Re: Credito Privato Commerciale in liquidazione SA
DOJ Swiss Bank Program – Category 2
Non-Prosecution Agreement

Dear Messrs. Michel and Gamba:

Credito Privato Commerciale in liquidazione SA ("CPC") 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 CPC in its Letter of Intent and information provided by CPC 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 CPC of the Swiss Bank Program will constitute a breach of this Agreement.

On the understandings specified below, the Department of Justice will not prosecute CPC 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 CPC during the Applicable Period (the "conduct"). CPC admits, accepts, and acknowledges responsibility for the conduct set forth in

¹ Capitalized terms shall have the meaning ascribed to them in the Swiss Bank Program.
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 CPC and does not apply to any other entities or to any individuals. CPC 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. CPC, acting through the duly appointed Liquidator, Ernst & Young AG (Zurich), enters into this Agreement pursuant to the resolution attached as Exhibit B.

In recognition of the conduct described in this Agreement and in accordance with the terms of the Swiss Bank Program, CPC agrees to pay the sum of $348,900 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 CPC. This payment is in lieu of restitution, forfeiture, or criminal fine against CPC for the conduct described in this Agreement. The Department will take no further action to collect any additional criminal penalty from CPC with respect to the conduct described in this Agreement, unless the Tax Division determines CPC has materially violated the terms of this Agreement or the Swiss Bank Program as described on pages 5-6 below. CPC 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 CPC has violated any provision of this Agreement. CPC 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. CPC agrees that it shall not assist any others in filing any such claims, petitions, actions, or motions. CPC further agrees that no portion of the penalty that CPC has agreed to pay to the Department under the terms of this Agreement will serve as a basis for CPC 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) CPC'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 CPC 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) CPC'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) CPC'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 CPC 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) CPC's retention of a qualified independent examiner who has verified the information CPC disclosed pursuant to II.D.2 of the Swiss Bank Program.

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

CPC further agrees to undertake the following:

1. The Tax Division has agreed to specific dollar threshold limitations for the initial production of transaction information pursuant to Part II.D.2.b.vi of the Swiss Bank Program, and set forth in subparagraph (c) on page 3 of this Agreement. CPC agrees that, to the extent it has not provided complete transaction information, it will promptly provide the entirety of the transaction information upon request of the Tax Division.

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

4. CPC 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 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.

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

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

CPC and the Department of Justice recognize and acknowledge i) that CPC is currently the subject of a Swiss liquidation and that Ernst & Young AG, Zurich is serving as the Liquidator, and ii) that during the period in which this Agreement remains in force, CPC will complete the liquidation process and cease to exist as a legally recognized entity. The obligations set forth in this Agreement as they apply to CPC will remain in place for as long as CPC remains a legally recognized entity under Swiss law. Within ten days upon completion and termination of the liquidation proceeding, at which time CPC will cease to exist, the Liquidator will provide notice of this event to the Department. Upon the conclusion of the liquidation proceeding, the Liquidator will be required to maintain all records required under this Agreement for ten years from the date of this Agreement and otherwise comply with the ongoing obligations set forth in this Agreement consistent with Swiss law. The Department of Justice will not undertake legal action against the Liquidator based on a good-faith inability by the Liquidator to comply with any still operative provision of this Agreement.

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

UNITED STATES DEPARTMENT OF JUSTICE
TAX DIVISION

CAROLINE D. CIRAOLI
Acting Assistant Attorney General

THOMAS J. SAWYER
Senior Counsel for International Tax Matters

JINIEE. SULLIVAN
Senior Litigation Counsel

MARK W. KOTILA
Trial Attorney

AGREED AND CONSENTED TO:
CREDITO PRIVATO COMERCIALE IN LIQUIDAZIONE SA
THE LIQUIDATOR, ERNST & YOUNG AG, ZURICH

By: JEAN-MICHEL KUNZ
Liquidator

By: ERICO BERTOLI
Liquidator

APPROVED:

SCOTT D. MICHEL
Counsel for Credito Privato Commerciale in liquidazione SA

ANDREA GAMBA
Counsel for Credito Privato Commerciale in liquidazione SA
EXHIBIT A TO THE NON-PROSECUTION AGREEMENT WITH CREDITO PRIVATO COMMERCIALE IN LIQUIDAZIONE SA

STATEMENT OF FACTS

INTRODUCTION

1. Credito Privato Commerciale in liquidazione SA ("CPC" or the "Bank") is located in Lugano, Switzerland, and is a subsidiary of an Italian bank, Banco di Desio e Brianza SpA. CPC was established in 1973 as a trust company. In 2004, CPC received its Swiss banking license.

2. On June 8, 2012, CPC's Italian parent decided to exit the banking industry in Switzerland for reasons unrelated to U.S. tax issues, and entered CPC into voluntary liquidation. Ernst & Young AG, Zurich (the "Liquidator") was appointed liquidator. As of that date, with the assistance of three administrative personnel, the Liquidator has engaged solely in carrying out the liquidation of the Bank, including closing client accounts and disposing of assets pursuant to client instructions. No relationship managers have been employed by the Bank since August 14, 2013. The Liquidator has had limited access to bank personnel and thus has personal knowledge only to certain facts set forth herein to the extent they are documented in the Bank's files.

3. During the period prior to liquidation, the Bank did not market its services in the United States. It has never had a desk dedicated to the U.S. market or any relationship managers responsible for soliciting U.S.-based clients. CPC provided private banking services and asset management and advisory services primarily to Italian clients.

4. During the period August 1, 2008 to the date of the Bank's liquidation ("the Applicable Period"), CPC's total assets under management had a maximum value of approximately $1.25 billion, including 16 U.S.-related accounts with an aggregate maximum balance of approximately $71 million. The aggregate U.S. Related Accounts represented approximately 5.6% of the aggregate maximum balance of the Bank's total assets under management during the Applicable Period, and net of the three large declared accounts, 0.2% of the Bank's total assets under management during the Applicable Period.

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U.S. INCOME TAX & REPORTING OBLIGATIONS

5. 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.

6. 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 (the "FBAR," formerly known as Form TD F 90-22.1). The FBAR was due on June 30 of the following year.

7. 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.

8. 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.

9. In or about 2008, Swiss bank UBS AG ("UBS") 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 Florida 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. These cases have been closely monitored by banks operating in Switzerland, including CPC, since at least August of 2008.
OVERVIEW OF BUSINESS WITH U.S. RELATED ACCOUNTS

10. In general, CPC did not acquire clients as a result of actively marketing its services. Although the Bank’s activities were primarily tailored to serve Italian clients, the Bank also provided its services to a small number of non-Italian nationals or residents. Most of CPC’s clients, irrespective of nationality or residence, were referred to the Bank from CPC’s Italian parent. Additional clients were acquired through the efforts of relationship managers who brought those clients with them when they became employed by the Bank.

11. CPC provided its banking and asset management services to all clients, irrespective of nationality or residence, primarily through relationship managers. Nearly all of the Bank’s documents are in Italian, and the Bank had no capacity to service English-only speaking clients. U.S. clients came to the Bank on their own, or were referred by other banks or third parties. Approximately one to eight relationship managers were employed at the Bank at any given time. No particular relationship manager was responsible for U.S. account holders or other U.S. clients. However, eight relationship managers had one or more U.S. clients, with some overlap as accounts moved from one relationship manager to another.

12. With respect to CPC’s U.S.-related accounts, four accounts were introduced through bank networking, which includes referrals from the Bank’s Italian owner and other Swiss banks. Six other accounts were introduced by external asset managers in Geneva and Lugano. CPC compensated these external asset managers for the business they generated for the bank based on a negotiated fee structure. One of these six accounts was referred by another client of the Bank. Another account was referred to the Bank by an external third party. The other accounts were pre-existing accounts that became U.S.-related accounts due to an account holder or beneficiary residing in the United States.

13. CPC offered a variety of traditional Swiss banking services that the Liquidator understands the Bank knew could and did assist U.S. taxpayers in concealing assets and income from the IRS. One of these services was hold mail, pursuant to which the Bank would hold all mail correspondence for clients at the Bank. The Bank also offered numbered account services. The Liquidator understands that these services collectively allowed certain U.S. taxpayers to conceal their identities and minimize the paper trail associated with the undeclared assets and income they held at CPC in Switzerland.

14. In addition, the Liquidator has learned that the Bank employed other means to assist U.S. taxpayers in concealing their undeclared accounts, including:

a) opening an account for a U.S. taxpayer who had left UBS, which was being investigated by the U.S. Department of Justice;
b) opening an account for two U.S. taxpayers who had left a bank in Luxembourg because, according to their later voluntary disclosures, their external asset manager was concerned about bank secrecy in Luxembourg and indicated it would be safer to maintain an undeclared account in Switzerland; and

c) providing a cash card linked to an undeclared account.

MITIGATING FACTORS

15. After March 13, 2012, and considering the implementation of the U.S. Foreign Account Tax Compliance Act, the Bank decided to discontinue all of its relationships with its U.S. customers. All of CPC’s U.S.-related accounts are closed, the last in April of 2013.

16. CPC has fully cooperated with the Department of Justice during its participation in the Swiss Bank Program. In addition, CPC informed clients about and encouraged clients to enter the IRS’s offshore voluntary disclosure program. Based on the Bank’s efforts, the majority of its former U.S. clients entered into the IRS’s voluntary disclosure program and paid back taxes, penalties, and interest in connection with failing to report their undeclared accounts. In addition, the Bank obtained waivers from the majority of its former U.S. clients, and provided their names to the U.S. government.
EXHIBIT B TO THE NON-PROSECUTION AGREEMENT

WITH Credito Privato Commerciale SA in liquidazione

RESOLUTION OF THE LIQUIDATOR

The Liquidator of Credito Privato Commerciale SA in liquidazione (the “Bank”) takes note of the following:

- The Liquidator decided in December 18, 2013 that the Bank will participate in the Program for Non-Prosecution Agreements or Non-Target Letters for Swiss Banks, dated 29 August 2013 (the “U.S. Program”). It submitted on December 23, 2013 a Letter of Intent to the U.S. Department of Justice (“DOJ”) indicating its interest to participate as a category 2 bank in the U.S. Program.

- In the Joint Statement between the DOJ and the Swiss Federal Department of Finance, Swiss banks have been encouraged by both the Swiss Government and the Swiss Financial Market Authority FINMA to participate in the U.S. Program.

- The DOJ proposed to the Bank a non-prosecution agreement (the “NPA”).

The Liquidator hereby resolves that:

1. The Liquidator of the Bank has reviewed the entire Agreement attached hereto, including the Statement of Facts attached as Exhibit A to the Agreement, including to pay a sum of USD 348,900 to the DOJ in connection with the Agreement;

2. Jean-Michel Kunz and Erico Bertoli, member of the Liquidator of the Bank are hereby jointly authorized to execute the NPA on behalf of the Bank (the “Authorized Signatories”) substantially in such form as reviewed by the Liquidator with such non-material changes as the Authorized Signatories may approve;

3. Both Scott Michel, Caplin & Drysdale, and Andrea Gamba, Bär & Karrer, are entitled to sign the NPA as additional signatories (the “Additional Signatories”);

4. The Liquidator hereby authorizes, empowers and directs the Authorized Signatories to take, on behalf of the Bank, any and all actions as may be necessary or appropriate, and to approve and execute the forms, terms, or provisions of any agreement or other document, as may be necessary or appropriate to carry out and effectuate the purpose and intent of the foregoing resolutions; and
All of the actions of the Authorized Signatories and the Additional Signatories that have or will be taken in connection with the NPA are hereby ratified, confirmed, approved, and adopted as actions on behalf of the Bank.

IN WITNESS WHEREOF, the Liquidator of the Bank has executed this Resolution.

Lugano, July 29, 2015

Sean-Michel Kunz
Liquidator

Érico Bertoli
Liquidator