U.S. Department of Justice

Tax Division

Washington, D.C. 20044

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May 20, 2015

Via Electronic Mail

William M. Sullivan, Jr., Esquire
Pillsbury Winthrop Shaw Pittman LLP
2300 N Street, N.W.
Washington, DC 20037-1122

Re: LBBW (Schweiz) AG ("LBBW")

Dear Mr. Sullivan:

LBBW submitted a Letter of Intent on December 24, 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 LBBW in its Letter of Intent and information provided by LBBW 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 LBBW of the Swiss Bank Program will constitute a breach of this Agreement.

On the understandings specified below, the Department of Justice will not prosecute LBBW 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 LBBW during the Applicable Period (the "conduct"). LBBW 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 LBBW and does not apply to any other entities or to any individuals. LBBW expressly understands that the protections provided under this Agreement shall not apply to any acquirer or successor entity unless and until such acquirer or successor formally adopts and executes this Agreement. LBBW 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).

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

In recognition of the conduct described in this Agreement and in accordance with the terms of the Swiss Bank Program, LBBW agrees to pay the sum of $34,000.00 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 LBBW. This payment is in lieu of restitution, forfeiture, or criminal fine against LBBW for the conduct described in this Agreement. The Department will take no further action to collect any additional criminal penalty from LBBW with respect to the conduct described in this Agreement, unless the Tax Division determines LBBW has materially violated the terms of this Agreement or the Swiss Bank Program as described on pages 5-6 below. LBBW 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 LBBW has violated any provision of this Agreement. LBBW 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. LBBW agrees that it shall not assist any others in filing any such claims, petitions, actions, or motions. LBBW further agrees that no portion of the penalty that LBBW has agreed to pay to the Department under the terms of this Agreement will serve as a basis for LBBW 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) LBBW'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 LBBW 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) LBBW'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) LBBW'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 LBBW 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) LBBW's retention of a qualified independent examiner who has verified the information LBBW disclosed pursuant to II.D.2 of the Swiss Bank Program.

Under the terms of this Agreement, LBBW 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 LBBW, 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, LBBW 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 LBBW 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 LBBW'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 LBBW; 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.

LBBW further agrees to undertake the following:

1. LBBW agrees, to the extent it has not provided complete transaction information pursuant to Part II.D.2.b.vi of the Swiss Bank Program, and set forth in subparagraph (c) on pages 2-3 of this Agreement, LBBW will promptly provide the entirety of the transaction information upon request of the Tax Division.

2. LBBW 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 LBBW.

3. LBBW 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. LBBW 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, LBBW will promptly proceed to follow the procedures described above in paragraph 2.

4. LBBW 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.

LBBW's obligations under this Agreement shall continue for a period of four (4) years from the date this Agreement is fully executed. LBBW, 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) LBBW committed any U.S. federal offenses during the term of this Agreement; (b) LBBW 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) LBBW has otherwise materially violated any provision of this Agreement or the terms of the Swiss Bank Program, then (i) LBBW 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 LBBW 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 LBBW'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 LBBW shall be admissible in evidence in any criminal proceeding brought against LBBW and relied upon as evidence to support any penalty on LBBW; and (iii) LBBW 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 LBBW has breached this Agreement and whether to pursue prosecution of LBBW 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, LBBW, will be imputed to LBBW for the purpose of determining whether LBBW 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 LBBW has breached this Agreement, the Tax Division agrees to provide LBBW with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice,

LBBW may respond to the Tax Division in writing to explain the nature and circumstances of such breach, as well as the actions that LBBW has taken to address and remediate the situation, which explanation the Tax Division shall consider in determining whether to pursue prosecution of LBBW.

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 LBBW, notwithstanding the expiration of the statute of limitations between such date and the commencement of such prosecution. For any such prosecutions, LBBW 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 LBBW'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 LBBW, the Tax Division will, however, bring the cooperation of LBBW 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 LBBW consistent with Part V.B of the Swiss Bank Program.

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

05/28/2015
CAROLINE D. CIRAOLO
Acting Assistant Attorney General

28 May 2015
THOMAS J. SAWYER
Senior Counsel for International Tax Matters

May 28, 2015
W. DAMON DENNIS
Trial Attorney

AGREED AND CONSENTED TO:

LBBW SCHWEIZ AG

By: _____

CHRISTIAN SIEGFRIED
Chief Executive Officer

May 20, 2015
DATE

APPROVED:

_____

WILLIAM SULLIVAN
Pillsbury Winthrop Shaw Pittman LLP

May 20, 2015
DATE

EXHIBIT A TO LBBW (SCHWEIZ) AG NON-PROSECUTION AGREEMENT

STATEMENT OF FACTS

INTRODUCTION

1. LBBW (Schweiz) AG ("LBBW Schweiz" or the "Bank") was originally established in Zurich, Switzerland in 1995 as a wholly-owned subsidiary of the German BW Bank AG ("BW Bank"). In 2006, the German Landesbank Baden-Württemberg ("LBBW") acquired BW Bank, and as a result LBBW Schweiz became part of the LBBW financial group. In August 2014, the Bank agreed to sell its client assets to Notenstein Private Bank Ltd, Switzerland. Prior to the sale, the Bank had nine full-time employees and provided basic banking services to a predominantly non-U.S. clientele consisting mostly of wealthy individuals.

2. As of May 31, 2014, the Bank had 396 open accounts comprising total assets under management of approximately $1.2 billion, which were managed by three relationship managers and by the Chief Executive Officer of the Bank.

U.S. INCOME TAX & REPORTING OBLIGATIONS

3. 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 was maintained.

4. 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 were 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"). The FBAR was due on June 30 of the following year.

5. An "undeclared account" was 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.

6. 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.

7. In or about 2008, Swiss bank UBS AG ("UBS") publicly announced that it was the target of a criminal investigation by the Internal Revenue Service and the United States Department of Justice ("DOJ") 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 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 investigations and that they would likewise be exiting and not accepting certain U.S. clients (UBS and the other targeted Swiss banks are collectively referred to as "Category 1 banks"). These cases have been closely monitored by banks operating in Switzerland including LBBW Schweiz since at least August of 2008.

QUALIFIED INTERMEDIARY AGREEMENT AND ITS ROLE IN NON-DISCLOSED U.S. RELATED ACCOUNTS

8. In 2001, LBBW Schweiz entered into a Qualified Intermediary ("QI") Agreement with the Internal Revenue Service ("IRS"). The Qualified Intermediary regime provided a comprehensive framework for U.S. information reporting and tax withholding by a non-U.S. financial institution relating to U.S. securities. The Qualified Intermediary Agreement was designed to help ensure that, with respect to U.S. securities held in an account at the bank, 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.

9. The QI Agreement took account of the fact that LBBW Schweiz, like other Swiss banks, was prohibited by Swiss law from disclosing the identity of an account holder. In general, if an account holder wanted to trade in U.S. securities and avoid mandatory U.S. tax withholding, the agreement required LBBW Schweiz to obtain the consent of the account holder to disclose the client's identity to the IRS. The QI Agreement required LBBW Schweiz to obtain IRS Forms W-9 and to undertake IRS Form 1099 reporting for new and existing U.S. clients engaged in U.S. securities transactions. Since 2001, the Bank has also prohibited U.S. account holders without a Form W-9 and a bank secrecy waiver from holding U.S. securities. The IRS approved a QI external audit performed in 2008, and granted the Bank a waiver in connection with a 2011 QI external audit.

10. Until at least 2010, the Bank did not require its United States Related Account Holders ("USRAs") to confirm whether their accounts were disclosed. Instead, the Bank had rules regarding maintaining bank accounts that focused on compliance with Swiss Anti-Money Laundering Law and the QI Agreement.

OVERVIEW OF THE BANK'S CROSS-BORDER BUSINESS CONCERNING U.S. PERSONS

11. Prior to August 2008, the Bank managed 22 U.S. Related Accounts with approximately $33,820,832 in assets under management. Between August 2008 and the February 28, 2009, the Bank opened three U.S. Related Accounts with approximately $32,852,290 million in assets under management. After February 28, 2009, the Bank opened ten U.S.

Related Accounts with approximately $61,991,008 in assets under management. In the Applicable Period, the Bank held a total of 35 USRAs with an aggregate of $128,664,130 in assets under management.

12. LBBW Schweiz never had the goal to develop a U.S. clientele and that it has neither established a U.S. presence nor held a U.S. desk. Generally, the U.S. clients (approximately two percent of the Bank's overall client base) were obtained through non-U.S. clients who subsequently acquired U.S. ties. Notwithstanding, LBBW Schweiz opened at least one account from a former UBS client after UBS investigation. In addition, LBBW opened at least one account from a former Credit Suisse Group client. Both of those accounts remained open until at least 2013. At the Bank's encouragement, these U.S. clients entered the IRS Offshore Voluntary Disclosure Program (the "OVDP").

13. Private bankers (known as "Relationship Managers") served as the primary contact for U.S. clients with undeclared accounts at LBBW Schweiz and were responsible for opening and managing client accounts at the Bank. Relationship Managers typically communicated with their U.S. clients during in-person meetings in Zurich and telephoned or emailed U.S. clients only for the purpose of arranging such meetings. On at least one occasion, however, at the account holder's request, a certain Relationship Manager communicated through a personal email account for privacy reasons. This account was disclosed pursuant to U.S. tax law.

14. In addition, LBBW Schweiz entered into oral arrangements with two External Asset Managers who independently managed six U.S. accounts held at LBBW Schweiz since August 2008. The Bank never paid any fee or other compensation to its External Asset Managers.

15. LBBW Schweiz was aware that U.S. taxpayers had a legal duty to report to the IRS, and pay taxes on the basis of all their income, including income earned in accounts that these U.S. taxpayers maintained at LBBW Schweiz. Despite being aware of this legal duty, the Bank permitted undeclared accounts for these U.S. Taxpayers to be opened and maintained. Prior to 2010, LBBW Schweiz did not require any confirmation or proof that the beneficial owners of its USRA account holders disclosed their accounts pursuant to U.S. tax laws. In fact, prior to 2010, the Bank did not require its USRA accounts holders to confirm that their accounts were disclosed.

16. Starting in 2010, the Bank implemented a policy requiring all U.S. clients to provide evidence that their accounts were disclosed to the Internal Revenue Service (i.e., Forms W-9) or, if not, the Bank was to terminate their relationship with the U.S. account holder. At the same time, the Bank actively encouraged certain U.S. account holders to enter the OVDP. In December 2013, LBBW Schweiz voluntarily entered the United States Department of Justice's Program for Non-Prosecution Agreements or Non-Target Letters for Swiss Banks (the "Program") as a Category 2 bank.

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ACCOUNTS IN FOCUS

17. From approximately 2001 through 2013, the Bank opened or maintained undeclared U.S. Related Accounts, which included the following conduct:

a. In 2008 and 2009, LBBW Schweiz opened three undeclared accounts of one U.S. client whose beneficial ownership status was not correctly disclosed. In each instance, the U.S. client held a power of attorney on the account, while certain of his relatives served as the account holders. The relevant Relationship Manager relied on the opening documentation that was signed by the U.S. client without further investigating whether the U.S. client was the actual beneficial owner of the undeclared accounts. From 2009 through 2012, the U.S. client transferred funds from such accounts to a separate undeclared account held at the Bank in the name of the U.S. client. At the Bank's encouragement, the U.S. client disclosed his own account, along with the three undeclared accounts, through OVDP.

b. In 2010, LBBW Schweiz opened two accounts for an offshore life insurance company, which accounts were funded from two undeclared accounts held at the Bank in the name of a U.S. client. While the applicable Bank forms indicated that the life insurance company was the account holder and beneficial owner of the new accounts for Swiss banking purposes, the U.S. client held a right of information on the accounts and was, in substance, the owner of the accounts. The relevant Relationship Manager accepted the U.S. client's instructions without investigating whether the U.S. client disclosed their accounts pursuant to U.S. tax laws. Again, at the Bank's encouragement, the U.S. client is in the process of participating in the OVDP.

18. LBBW Schweiz also offered a variety of traditional Swiss banking services that would and did assist U.S. clients in the concealment of assets and income from the IRS. Among other things, the Bank specifically:

a. Allowed one of the Bank's Relationship Managers to open a U.S. Related Account without verifying whether the account holder was tax compliant;

b. Closed U.S. Related Accounts via cash withdrawals, relying upon Swiss contract law as a basis for utilizing that procedure;

c. Followed U.S. account holders' instructions not to invest in U.S. securities and consequently did not report the accounts to the IRS; and

d. Agreed to hold statements and other mail relating to U.S. Related Accounts, rather than send them to the U.S. taxpayers in the United States, thus causing documents reflecting the existence undeclared accounts to remain outside the United States.

19. Until 2010, i.e., when the Bank began requiring current and new U.S. clients to provide evidence that their accounts were disclosed pursuant to U.S. tax law, LBBW Schweiz (i) did not maintain a Form W-9 on file for each hold mail account of a U.S. client, and (ii) did not report the account of a U.S. client to the IRS if the U.S. client did not hold U.S. securities. LBBW Schweiz did so without investigating whether these U.S. clients disclosed their accounts pursuant to U.S. tax law.

20. Through its managers, employees and/or others, LBBW Schweiz knew or should have known of the heightened risk that some U.S. account holders who had opened and maintained accounts at the Bank were not complying with their U.S. income tax and reporting obligations. During all relevant times, LBBW Schweiz knew or should have known of the heightened risk of certain U.S. taxpayers maintaining undeclared accounts at the Bank to evade their U.S. tax obligations. Moreover, LBBW Schweiz was aware that U.S. taxpayers had a legal duty to pay taxes on the basis of their income, including income earned in their accounts at the Bank.

MITIGATING FACTORS

21. The Bank's successful efforts to contact all of its current and former U.S. clients to verify that their accounts were disclosed have been extensive. Since 2010, the Bank has proactively encouraged certain U.S. clients to enter the OVDP if and when it learned of a client's noncompliance with U.S. tax law.

22. The overwhelming majority of the Bank's outreach efforts concerned former clients who no longer had a relationship with the Bank. Many of those former clients left the Bank, or were asked to leave years ago, as result of LBBW Schweiz's increasingly active compliance efforts regarding U.S. taxpayers. The Bank has devoted significant time and effort to convince certain U.S. taxpayers to participate in the OVDP, including in-person meetings and numerous follow-up discussions to ensure that those individuals follow through on the commitment to enter the OVDP. To date, approximately 15 of LBBW's U.S. clients have participated or may be in the process of participating in the OVDP as a result of the Bank's efforts.

23. Since 2013, LBBW Schweiz has cooperated with the DOJ to comply with the Swiss Bank Program. At the outset, the Bank formed an Operational Committee consisting of LBBW Schweiz representatives and U.S. and Swiss law firm partners who, along with independent accountants, oversaw and executed each phase of Program compliance. Along with its outside advisors, the Bank established a multi-tiered review protocol to identify and analyze all U.S. Related Accounts in accordance with the Program. Specifically, the Bank, with the assistance of U.S. and/or Swiss counsel and/or its independent accountants, performed an electronic search of U.S. indicia across all of its accounts, manually conducted a full paper record search of all accounts with a maximum value of assets under management in excess of $250,000 (comprising 598 accounts), interviewed all current Relationship Managers and the External Asset Managers, obtained "actual knowledge" certifications by all current Relationship Managers, and contacted all of its former and current clients, among other efforts.

EXHIBIT B TO NON-PROSECUTION AGREEMENT

CERTIFICATE OF CORPORATE RESOLUTION OF THE BOARD OF DIRECTORS

OF

LBBW (Schweiz) AG

I, Christian Siegfried, of LBBW (Schweiz) AG (the **Bank**), a corporation duly organized and existing under the laws of Switzerland, do hereby certify that the following is a complete and accurate copy of a resolution unanimously adopted by the board of directors of the Bank on May 20, 2015 by circular resolution:

- That the board of directors has (i) reviewed the entire Non-Prosecution Agreement attached hereto, including the Statement of Facts attached as Exhibit A to the Non-Prosecution Agreement; (ii) consulted with Swiss and U.S. counsel in connection with this matter; and (iii) unanimously voted to enter into the Non-Prosecution Agreement, including to pay a sum of $34,000 to the U.S. Department of Justice in connection with the Non-Prosecution Agreement; and

- That Christian Siegfried, the Bank's Chief Executive Officer, is hereby authorized (i) to execute the Non-Prosecution Agreement on behalf of the Bank substantially in such form as reviewed by the Board with such non-material changes as he may approve; and (ii) to take, on behalf of the Bank, all actions as may be necessary or advisable in order to carry out the foregoing; and

- That William M. Sullivan Jr., of Pillsbury Winthrop Shaw Pittman LLP, is hereby authorized to sign the Non-Prosecution Agreement in his capacity as the Bank's U.S. counsel.

I further certify that the above resolution has not been amended or revoked in any respect and remains in full force and effect.

IN WITNESS WHEREOF, we have executed this Certification this Wednesday, May 20, 2015.

Christian Siegfried
Chief Executive Officer