly; on July 21 2008 the bank (Kaupang Leighton, the Wealth Manager) called us. She was basically asking us to level up the alleged unbalance between our debt and our assets. In this regard we asked the bank whether they could make a valuation of our house in order to be able to decide whether any actions in regards to our debt were necessary. After a few phone calls later that day the bank ended up manipulating us to believe that there was no use in such a valuation as we would not be able to handle an increased loan in any case. As CSSF knows, we were not asking the bank to increase our loan, but rather to value the house. If such new valuation should show an increase of the value of the house this would have a direct effect on the assessment whether there was a positive balance or not between assets and debt. Thirdly; there was more than enough time to carry out the requested valuation, and fourthly; Gilles Kintzeles' valuation – which the bank was literally sitting on – was in itself such an *"immediate improvement"*.

Today we know that our house had been valued on the bank's request, that the value was set to some €752.826 and that the bank had such a valuation at hand. Our assets and collaterals were thus exceeding the debt by some € 10.000, consequently we were not in breach of any contract on July 21 2008, and finally; the bank was fully aware of this.

Within October 17 2008 the bank had – as a result of acts of misleading, manipulation and deception – sold the greater part of what the bank had invested with our savings, leaving us with some €327.694 in assets (with a collateral value of some €307.764 + the collateral value of our house €417.000 = €724.764) and some €749.283 in debt, hence leaving us with a negative balance of some €24.519. Taken into consideration the actual minimum value of the house, our assets and collaterals (total collateral value was €759.460) were still exceeding the debt by some €10.000. Consequently we were not in breach of any agreements on this date either.

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<sup>5</sup> Collateral value should then be € 528.000 and not €417.000.

On November 23 2009, a year later, Bonn Schmitt Steichen claimed on behalf of Danske Bank International S.A. that we were in breach of a so called "multipurpose credit line". The law firm didn't even bother to take the collateral value of our house into consideration when assessing whether we were in breach or not, hence making it look like we were in major default.

At this point Schmitt & Ornes claimed that we owed the bank some €552.557,91 and that our securities (assets and other collaterals, i.e. our house) were valued at €104.988. In reality we were not even close to a default in November 2009. Even if using the valuation of October 6 2006 our assets and collaterals were exceeding the debt by some €4.100 consequently we were not in any breach or default.

Just to put this into perspective: In November 2009 we could have handled a house loan of some €552.557,91 (at, let's say a 3,5% interest rate) with €104.988 in cash. In October 2008, when the bank defaulted, our savings were valued to some €327.693. At that time we could easily (and for years) have handled a house loan of some €749.283 (at a 3,5% interest rate) with these €327.693 in cash. When we purchased the house in 2006, our savings were worth some €735.298. At that time we could easily (and for years) have handled a house loan of some €750.000 (at 3,5% interest rate) with these €735.298 in cash.

### **3. Section B, page 3 i.f. and page 4, first paragraph<sup>6</sup>**

#### **3.1 Did we have a reason to believe that the bank was obliged to monitor our savings and inform us when anything negative happened to it?**

In the conversation with the bank on August 29 2007, Bjørnsen told us numerous times – after we had expressed our somewhat concerns after reading about the market – that he and the bank constantly were monitoring (keeping a close eye on) the financial situation and the market. He obviously told us this to calm us down and to assure us that the bank would react immediately if anything should happen that could have a negative influence on our savings.

It was in this regard that Bjørnsen underlined and assured us that he would call us immediately if the market should start to drop, this in order to avoid any loss:

0:28:22

*"Vi vil jo selvfølgelig ringe deg øyeblikkelig hvis det går ned ... sterkt, for å gjøre noe i den ene eller andre..."*

*"We will of course call you immediately if it starts plunging, in order to do something in one or the other..."*

The last part of this sequence of the recording is of bad quality. Nevertheless, any discrepancies can be solved by seizing the tapes in the bank.

The point here is though that CSSF states that: "...you have never signed a discretionary management agreement..." hence claiming that the bank has no responsibilities towards us and our savings. This means that we have been on our own – without knowing it – since we deposited our funds with the bank in 2003, and that we had no reason to trust or even believe that the bank was obliged to inform, assist or advise us in regards to the protection of our savings, even though the bank – on their own initiative – for years had been investing (and churning from) our savings.

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<sup>6</sup> letter to CSSF of June 25 2010

The fact is though that the bank has – by their actions – wilfully misled us to believe that our savings were in safe and good hands, and that everything was taken care of by the bank, in which the above mentioned excerpt is a proof of.

\* \* \*

Finally, another interesting piece of information came up during the conversation on August 29 2007:

0:23:30:

ØB: "...obligasjoner har ikke vært noe særlig interessant de siste årene. Det er egentlig tap å ligge med obligasjoner."

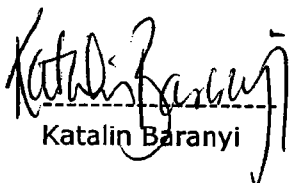
ØB: "...bonds have not been especially interesting the last few years. Actually you lose money sitting on bonds."

This is interesting in at least two respects: 1) Danske Bank International S.A.'s first suggestion/proposal on investment a few years ago was to buy long term Danish and Norwegian bonds, which the bank shortly after suggested to sell. 2) While Danske Bank International S.A. was speaking to us in August 2007, basically telling us that it was a waste of money sitting on bonds, we were sitting on the bank's own DLF Ballanced Fund (proposed and sold to us by the bank in March 2006) which was categorised in their quarterly reports – at least until the crisis struck in late December 2007 – as bonds. Immediately after the crisis had struck, DLF Balanced was conveniently re-categorised as shares and finally turned out to be a part of Bernie Madoffs investment scam.

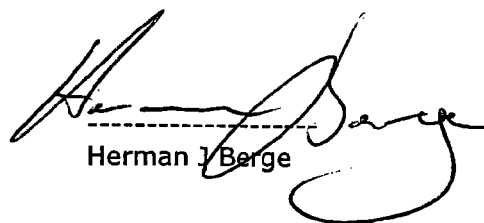
\* \* \*

For approximately two years we have been ignored and mistreated as a direct result of a flawed system. We appreciate, though, all assistance from CSSF in this matter. Nevertheless we are not in the position anymore to sit and wait, thus we would appreciate your response by Monday July 19 2010.

Sincerely,

  
Katalin Baranyi

Luxembourg July 15 2010

  
Herman J Berge



TELEFAX



**BILAG**

*L.*

*EWL 17A*

Danske Bank International  
2, rue du Fossé  
P.O. Box 173  
L-2011 Luxembourg  
S.W.I.F.T. DABA LU LL  
www.danskebank.lu

27 September 2006

**To:**

**Fax No.** 26 88 94 88

**Company** Chambre des Experts du Grand-Duché de Luxembourg

**Department** Section Batiment

**Reference**

**From:**

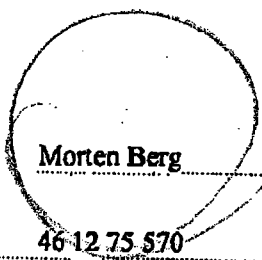
**Reference** Morten Berg

**Fax No.** 46 12 75 570

**Telephone No.** 46 12 75 404

**No. of pages (incl. this page)** 10

Please contact us immediately if you do not receive all the pages



**Message:**

We would like to have an urgent valuation of the property situated 665, Rue De Neudorf, cadastrée, Commune de Hamm, section Ha de Hamm: numero 695/2875, lieu dit "rue de Neudorf"

We enclose "Compromis de Vente".

You can contact the real estate agent Hoffmann, tel. 327136/GSM 091140763 to arrange for an inspection of the property. *32 71 37*

Please inform us about the cost.

Yours faithfully,  
Danske Bank International

*Mort*  
Morten Berg

*031.101.2006*

*0 14h00*

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**BILAG** 2.

# EVALUATION

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EVL 191

**Maison unifamiliale**  
665, rue de Neudorf  
Hamm

Esch-sur-Sûre, le 6 octobre 2006.

**Bureau d'architecture et d'expertises Gilles KINTZELE S.à r.l.**  
29, rte d'Eschdorf, L-9650 Esch-sur-Sûre

**ESTIMATION DE L'OBJET****Suivant calcul de la surface du terrain et du volume construit**

L'évaluation comporte le calcul de la valeur du terrain et celui de la valeur constructive de l'immeuble.

Estimation terrain

Surface:	5,31 a	
Prix unitaire de base:	85.000,00 €	
Valeur brute terrain=		451.350,00 €
Décote svf situation du terrain:	10,00 %	
<i>soit à déduire:</i>		-45.135,00 €
Décote pour terrain construit:	15,00 %	
<i>soit à déduire:</i>		-67.702,50 €
Décote pour décontamination:	0,00 %	
<i>soit à déduire:</i>		0,00 €

Valeur au jour du terrain=

338.512,50 €

Estimation construction

Volume pondéré brut de calcul:	1.100,00 m <sup>3</sup>	
Prix unitaire indice 100	56,40 €	
<i>soit à l'indice actuel 625.70</i>	352,89 €	
Valeur à neuf construction=		388.184,28 €
Vétusté moyenne:	15,00 %	
<i>soit à déduire:</i>		-58.227,64 €

Valeur au jour construction=

329.956,64 €

Bâtiment garage

Volume pondéré brut de calcul:	350,00 m <sup>3</sup>	
Prix unitaire indice 100	40,00 €	
<i>soit à l'indice actuel 625.70</i>	250,28 €	
Valeur à neuf construction=		87.598,00 €
Vétusté moyenne:	15,00 %	
<i>soit à déduire:</i>		-13.139,70 €

Valeur au jour construction=

74.458,30 €

Estimation aménagements extérieurs

% de la valeur construction: 3,00 %

Valeur au jour aménagements extérieurs=

9.898,70 €

**Total Global=****752.826,14 €**