

Ms. Katalin Baranyi and Mr. Herman J Berge
665, rue de Neudorf
L-2220 Luxembourg
Luxembourg

Phone : +352 43 12 65
Fax : +352 26 43 12 11

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

Luxembourg September 8 2010

Att : Jean Guill / Andr e Billon
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 : 5
Attachment :
Copy : Minister of Finance; Minister of Justice; EU

Please find our comments to CSSF's letter of August 13 2010:

In CSSF's fax of July 16 2010 CSSF informed us quite briefly that it had reopened the case (for the second time), and that it intended to contact Danske Bank International S.A. immediately after our consent; "...in order to get their comments..." Our consent¹ was sent to CSSF on July 20 2010. One should make note of the fact that even though the fax was dated July 16 2010 it wasn't sent from CSSF before July 19 2010. In addition we find it quite strange that neither Mr. Hein nor Mr. Juncker signed the fax on behalf of CSSF.

As far as we understand CSSF's letter of August 13 2010, CSSF has 1) not contacted the bank, and 2) reversed its decision on this matter, which we consider very unfortunate.

Although we find it a waste of time continuing this back-and-forth correspondence with the CSSF – especially since CSSF continues in the same old rut; protection of the bank and its activities, secret meetings and underhand phone calls, which inevitably has led to helter-skelter decisions on what to do with the case – we nevertheless will give CSSF some brief answers to the subtle questions listed in its last letter.

1. Concerning your letter of 27 October 2008 to our Commission.

Under this paragraph CSSF asks us to provide it with Danske Bank International S.A.'s e-mail to us of October 20 2008.

¹ CSSF didn't reveal why they – during an investigation – decided to provide the accused Danske Bank International S.A. with all the investigative material and thus give the bank a chance of a lifetime to bend their arguments according to this material, or why CSSF needed our approval to send this material to the bank.

If it is true that CSSF did an assessment on this case in 2009, as alleged, CSSF should be in possession of all relevant documents in this matter, including the newly requested one. As CSSF nevertheless invites us to furnish CSSF with this document, we have to assume that there has been no previous investigation in this matter. This has, by the way, been elaborated in paragraph 3 and 4 on page 2 in our letter to CSSF of July 30 2010.

In the requested e-mail of October 20 2008, Anne Kaupang Leighton complains about her failed attempts to get hold of Mr. Berge. Mr. Berge was in Monaco that whole previous week taking care of the estate of the late Mr. Einar Riis Johannessen, and was thus out of reach from her attempts. The "urgency" of this matter comes into light when adding that neither Kaupang Leighton nor anyone else with the bank did make any attempts to contact Ms. Baranyi at home.

Anyhow, in this e-mail the bank informs us that they will, within 23 hours² of the date of the e-mail: "...sell all of your securities and together with your cash holdings, reduce your outstanding loan..." Attached to this e-mail was the bank's letter of October 17 2010 (a letter which later on turned out to be predated) as well as a bank account statement. This statement showed us that our house loan had increased to some €750.000 and that our total debt to the bank would be some €420.000 after everything had been sold. In other words: Kaupang Leighton told us by this e-mail that everything was lost.

During our meeting with CSSF on June 10 2010, even CSSF confirmed that Kaupang Leighton had expressed the same wordings to CSSF during one of the previous secret conversations she had had with the Luxembourg controlling body.

In order to show us some loyalty and trust in this matter, we invite CSSF to request the said document from the bank.³

2. Concerning the "Client Information Form" and the document on risks in relation with derivatives.

Under this paragraph CSSF is referring from a non-translated writ of summons originating from a Mr. Alex Schmitt, representing the bank, and actually asks us to take position to some allegations set out in this document and in addition requests us to provide the controlling body with documents mentioned in the writ.⁴ CSSF insinuates that there is nothing wrong with our preferences stated in this "client information form" or with the *process* that led to the signing of this form.

As the writ of summons was not served to us in a language which we can understand, the writ of summons has not been duly served to us in accordance with the ECHR. This means – as far as we understand – that the writ of summons has not been served as of yet. Consequently we have not read the document in question which in turn makes it impossible for us to answer upon questions related to this document. Nevertheless we will give some brief comments on CSSF's request.

First of all: The bank has never told us what derivatives are. We didn't know at that time – and we still don't know what derivatives are. Period.

² As explained and documented in earlier letters, the bank was in default (not us) as they had wilfully refused to take into account the value of all our assets. There were hence no legal reasons to sell anything. The only reasonable purpose of a 23-hour time-limit was to make chaos and fear, and hope that we would react accordingly to their created chaos; i.e. make stupid decisions to the detriment of our interests.

³ FYI we have provided CSSF with approximately 500 pages of statements, transcripts and other documents. On the other hand, the bank has not – as of yet – been asked to provide relevant documents/evidence at all.

⁴ CSSF should know that although the writ refers to numerous documents, like the requested one, Schmitt failed to attach these documents to it.

Secondly: By this new turn in the case, CSSF has effectively ruled out the first two years of our relationship with the bank, and hence the fact that we ticked off and signed for: **1) Long Term Investment** (more than five years), and **2) Safe placement**, which is one level higher (or "safer") than "Low risk". Even though this is one of the more important factors of the case, demonstrating from what basic preferences the manipulation was carried out, CSSF takes an ignorant and banking-business-protective stand to it; i.e. ignoring essential facts, introducing a bank-friendly view based on documents originating from fraudulent conduct and by such; covering up any facts that could prove how the bank in fact carries out their fraud.

The sole fact that we have signed another form (previous to the one mentioned by CSSF/Schmitt) specifying the total opposite preferences for our desire to invest and take risk – taken into consideration that our economical and social situation in the mean time had changed from steady income to no income and no job, as well as taken into consideration that we are a family with a child – is a solid proof on manipulation of the process prior to the signatures on the second form, *and not* as CSSF more than indicates; a proof of sound and considerate willingness to risk everything.

We would like to add that in the conversation Mr. Berge had with the bank prior to the signing in 2005 (Ms. Baranyi was kept out of these discussions, by the bank) Mr. Bjørnsen indicated to Berge, when Berge vocally attempted to tick off for safe placement, that this was not feasible as the investments that had previously been executed were not quite considered to be in this category. Again CSSF would realize that this – the whole investment-scheme from 2003 and onwards – was manipulative in its core: Let them tick off for "safe placement" and then we immediately start to do high risk investments without touching the subject. They will never notice it. After some years, when they will need to do changes in the account, they will be "trapped"⁵ and forced to tick off for "high risk", without – of course – mentioning that it is risky as anything. Then, when everything is lost sometime in the future, and we have churned the account at a maximum level, we are under no liability or obligations as the clients "really" ticked off and signed for High Risk investments.

Besides this we really can't believe that CSSF asks *us* to provide them with the requested documents, as these are documents claimed *by the bank* to be thoroughly and legally signed by us. CSSF should obviously ask the bank for these documents, not us. For your information, we are not in possession of all "contractual" documents as the signing process with the bank mostly included the bank's copies only, not ours. Hence several of our copies have not been signed, neither by the bank nor by us.

We reiterate the fact that no matter if these documents or agreements are signed or not, they are nevertheless entered into in Norway, thus these cross-border agreements are subject to Norwegian law. As CSSF is fully aware of, Danske Bank International S.A. is still not authorised for the financial service stated in its contractual documents. As this financial activity is unauthorised it is assessed as a serious crime.

We have recently checked whether CSSF has notified Norwegian Financial Supervisory Authority about Dansk Bank International S.A.'s activity in Norway. The result is disappointing as Danske Bank International S.A. is still only authorised to provide financial service according to the notification made to Norwegian authorities in July 20 1995. Consequently CSSF is accepting and allowing unauthorised activity to the detriment of the bank's clients. As far as we can see this "tolerance" incurs liability to us and all other clients for whatever consequences occurring from CSSF's malpractice.

⁵ Another accomplished fraud has been proven in our letter to CSSF of June 25, under Section B, page 3 and onwards. This has also been elaborated in our letter to CSSF of July 15 2010 under Section 3 (page 7).

Finally under this paragraph we would like to stress that this question has been examined and explained in our letter to the Ministers of Finance and Justice of January 26 2010, as well as in our letter to CSSF of June 25 2010 (p. 2 to 8).

3. Concerning the allegedly deceitful attitude of the bank

Under this paragraph CSSF is referring to Section C No 8 of our letter to CSSF of June 25 2010 and actually asks us to repeat ourselves, hence indicating that the Luxembourg controlling body is tampering and obstructing the investigation of this matter.

This issue has been thoroughly explained in our previous letters to CSSF and we have thus nothing to add, besides that we urge CSSF to read Section C No 8 – *Unsolicited offers*, as well as the rest of that letter and our follow-up to this paragraph in our letter to CSSF of July 15 2010. This should answer CSSF's question on that particular subject.

4. Concerning the conversations between you and the bank.

Under this paragraph CSSF insinuates that we are forging⁶ evidences. Furthermore CSSF attempts to belittle the voice recordings and the evidential value which these recordings have in this matter. On top of this CSSF alleges that our letter of July 15 2010 was sent by e-mail. We have not sent CSSF any e-mail on July 15 2010. The last e-mail that is recorded sent to CSSF is of October 27 2008.

We would like to "arrest" CSSF on referring – intentionally, it seems – to the Wealth Managers in the bank as "contact persons", thus attempting to belittle the Wealth Managers' relation to the case, to us and to our savings.

Furthermore; the allegation that we have "*...reproduce some extracts of these conversations*", is false. For 1 ½ year we have furnished the Luxembourg control body with, among other information; documents and transcripts from voice recordings. If CSSF feels to challenge these transcripts, CSSF is welcome to listen to the voice recordings and hold them up to the voice recordings which CSSF years ago should have seized at the bank. CSSF's protective and ignorant position to this matter has awarded the bank in question almost two years of precious time to bend, *reproduce* and *produce* all necessary "facts".

In the light of CSSF's quite extraordinary administration of this case and the 20 shelved criminal complaints – and the public prosecutor's argument for dismissing every single one of them; that none of these actions are considered unlawful in Luxembourg – we do understand that CSSF's and the public prosecutor's protective approach is part of a continuously evolving but nevertheless systemized defence structure which the financial industry and the Grand Duchy needs in order to keep this quite controversial financial business alive.

Finally we would like to remind CSSF, yet again, of all our petitions which still are left unanswered and unattended. In this regard please see section D on page 10 in our letter to CSSF of June 25 2010. And lastly we find it necessary to repeat some of the criminal actions the bank is liable for and which also was the reason for our complaint in 2008. We have found that the bank has:

- Committed numerous violations on the Secrecy Act.
- Committed embezzlement and exploited our savings in illegal FX-trade.
- Wilfully misled us in regards to contracts, investments, transactions, and bank statements, and in this regard wilfully violated EU-law as well as Norwegian law on financial activity, thus committing fraud.
- Committed perjury.
- Led CSSF to commit perjury.

⁶ Such an accusation is considered a crime.

- Committed extortion.
- Led third party (law firm of Bonn Scmitt Steichen) to commit extortion.
- Created a situation which in turn was meant to lead to a default on our end, hence by unlawful means opening the doors for the bank to cash in what was left of our savings.
- Concealed documents, voice recordings and other information (which would have shed light to this matter) in an attempt to avoid investigation and legal sanctions against the bank and its staff.
- Leaked protected personal information (confided to the bank) to third parties (or being accessory to such act).
- Provided unauthorized financial service in other EEA-countries.
- Violated the MIFID regulations and in this regard executed transactions in violation of the MIFID regulations.
- Committed churning.

To sum this up: CSSF has yet again decided to protect illegal financial activities in general and the bank's criminal activities in particular rather than investigate reliable allegations of the said activities. Due to CSSF's "negligence" to the seriousness of this case, we have no choice but to lift it to a next level and will thus in the future not prioritize requests or any other correspondence from CSSF, which is basically the reason why this correspondence is dispatched in copies to the Minister of Finance as well as to the Minister of Justice, together with the latest correspondence between CSSF and us: CSSF's letters of May 3, July 16 and August 13 2010, and our letters of June 25, July 16, July 20 and July 30 2010 (attachments not included).

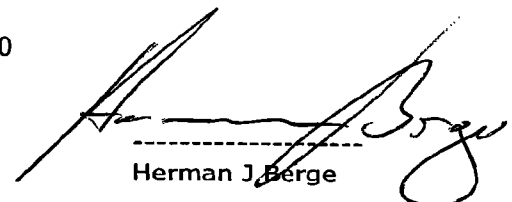
On January 26 2010 we informed both the Minister of Justice as well as the Minister of Finance about how the Grand Duchy's controlling and prosecuting bodies are protecting criminal financial activity. The minister of finance refused to answer upon our request to: *"...instigate investigation on the bank in question, the CSSF and the Procureur d'Etat in order to clarify how this could happen and whether prosecution against persons in these institutions should be instigated."* The minister of justice forwarded our letter to the public prosecutor along with an excuse that it was not within his competence to act in this matter.

Just a few days ago we got yet another conclusive evidence that the prosecuting authority / police is not allowed to investigate or prosecute big firms / companies or well known persons in Luxembourg. This clearly means that the prosecuting authority does not function in Luxembourg, and then we have to ask: Why is everyone running away from their responsibilities? Who *has* the competence to investigate why the situation is like it is (where we are experiencing financial, supervisory, investigative and prosecutorial anarchy), and who has the competence to investigate, pursuit and prosecute whoever is in charge of this national malfunction?

Sincerely,


Katalin Baranyi

Luxembourg September 8 2010


Herman J. Berge