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**DEUTSCHE BANK TO PAY MORE THAN \$550 MILLION
TO RESOLVE FEDERAL TAX SHELTER FRAUD INVESTIGATION**

PREET BHARARA, the United States Attorney for the Southern District of New York, DOUGLAS H. SHULMAN, the Commissioner of the Internal Revenue Service ("IRS"), and JOHN A. DiCICCO, the Acting Assistant Attorney General for the Tax Division of the Department of Justice, announced today that Deutsche Bank AG ("Deutsche Bank") has agreed to pay \$553,633,153 to the United States, and also admitted criminal wrongdoing in connection with its participation in financial transactions which furthered fraudulent tax shelters that generated billions of dollars in U.S. tax losses. The \$553,633,153 payment represents the total of the fees Deutsche Bank earned from its participation in the tax shelter activity, the amount of taxes and interest the IRS was unable to collect from taxpayers because of the misconduct, and a civil penalty of more than \$149 million Deutsche Bank is paying to settle the IRS' promoter penalty examination. As part of the resolution, Deutsche Bank entered into a non-prosecution agreement (the "NPA") with the United States requiring its continued cooperation, and also agreed to the appointment of an independent expert who will review the implementation and effectiveness of Deutsche Bank's compliance measures designed to ensure that Deutsche Bank does not participate in future transactions that may be used to defraud the IRS.

As part of the NPA, Deutsche Bank provided a detailed Statement of Facts setting forth its wrongful conduct. In addition, the NPA bans Deutsche Bank's involvement with any pre-packaged tax products, which were the type of tax shelters previously offered by Deutsche Bank, as set forth in the Statement of Facts.

The NPA requires Deutsche Bank to implement and maintain an effective compliance and ethics program. As part of

that program, the NPA requires Deutsche Bank to install a government-appointed independent expert to ensure the efficacy of its ethics and compliance program. Moreover, Deutsche Bank has agreed to provide its full and truthful cooperation to the United States, including the voluntary provision of information and documents.

BART SCHWARTZ, of Guidepost Solutions, has been selected to serve as the independent expert pursuant to the NPA. In this position, he will be responsible for evaluating the implementation and effectiveness of Deutsche Bank's compliance measures. Deutsche Bank has agreed to adopt all recommendations submitted by the independent expert unless Deutsche Bank objects to a particular recommendation and the United States Attorney's Office for the Southern District of New York agrees that adoption of such recommendation should not be required.

In the event that Deutsche Bank violates the NPA, the Government may prosecute the bank, or the Government may extend the tenure of the independent expert.

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Mr. BHARARA thanked the IRS for its outstanding work in the investigation of this matter. He also thanked the Department of Justice's Tax Division for its assistance.

This investigation is being overseen by the Office's Complex Frauds Unit. Assistant U.S. Attorneys Bonnie Jonas and Christopher Garcia are in charge of the prosecution.

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