Jeremy Lefroy
Member of Parliament for Stafford Constituency

HOUSE OF COMMONS
LONDON SW1A 0AA

In the Birmingham Mercantile Court
For Case B40BM021
Taylor vs Jain et al.

Honourable Justice McKenna,

I am writing on behalf of my constituent, Mr Mark Anthony Taylor, the claimant in B40BM021, the lawsuit that alleged precious metal price manipulation against a number of banks.

I understand that following his legal action in 2015 a restraining order was filed against him by Simon Brown QC on behalf of HSBC that prevented further action against the banks.

The orders of the courts, including the restraining order assert that his allegations were totally without merit, without legal basis and a vexatious repetition of a previous claim in the German courts.

I have been made aware of material in the public domain, mainly case 14-mc-02548 in New York, in which Deutsche Bank has not only settled the same allegations that Mr Taylor made, but disclosed materials that incriminated HSBC, UBS, Barclays, Societé Génerale and Scotiabank.

The materials appear to show systematic price suppression from 1999 onwards. Also, in Chicago, David Liew, a Deutsche Bank trader, pleaded guilty to the federal court, for having sytematicallly hit prices by spoofing trade orders in all the precious metal markets. His confession alleged that his colleagues indulged in hundreds of instances of spoofing under the direction of a mentor at Deutsche Bank. Spoofing would be effected by cancelling a trade electronically in the same electronic message that a trade was issued, so causing a price to change, but without having to sell the metal.

Mr Taylor's claim alleged that Deutsche Bank's audits were fake and would not stand up to scrutiny. I believe Anshu Jain, former CEO of Deutsche Bank, as applicant for an oral hearing, refused to attend. It was in this hearing that he petitioned to have Mr Taylor deemed vexatious. Mr Jain would be in a position to know whether his bank's audits were genuine or not.

My constituent presented materials to the Court that the defendants had not filed. These showed that Deutsche Bank were duplicitous regarding the audits. I understand that as the represented party, Deutsche Bank had the duty to file the evidence against them and were let off their obligations, undermining the entire hearing.

Given the recent disclosures in New York, it seems clear to me that Mr Taylor's claims may well have a sound basis. He correctly identified that precious metal markets were suppressed by a banking cartel, and that the audits may therefore not have been carried out correctly. Defendants refused to turn up for court because they knew they could not defend their allegations forensically. I believe that the defendants issued a bare denial and did not submit any evidence. In their second hearing under Charles Haddon-Cave, the defendants did not even supply witness statements.

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Both the Enterprise Act of 2002 and Competitiion Act of 1998 outlaw cartel activity and market maniplation. In view of the decision of the court in New York, and the international nature of the trade in bullion, it seems to me reasonable to make an assumption that the manipulation of the bullion markets was not confined to the United States of America. Given that the United Kingdom and Germany are two of the most significant markets outside the USA, it is not therefore beyond the bounds of belief to think that such manipulaton could have been carried out in one or both countries.

I understand that it is possible that an application to renew the restraining order, which is due to expire shortly, may be made.

In the light of the revelations in the New York court since Mr Taylor's case was dismissed, I would find it diffiuclt to see how my constituent could be prevented from returning to the courts in respect of a malpractice which the American courts have in the interim decided has taken place and for which they have fined Deutsche Bank a very signifcant sum of money.

Yours faithfully,

Jeremy Lefroy

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