

Seventh Defendant
Alexander James Young
First Witness Statement
Exhibit: AJY1
Date: 24 February 2015

Claim No. A07YQ334

IN THE COUNTY COURT AT STAFFORD

BETWEEN:

MARK ANTHONY TAYLOR

Claimant

-and-

- (1) ANSHU JAIN (CO-CEO OF DEUTSCHE BANK)**
- (2) DEUTSCHE BANK AG**
- (3) HSBC PLC**
- (4) BARCLAYS BANK PLC**
- (5) UBS AG**
- (6) JP MORGAN CHASE**
- (7) CITIBANK N.A., LONDON BRANCH**
- (8) ROYAL BANK OF SCOTLAND GROUP PLC**

Defendants

**FIRST WITNESS STATEMENT OF
ALEXANDER JAMES YOUNG**

I, ALEXANDER JAMES YOUNG, of Citigroup Centre, 25 Canada Square, Canary Wharf, London, EC14 5LB, **WILL SAY AS FOLLOWS:-**

1. I am a solicitor employed by Citigroup Global Markets Limited and represent the Seventh Defendant, Citibank N.A., London Branch ("Citibank"). I am authorised to make this statement on Citibank's behalf.
2. I make this statement in support of Citibank's application to strike out the claims brought against it (pursuant to CPR r 3.4(2)(a) and/or (b) and/or (c)) and/or for summary judgment in its favour (pursuant to CPR Part 24).

3. This statement addresses factual issues but also seeks, not least given the argumentative nature of the Particulars of Claim, to summarise briefly the basis of the application.
4. I understand that the remaining seven Defendants also intend to issue applications to strike out the claims against them and/or for summary judgment.
5. The facts and matters to which I refer are based on the documentation to which I refer in this statement, information provided to me by Citibank and my own knowledge, except where expressly stated otherwise. I confirm that they are true to the best of my knowledge, information and belief.
6. Attached to this witness statement is a paginated exhibit marked “**AJY1**” containing certain documents to which I refer below. Where reference is made in this witness statement to a page number, the reference is to a page number in this exhibit.
7. I note that the claim form issued in these proceedings names “Citigroup” as the Seventh Defendant. As explained to the Claimant by letter dated 12 February 2015, there is no legal entity called Citigroup [**AJY1 page 1**]. In order to avoid further delays, Citibank accepted that it was the legal entity that was validly served with the claim form in these proceedings. The “Seventh Defendant” and “Citibank” are therefore used interchangeably in this statement.

The claim

8. The Particulars of Claim produced by the Claimant (“**Mr Taylor**”) run to some 25 pages and consist of numerous unsubstantiated and illogical assertions against a raft of participants within the global financial system. I understand that the basis of these allegations will also be addressed by other Defendants. The basis of these allegations insofar as they concern Citibank can be shortly summarised.
9. Mr Taylor states that he bought gold, platinum and silver and later sold most of it (at a time of hardship) when the market price was lower than when he had originally purchased the metals.

The dates on which he undertook these trades are not particularised. Mr Taylor does not allege that Citibank was a party to any of these transactions. By email dated 13 February 2015, Mr Taylor has accepted that he has had no direct business with Citibank [**AJY1 page 2 to page 3**].

10. Mr Taylor then advances a wholly unsubstantiated and illogical theory that the fall in the market price is the result of a fraudulent conspiracy by all the defendant banks to reduce the price of precious metals, and that regulators, central banks (see paras. 5(u), 9 and 17 of the Particulars of Claim) and governments (see note 5 on page 18) have colluded in this conspiracy.
11. It should be noted that Mr Taylor does not appear to advance a positive case that Citibank was involved in any misconduct in the precious metals market. Mr Taylor's only mention of Citibank involvement in the precious metals market is a statement that Citigroup Global Markets Inc trades on COMEX (para. 41(f) of the Particulars of Claim). Mr Taylor has provided no details of how this is relevant to the claim against the Seventh Defendant.
12. Mr Taylor also asserts in this context that:
 - 12.1 he purchased and sold precious metals in Euros;
 - 12.2 since precious metals are denominated in US dollars his purchases and sales involved a currency conversion; and
 - 12.3 the exchange rate was manipulated and as a result he has suffered "*potential but unquantifiable losses*" (para. 11 of the Particulars of Claim).
13. It should be noted that Mr Taylor does not identify any actual instances of foreign exchange manipulation by Citibank.

14. On that basis, Mr Taylor alleges that he is entitled to damages of £1 million, payable in bullion, consisting of (see page 17 of the Particulars of Claim):

14.1 £500,000 in aggravated damages for stress;

14.2 £250,000 by way of punitive damages (without proof of loss) for foreign exchange manipulation; and

14.3 £250,000 by way of aggravated damages for precious metals price manipulation.

The basis of the application

15. In summary, and as further set out below, the claim should be struck out and/or summary judgment should be granted in the Defendants' favour because:

15.1 there are no reasonable grounds for bringing the claims and/or the claims have no real prospect of success. In particular:

15.1.1 the allegation of a conspiracy is wholly denied, and there are no reasonable grounds for the assertion; and

15.1.2 the Claimant would not be entitled to the damages claimed even if he could substantiate his conspiracy theory.

15.2 It will be the Defendants' submission that the claim consists of entirely unparticularised, incoherent and unsubstantiated allegations of conspiracy to which it would be impossible to plead beyond a bare denial. It should therefore be struck out as an abuse of process (alternatively for failure to comply with CPR r.16.4). In that regard, I have seen a video on Mr Taylor's website (kingoftherepublic.com), in which he seeks funds for his "*campaign to sue the banks into oblivion*". In that video Mr Taylor describes the real purpose of this litigation as follows:

“I am running this campaign which is basically designed to shut down the global economy which is just a huge paper Ponzi scheme and is financing all of the rot we know today, the police state...the confiscation of all our assets and the consolidation of those assets into the hands of the oligarchs and the arch oligarchs.”

15.3 I note that another website, via which Mr Taylor also advertises his pursuit of this litigation (www.startjoin.com/suethbanks), states

“While they keep the price suppressed, the poison of the global anarchic government gangsters continues to flow into our wounds. When we take down the banksters, we take down the government gangsters. The Ponzi must come to an end, and the faster it does so, the more we can salvage from the ruins.”

(A) There are no reasonable grounds for advancing the conspiracy theory and/or it has no real prospect of success

16. The allegation that the defendant banks (in collusion with regulators and governments) have conspired to effect (and have effected) a fall in precious metals prices is wholly unsubstantiated.

17. In fact, most of the Particulars of Claim proceed on the assumption that gold and other precious metals prices have been manipulated in the manner Mr Taylor suggests (see paras. 3, 4 and 6(a) of the Particulars of Claim). In addition, the claim is reliant on numerous inferences, none of which can be reasonably drawn from the stated assumptions (for example, the inferences discussed at paras. 20.1 to 20.4 below).

18. At para. 4(l) of the Particulars of Claim, Mr Taylor summarises the basis of his conspiracy allegation as follows:

“From the fake audit to the analogy between the Forex short sells and the Comex short sells I deduce that there is precious metal price manipulation and it is price suppression by the Comex cartel for an extended period of time that has caused inventory losses in national bullion reserves”.

19. It will be the Defendants’ submission that that contention is plainly misconceived:

19.1 It clearly does not follow that if there have been found to be instances of foreign exchange manipulation that there was a widespread (and effective) conspiracy of the kind alleged by Mr Taylor to suppress precious metals prices.

20. The reality is that the conspiracy allegation is no more than an unparticularised assertion, based on a series of unsubstantiated assumptions, which do not necessarily relate to or logically follow from each other. In fact, I note that, the Particulars of Claim contain numerous and wide-ranging allegations of this nature such as:

20.1 *“the natural trend, by following examples of history, is that modern currencies will be made worthless”* (para. 5(k));

20.2 *“governments and banks are not acting in the long term interests of its people, and are consolidating money printing in the hands of an elite, and exposing the liabilities of the fraud to the general taxpaying public who are not profiting from the manipulation”* (para 5(s));

20.3 *“Private investment banking that is fuelled by central bank money printing is thus in itself patently corrupt”* (para. 10(d)); and

20.4 *“The correct price of the Euro is ...zero, and the value of precious metal against Euro, in a free market, is infinity”* (para. 11(j)).

Regulatory investigations and allegations of foreign exchange manipulation

21. In his Particulars of Claim, Mr Taylor refers to a number of publicly known regulatory investigations into various matters including FX and LIBOR.
22. It is worth noting that there have been no findings against Citibank in respect of precious metals price manipulation.
23. In fact, the only specific mention that is made of Citibank in the entirety of Mr Taylor's 25 page Particulars of Claim are three statements at paragraphs 10(i) and 23(b) and paragraph 7 on page 24. Aside from an unsubstantiated allegation of Citibank involvement in the market for the Swiss Franc/Euro currency pair (of which the relevance to Mr Taylor's claim remains unclear), these statements reference well publicised regulatory settlements that concern Citibank's participation in the spot foreign exchange market. I note that Mr Taylor has sought to draw his own conclusions from the content of those settlement documents.
24. Mr Taylor offers no coherent explanation as to how his assertions about Citibank's participation in the foreign exchange market either individually or cumulatively translate into a legal claim against Citibank (amongst other Defendants) or have caused him damage as a purchaser or seller of precious metals. In particular, Mr Taylor has not identified any actual instances in which Citibank was involved in the actual manipulation of a foreign currency rate. Nor has he explained how any such manipulation, if established, had any adverse impact on him. Instead, Mr Taylor's approach has been to insist that "*the burden of proof should not depend on me*" and that the Defendants "*should have to demonstrate why their frauds did not create liabilities of this order*" (para 2 on page 17).
25. In any event, the investigations to which Mr Taylor refers do not even begin to support the conspiracy claim that Mr Taylor advances. Mr Taylor effectively accepts this. Thus, he concedes that those banks that have been fined for market manipulation have been fined for particular infringements in respect of which Mr Taylor is not claiming (para. 1 on page 18)

and that no fines have been levied for the charges raised by Mr Taylor, namely “*that the banks as a whole, commanded by their executives, have used the Comex market to perpetrate a systematic gross fraud for an extended period of time*” (para 2, page 18).

26. The only answer that Mr Taylor has to this is another conspiracy theory; namely, that “*the regulators’ principle function is to limit the banks liability to fraud in civil proceedings, and so cement institutional lawlessness into the foundations of our legal system*” (para. 8, page 19).
27. It follows from all of the matters set out at paragraphs [8] to [26] above that there are no reasonable grounds for asserting that there has been a conspiracy of the kind alleged, and the allegation has no real prospect of success.

Mr Taylor is unable to establish loss and damage

28. It will also be the Defendants’ submission that, in order to bring a claim against the corporate defendants, Mr Taylor would need to set out: (a) how the alleged actions of each of the Defendants have caused his losses; and (b) the extent of the loss that has been caused. Mr Taylor does not particularise any of these aspects of his case. Furthermore, by CPR r.16.4 a claimant is required to state in the Particulars of Claim all the facts necessary for the purpose of formulating a complete cause of action (see White Book note 16.4.1). Mr Taylor fails to do so.
29. Of particular importance, Mr Taylor does not advance any case as to the extent to which he says any fall in market prices has been the result of the Defendants’ alleged actions. In fact, it is implicit in para. 11(b) of the Particulars of Claim that Mr Taylor’s position is that it is “impossible” to quantify his loss. Mr Taylor effectively recognises that he has not sought (as he must) to prove damage and loss. Instead, his contention is that the rules that require him to quantify his loss and establish damage are themselves unjust (see note 9 on page 19 of the Particulars of Claim):

“Current litigation laws that require quantification of damage in an anti-trust lawsuit, to establish damages, leads to injustice... Such laws only helps perpetuate criminal activity, and the solution is exemplary damages to compensate”.

The damages sought are irrecoverable

30. It will be Citibank’s submission that there is no proper basis on which Mr Taylor could be awarded the damages that he seeks In short:

30.1 Mr Taylor claims £1 million. As stated at paragraph 9 above, Mr Taylor does not allege that Citibank was a party to any of the precious metals trades which form part of his claim;

30.2 Mental distress is not by itself sufficient damage to ground an action, and there is absolutely no basis for a £500,000 damages claim against Citibank for stress allegedly caused by an (alleged) delay in another Defendant investigating Mr Taylor’s complaint and defending this litigation (as it is entitled to do);

30.3 Punitive damages are irrecoverable; and

30.4 Mr Taylor has not identified any of the “*lost investment opportunities*” which he says give rise to “*aggravated damages*” of £250,000.

31. In addition, I note that, instead of monetary compensation, Mr Taylor seeks an order that the damages be paid in precious metals. There is no basis on which Mr Taylor is entitled to such a remedy, and none is identified.

CPR r. 30.8

32. At paragraph 7(d) of his Particulars of Claim, Mr Taylor asserts that his allegations of price manipulation “*implies violation of the Competition Act 1998, Chapter 1 and Chapter 2*”. By reason of CPR r. 30.8 statements of case which raise an issue relating to the application of Chapter I or II of Part I of the Competition Act 1998 must be transferred to the Chancery

Division of the High Court of the Royal Court of Justice. If the Claim were to proceed to trial therefore, it would need to be transferred. In the present case, however, there are no reasonable grounds for bringing the Claim and it does not give rise to triable issues. Nor does Mr Taylor's case raise any issues as to the *application* of the Competition Act: instead his case consists of a bald assertion that the Defendant has been engaged in a fraudulent conspiracy or cartel. In those circumstances, the obligation to transfer does not arise, and the Claim should be struck out and/or summary judgment granted in favour of the Seventh Defendant by this Court.

Conclusion

33. For all of the above reasons, there are no reasonable grounds for bringing the claims and/or the claims have no real prospect of success. Furthermore, there is no good reason for the matter to proceed to trial.
34. In addition, given Mr Taylor's motivation for bringing the claim (see paras. 15.2 and 15.3 above) and its wholly unsubstantiated and unparticularised nature, the claim is an abuse of process.
35. The Court is therefore respectfully invited to strike out the claims and/or to grant summary judgment in the Defendants' favour.
36. The Defendants also seek their costs of the application, to be summarily assessed.

Date: 24 February 2015

Statement of Truth

I believe that the facts stated in this Witness Statement are true.

Signed: A.Y.  ALEXANDER YOUNG
Date: 24/2/15

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BETWEEN:

MARK ANTHONY TAYLOR

Claimant

-and-

- (1) ANSHU JAIN (CO-CEO OF DEUTSCHE BANK)
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- (8) ROYAL BANK OF SCOTLAND GROUP PLC

Defendants

EXHIBIT "AJY1"



Mark Anthony Taylor
Kalamata
Billington Lane
Derrington
Stafford
ST18 9LR

BY EMAIL

12 February 2015

Dear Mr Taylor

Claim No. A07YQ334

Thank you for your email.

Since hard copies of the Claim and Particulars were received at our offices in London on 11 February 2015, we are willing to accept that the Claim was validly served as of that date. As previously stated however, there is no legal entity called Citigroup. For the purpose of these proceedings, the correct legal entity is Citibank N.A., London Branch ("CBNA") and, in order to avoid further delays, we are willing to accept that this is the entity you validly served on 11 February 2015.

You have now confirmed that you had no direct relationship with Citi. In respect of the remainder of your email, we do not accept that CBNA has any liability to you. We do not concede the grounds on which you seek to rely demonstrate a cause of action and the facts you set out equally evidence no such liability.

We will shortly be filing an Acknowledgment of Service and taking all necessary steps to protect CBNA's position. In the meantime, we continue to reserve all our rights.

Yours sincerely

Alexander Young
Litigation Counsel

Young, Alexander James [LEGL]

From: TheAbstraction . <mark.anthony.taylor@gmail.com>
Sent: 12 February 2015 15:28
To: Young, Alexander James [LEGL]
Subject: Re: Claim Number A07YQ334

Dear Sir,

I have had no direct business with Citigroup. This is not an issue because:

- 1) Citigroup are not being sued for breach of contract. Issues of care of duty are irrelevant.
- 2) The claim is for anti-competitive cartel market manipulation as specified in the section 7a, 7b and 7c of the **Particulars of the Claim**.
- 3) In accordance with my understanding of EU & British Law, regarding the suing of cartels under anti-competition laws any member of a cartel that does damage to a market participant is a liable party to damage to that participant. No direct relationship is required.
- 4) Citigroup is deduced to be a member of the cartel.
- 5) Citigroup have been fined for cartel manipulation of exchange rates.
- 6) The buyers of my bullion, with the exception of Deutsche Bank are not accused of market manipulation, and in accord with general laws of civil litigation, litigation should be made against the primary parties responsible and not discriminate unfairly against intermediates or insignificant conspirators..
- 7) In accord with the regulator reports on Forex and Libor manipulators, damage was done to the market, and culprits are liable to the entire market.
- 8) Any attempt to deny liability to do damage to the entire market is demonstration that the fines delivered by the regulators were not a sufficient deterrent.

[REDACTED]

Regards
Mark Anthony Taylor

On 12 February 2015 at 12:15, Young, Alexander James <alexander.james.young@citi.com> wrote:

Dear Sir

Please see attached letter.

Alexander Young

Litigation Counsel

Citi- Europe, Middle East & Africa

alexander.james.young@citi.com

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Registered in England with number 1763297

Registered office: Citigroup Centre, Canada Square, London E14 5LB

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