

Steven Paul Mills
Eighth Defendant
Witness Statement
Exhibit SPM1
24 February 2015

IN THE COUNTY COURT AT STAFFORD

B E T W E E N:-

Claim No. A07YQ334

(1) MR MARK ANTHONY TAYLOR

Claimant

-and-

(1) MR ANSHU JAIN

(2) DEUTSCHE BANK AG

(3) HSBC PLC

(4) BARCLAYS BANK PLC

(5) UBS AG

(6) JP MORGAN CHASE

(7) CITIGROUP

(8) ROYAL BANK OF SCOTLAND GROUP PLC

Defendants

FIRST WITNESS STATEMENT OF STEVEN PAUL MILLS

I, **STEVEN PAUL MILLS**, Solicitor of Matthew Arnold & Baldwin LLP of 21 Station Road, Watford WD17 1HD, will say as follows:-

1. I am a Partner in the firm of Matthew Arnold & Baldwin LLP, solicitors for the Eighth Defendant ("**RBS**"). I am duly authorised to make this statement on behalf of RBS in support of its application to strike out the Claimant's Claim Form and Particulars of Claim under CPR r3.4.
2. The matters set out below are within my own knowledge, except where I indicate to the contrary. Where I state matters not within my personal

knowledge, the content is true to the best of my knowledge, information, and belief.

3. In this witness statement, I refer to a paginated bundle of copy documents marked "SPM1". References in this witness statement to the Exhibit are in the format (**SPM1/page number**).

I. INTRODUCTION

4. Thus far in these proceedings, the Claimant has issued, filed and served a Claim Form and Particulars of Claim. The Claimant served the Claim Form and Particulars of Claim by e-mail on the CEO of RBS.

5. My understanding is that the gist of the Claimant's claim is as follows:

- a) The Claimant bought 100g of gold, 44kg of silver and 150g of platinum from the Second Defendant ("**Deutsche Bank**") on an unspecified date (Paragraphs 1 and 21 of the Points of Claim). These metals were bought, and eventually sold, in Euros (Paragraph 23 of the Points of Claim).
- b) The Claimant alleges that Deutsche Bank has created a fake internal audit in relation to gold manipulation. This claim is pleaded at paragraphs 2(a) to 2(g) of the Points of Claim, extracted below:

"a) A gold manipulation probe against Deutsche Bank was launched by BaFin mid January 2014.

b) I sent a demand by e-mail, January 2014, to Deutsche Bank, alleging precious metal price manipulation, requesting damages in Euros and restoration of my bullion sold to that date.

c) February 2014, Deutsche Bank confirms (in German) that it had received my demand and that it was investigating it.

d) June 2014, Deutsche Bank declares its own internal gold manipulation audit in response to BaFin.

e) July 2014, Deutsche Bank concludes its investigation of my demand, and claims (in German) that there is no case to answer, that my allegations are unfounded.

f) I see no news to surmise other than that the internal audit is still 'ongoing'.

g) The concerns of the audit and investigation overlap, and one set of

people would be thus responsible for both cases. The responsible parties would thus not be in an honest position to dismiss my claim while running an authentic audit. That this obvious contradiction was made implies the responsible parties were only carrying out the audit superficially: the internal audit and the investigation of my demands were fake."

- c) The Claimant alleges that the Second Defendant's internal audit was faked in order to hide manipulation. Paragraph 2(i) of the Points of Claim states *"if the gold manipulation audit is fake - and considering that the directors are intelligent men with rational motivations - then it was faked to hide manipulation. A fake audit implies guilt of market manipulation."*
- d) The Second Defendant's alleged wrongdoing is said to amount to a serious criminal fraud and a conspiracy to pervert the course of justice (paragraphs 2(k) and 2(l) of the Points of Claim).
- e) At paragraph 3 of the Points of Claim the Claimant states *"we use the traits of Forex manipulation to deduce that gold manipulation is a cartel activity, and that gold manipulation by Deutsche Bank implies gold manipulation by the other leading market players"*. This seems to be the basis on which the Third to Eighth Defendants have been joined to these proceedings.
- f) The conspiracy alleged by the Claimant is also said to involve international central banks. The Claimant's case is that Quantitative Easing by international central banks implies that international central banks are also part of a conspiracy to manipulate currency rates (paragraph 10 of the Points of Claim). No central banks have been joined to these proceedings.
- g) The damages sought by the Claimant in these proceedings are aggravated damages of £500,000 (paragraph 1 of the "Damages Demanded" section of the pleading), punitive damages of £250,000 in relation to assets priced in relation to foreign exchange rate manipulation (paragraph 2 of the "Damages Demanded" section of the pleading), and £250,000 *"for suppression of the price of silver and platinum"* (paragraph 3 of the "Damages Demanded" section of the pleading). Although the Claimant alleges that he has suffered losses due to foreign exchange rate manipulation, he accepts that such losses are *"impossible to quantify objectively"* (paragraph 11 of the Points of Claim).

6. The claim against RBS is set out in paragraph 8 of the "Notes on Individual Defendants for Determination of Damages". That paragraph is reproduced in full below:

"RBS

a) *being 80% owned by the British taxpayer, should not be in the business of speculating on Forex rates, let alone manipulating them.*

b) *Look at the RBS Gold Bullion GBP Hedged Tracker: http://ukmarkets.rbs.com/EN/MediaLibrary/Document/PDF/ProductDocuments/GB00B59N1890/GB00B59N1890_EN_Factsheet.pdf*

*Consider page 2, **Why Gold:** 'Assets such as shares and real estate tend to move together so although a portfolio may initially seem diversified, if one of these asset classes falls, it is quite likely that so too will the others. Gold on the other hand tends to be negatively correlated with these assets and as such, when they fall gold tends to rise. Investments referencing gold therefore bring more significant and meaningful diversification and in turn potentially create a more stable portfolio across business cycles. Gold can also protect investors' portfolios from inflation....' Clearly, RBS understands the function of gold as a hedge.*

i) With RBS understanding the gold as a hedge, then is it rational, such a player, which has been found guilty of cartel collusion, with all the major banks, in Forex manipulation, would not know that the gold price is suppressed? With the systematic suppression of the gold price, the Hedged Tracker would not likely generate profits for RBS unless they had the inside foreknowledge of price movements.

ii) RBS is a small player the main function of bringing it into the litigation is to expose that it should not be using the taxpayer bailout in any part of investment banking. A token of damages is all that is required to make that point."

II. THE TEST TO BE APPLIED FOR STRIKING OUT

7. CPR r.3.4(2) provides as follows:

"The court may strike out a statement of case if it appears to the court –

(a) that the statement of case discloses no reasonable grounds for bringing or defending the claim;

(b) that the statement of case is an abuse of the court's process or is otherwise likely to obstruct the just disposal of the proceedings; or

(c) that there has been a failure to comply with a rule, practice direction or court order."

8. In this application, RBS applies for the claim to be struck out on four grounds:

- a) The proceedings as a whole are an abuse of the court's process. The Claimant has brought these proceedings to scandalise the Defendants rather than as a means of recovering loss.
- b) The Claimant has not alleged any cogent basis for his allegation that there was a conspiracy between the Defendants in relation to the pricing of gold, and therefore there are no reasonable grounds for bringing the claim against any of the Defendants;
- c) The Claimant has not pleaded any basis for his claim that RBS was part of any unlawful activity in relation to gold prices, and therefore there are no reasonable grounds for bringing the claim against RBS; and
- d) The Claimant's central ground for bringing a claim against RBS is that it *"should not be using the taxpayer bailout in any part of investment banking"*. However, it is not unlawful for RBS to engage in investment banking. As a result, there are no reasonable grounds for bringing the claim against RBS and/or the claim against RBS is an abuse of the court's process.

9. All Defendants can rely on the first two grounds for strike out. The second two grounds are specific to RBS.

III. THE PROCEEDINGS AS A WHOLE ARE AN ABUSE OF PROCESS

10. The Claimant's Particulars of Claim make serious allegations of criminal behaviour against all of the Defendants. It is clear from materials that the Claimant has posted on the Internet that these allegations have been made to advance an ideological cause rather than to advance a genuine claim. The Claimant's internet postings are set out below.

The Claimant's Youtube video relating to these proceedings

11. The user "Mark Anthony Taylor", which I understand to be the Claimant, has posted a video onto Youtube titled "Campaign to raise money to sue the banks into oblivion". A full transcript of that video is attached as SPM1/1-2. It is also available at <https://www.youtube.com/watch?v=C5qRfNLIqnc> .

12. The opening slide of the video reads:

"A campaign, by Mark Anthony Taylor of Frankfurt, Germany, to collapse the global banking system by suing the weak link in the chain of corruption, Deutsche Bank."

13. The voice-over of the video starts as follows:

"Hi everybody, my name is Mark Anthony Taylor. I'm 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 that we know today: the police state, the dumbing down of the education system, the confiscation of all our assets and the consolidation of those assets into the hands of the oligarchs and the arch-oligarchs. The means I achieve this, or I hope to achieve this, is by suing Deutsche Bank who I consider a weak link in the chain; sue them for silver price suppression."

14. The second slide on the video reads:

"The arch oligarchs, via their minions in the global banking system, are running the police state, dumbing down the education systems, and stealing our inheritance."

15. Later in the video, a slide reads:

"Our lawsuit, if successful, will expose the banks to trillions in liabilities, terminating the rule of the plutocrats. If we do not do this soon we people in the West will head into Weimar 2.0 without bullion reserves to save us."

The "King of the Republic" website

16. The Claimant has also written extensively on his website, www.kingoftherepublic.com ("the King of the Republic website"), in relation to these proceedings. Printouts from that website are exhibited to this witness statement as SPM1/3-8.

17. The King of the Republic website sets out the basis of the Claimant's claim against Deutsche Bank. The Claimant also refers to some of the other Defendants in the following passage on the King of the Republic website:

"Who Else Is To Blame

"It is almost inconceivable that this corruption could exist without the active corruption of politicians from all levels of society. What we see is a global bribery scheme. If one wants a top job, one must compromise. Ergo, almost every one of the biggest banks, including HSBC, JP Morgan, and Goldman Sachs are in on the crime. I would suggest anyone who has bought silver from these people, and was forced to sell it in the last few years should follow my example and litigate."

18. The "Progress Report" section of the website states, in relation to this litigation, *"contacted anti-immigration and nationalist groups - proposals of mutual benefit"* (SPM1/9).

The motivation for bringing the claim

19. These extracts show that the Claimant's primary motivation for bringing these proceedings is to *"sue the banks into oblivion"* and *"shut down the global economy"*. The court should not entertain proceedings that are brought for an ulterior political purpose rather than as a means of recovering genuine loss. The court's function is to do justice between the parties by reference to

the law rather than to provide a platform for individuals to bring generalized complaints and allegations for ideological ends.

20. As the claim is brought against all Defendants to further the Claimant's intended aim of shutting down the global economy, I would ask the court to strike out his Claim Form and Particulars of Claim on the grounds that they are an abuse of process.

IV. THERE IS NO PLEADED FACTUAL BASIS FOR THE CLAIMS AGAINST THE DEFENDANTS

21. As stated above, the Claimant's claim is based on the following premises:

- a) Deutsche Bank must have faked an internal audit in relation to gold manipulation. This is implied from the fact that the Second Defendant wrote to the Claimant refuting manipulation claims prior to the publication of an internal audit;
- b) The alleged faking of the internal audit by the Second Defendant is evidence that it was manipulating the price of gold; and
- c) The Claimant can "*deduce*" from the alleged manipulation of foreign exchange rates that other financial institutions were involved in the manipulation of the price of gold.

22. The Claimant's claims against all Defendants have the following fundamental flaws:

- a) The Claimant has not pleaded any basis for the allegation that the price of gold was manipulated by Deutsche Bank. Ms Slatter of Deutsche Bank addresses this at paragraphs 10 to 13 of her witness statement;
- b) The Third to Eighth Defendants have been joined to these proceedings because the Claimant alleges that they were engaged in a "*conspiracy*" with Deutsche Bank. However, a denial of a claim by one bank (Deutsche Bank) in correspondence is not a proper basis for the Claimant's contention that any of the Defendants entered into a conspiracy to manipulate the price of gold.

c) The Claimant states the alleged "*conspiracy*" can be deduced from regulatory findings in relation to foreign exchange trading. This is not correct. The FCA's Final Notice in relation to foreign exchange trading is attached as SPM1/10-50. Even if regulators had found there to be a conspiracy in relation to foreign exchange trading, that would not be a basis for pleading that the same parties had been involved in unlawful activity in relation to gold pricing.

23. The Claimant cannot "deduce" or "imply" in civil proceedings that the Defendants have been engaged in serious wrongdoing. The Claimant must have a proper factual basis for his allegations so that his case can be tested at trial. As there is no pleaded factual basis for his claims, the Claim Form and the Particulars of Claim ought to be struck out.

V. NO PLEADED BASIS FOR CLAIM AGAINST RBS

24. The basis of the claim against RBS is particularly weak. The Claimant pleads his claim against RBS in the form of a rhetorical question, namely "*With RBS understanding the gold as a hedge, then is it rational, such a player, which has been found guilty of cartel collusion, with all the major banks, in Forex manipulation, would not know that the gold price is suppressed?*" (paragraph 8 of the "Notes on Individual Defendants for Determination of Damages").

25. The Claimant does not advance a positive case as to RBS's alleged wrongful activity. Rather the Particulars of Claim suppose that RBS must have been involved in the wrongdoing without pleading a proper basis for that allegation. The Claimant's case against RBS appears to be that as it is a well-known bank, it must have done something unlawful in relation to the gold price. That is not a proper basis upon which to bring civil proceedings in any court.

26. The Claimant does not even allege that RBS engaged in "*cartel collusion*" with other financial institutions in relation to the price of gold. Rather, the Claimant has alleged that RBS must have known about the alleged suppression of the gold price. Even on the Claimant's own case, therefore, RBS did not engage in the unlawful activity that is the subject of his claim.

27. The claim against RBS has no real prospect of success, regardless of how it is framed. I am instructed by RBS and verily believe that there have been no

regulatory findings against RBS in relation to gold trading or the gold price and that RBS is not subject to any investigations in relation to alleged manipulation of the gold price. As a result, the claim against RBS is baseless and ought to be struck out.

VI. THE MOTIVATION FOR THE CLAIM AGAINST RBS

28. The Claimant's pleads that *"the main function of bringing [RBS] into the litigation is to expose that it should not be using the taxpayer bailout in any part of investment banking. A token of damages is all that is required to make that point."*

29. The Claimant cannot have a cause of action against RBS simply because it engages in investment banking activity. It is not unlawful for RBS to engage in investment banking activities. Accordingly, to the extent that the claim is brought against RBS because it engages in investment banking activities, it has no real prospect of success and/or the claim is an abuse of process.

STATEMENT OF TRUTH

I believe that the facts stated in this witness statement are true.

Signed:.....

Name: STEVEN PAUL MILLER

Date: 24 February 2014

Steven Paul Mills
Eighth Defendant
Witness Statement
Exhibit SPM1
24 February 2015

IN THE COUNTY COURT AT STAFFORD

B E T W E E N:-

Claim No. A07YQ334

(1) MR MARK ANTHONY TAYLOR

Claimant

-and-

(1) MR ANSHU JAIN

(2) DEUTSCHE BANK AG

(3) HSBC PLC

(4) BARCLAYS BANK PLC

(5) UBS AG

(6) JP MORGAN CHASE

(7) CITIGROUP

(8) ROYAL BANK OF SCOTLAND GROUP

PLC

Defendants

**FIRST WITNESS STATEMENT OF STEVEN
PAUL MILLS**

Matthew Arnold & Baldwin LLP
21 Station Road
Watford
Hertfordshire
WD17 1HT

Ref: RCF.81836.367

Solicitors for the Eighth Defendant