

**First and Second Defendant
Emma Slatter
First Witness Statement
Exhibit: ES1
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) CITIGROUP**
- (8) ROYAL BANK OF SCOTLAND GROUP PLC**

Defendants

**FIRST WITNESS STATEMENT OF
EMMA SLATTER**

I, Emma Slatter, of CityPoint, 1 Ropemaker Street, London, EC2Y 9HT, WILL SAY AS FOLLOWS:-

1. I am General Counsel for the United Kingdom at Deutsche Bank AG, working from the above address, and have conduct of this matter on behalf of the First and Second Defendants (“**Mr Jain**” and “**Deutsche Bank**” respectively). I am authorised to make this statement on Mr Jain’s and Deutsche Bank’s behalf.
2. I make this statement in support of the applications of Mr Jain and Deutsche Bank to strike out the claims brought against them (pursuant to CPR r 3.4(2)(a) and/or (b) and/or (c)) and/or for summary judgment in their favour (pursuant to CPR Part 24).

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.

3. I understand that the remaining six defendants also intend to issue applications to strike out the claims against them and/or for summary judgment.
4. 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 Deutsche Bank and my own knowledge, except where expressly stated otherwise. I confirm that they are true to the best of my knowledge, information and belief.
5. Attached to this witness statement is a paginated exhibit marked “ES1” 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.

The Claim

6. The Particulars of Claim produced by the Claimant (“Mr Taylor”) run to some 25 pages and consist of numerous unsubstantiated and fanciful assertions. They can, however, be shortly summarised:
 - 6.1 Mr Taylor bought gold, platinum and silver from Deutsche Bank Privat- und Geschäftskunden AG¹ 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.
 - 6.2 At para. 21 of the Particulars of Claim, Mr Taylor asserts that he purchased 100 grams of gold, 44 kg of silver and 150 grams of platinum and subsequently sold 40kg of the silver and all of the gold and platinum. Assuming even that Mr Taylor purchased the metals at the peak of the market (in 2011 for gold and silver, and in 2008 for platinum), these purchases would have cost him around USD86,097.94. If he had sold the metals at the lowest point in the market (in 2014 for gold and silver, and in 2008 for platinum), the sales proceeds would have been USD28,936.96.

¹ That is a separate legal entity from the Second Defendant.

Therefore, the losses he has suffered as a result of this trading in precious metals could only have been (at their maximum) USD57,045.39.

- 6.3 Mr Taylor advances a wholly unsubstantiated and fanciful 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.
- 6.4 Mr Taylor also asserts that:
 - 6.4.1 he purchased and sold precious metals in Euros;
 - 6.4.2 since precious metals are denominated in US dollars his purchases and sales involved a currency conversion; and
 - 6.4.3 the exchange rate was manipulated and as a result he has suffered “*potential but unquantifiable losses*” (para. 11 of the Particulars of Claim).
- 6.5 It should be noted, however, that Mr Taylor does not appear to advance a positive case that Deutsche Bank or Mr Jain had any involvement in foreign exchange manipulation (para. 11(a)), and therefore we do not address this in detail.
- 6.6 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):
 - 6.6.1 £500,000 in aggravated damages for stress;
 - 6.6.2 £250,000 by way of punitive damages (without proof of loss) for foreign exchange manipulation; and
 - 6.6.3 £250,000 by way of aggravated damages for precious metals price manipulation.

The basis of the application

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

7.1 the statement of case discloses no reasonable grounds for bringing the claims and/or the claims have no real prospect of success. In particular:

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

7.1.2 the Claimant would not be entitled to the damages claimed even if he could substantiate his conspiracy theory; and

7.1.3 there is no basis for a claim against Mr Jain in his personal capacity (and no proper basis is articulated).

7.2 It will be the First and Second Defendants' submission that the Claim consists of entirely unparticularised, unsubstantiated and fanciful 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. The means I hope to achieve this is by suing Deutsche Bank for silver price suppression".

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

8. 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.

9. In fact, and as will be addressed more fully in the First and Second Defendants' skeleton argument, 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. 10 to 14 below).
10. Mr Taylor sets out what he says is the basis of his allegation that there has been a fraudulent conspiracy or cartel at paras. 1 and 2 of the Particulars of Claim. I make the following points in reference to Mr Taylor's paras. 1 and 2 :
- 10.1 Mr Taylor made a complaint (along the lines of this Claim) to Deutsche Bank Privat- und Geschäftskunden AG in January 2014. His complaint was investigated and in July 2014 it was rejected.
- 10.2 Mr Taylor asserts that because an internal review of precious metals trading which Deutsche Bank undertook was still ongoing at the time his complaint was dismissed, both the investigation of his complaint and the internal review were "*fake*" (see in particular paras. 2(g) to (i) of the Particulars of Claim).
- 10.3 That plainly does not follow. Mr Taylor has failed to identify any basis for his contention: it is simply a bald assertion and it is wholly denied.
11. Yet the allegation that an internal review (or "audit") conducted by Deutsche Bank was fake is the central tenet of Mr Taylor's conspiracy theory. Thus (at para. 2(i) of the Particulars of Claim) Mr Taylor asserts that it must follow from the "audit" being fake that "*it was faked to hide manipulation*".
12. Similarly, 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".*
13. It will be the First and Second Defendants' submission (to be addressed more fully in the skeleton argument) that that contention is plainly misconceived:

- 13.1 There is no basis for the suggestion that an internal review by Deutsche Bank of its precious metals trading has not been conducted in good faith, and none is advanced.
- 13.2 It clearly also does not follow that if there have been found to be instances of foreign exchange manipulation (albeit not involving Deutsche Bank) that there was a widespread (and effective) conspiracy of the kind alleged by Mr Taylor to suppress precious metals prices.
14. The reality is that the conspiracy or cartel allegation is no more than an unparticularised assertion, based on a series of unsubstantiated assumptions which do not logically follow from each other. In fact, I note that the Particulars of Claim contain numerous allegations of this nature, such as:
- 14.1 Mr Taylor’s allegations of corruption against the German Court (top of page 21). It appears that Mr Taylor has “*invoiced*” the German Court for “*obstructive procrastination*”;
- 14.2 the assertion that “*Private investment banking that is fuelled by central bank money printing is thus in itself patently corrupt*” (para. 10(d)); and
- 14.3 the assertion that “*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

15. In his Particulars of Claim, Mr Taylor refers to a number of publicly known regulatory investigations into various matters including FX and LIBOR. However, the investigations to which he 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).

16. Moreover, there have been no findings against Deutsche Bank in respect of precious metals price manipulation or foreign exchange rate manipulation.
17. 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).
18. It follows from all of the matters set out at paragraphs 7 to 17 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.

B. Mr Taylor is unable to establish loss and damage

19. It will also be the First and Second 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 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.
20. 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 para. 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”.

C. The damages sought are irrecoverable

21. It will be the First and Second Defendants' submission that there is no proper basis on which Mr Taylor could be awarded the damages that he seeks. In short:
- 21.1 Mr Taylor claims £1 million but the losses he has suffered by his trading in precious metals could only have been (at their maximum) USD57,045.39;
- 21.2 mental distress is not by itself sufficient damage to ground an action, and there is absolutely no basis for a £500,000 damages claim for stress allegedly caused by an (alleged) delay in investigating Mr Taylor's complaint and by Deutsche Bank defending this litigation (as it is entitled to do);
- 21.3 punitive damages are irrecoverable; and
- 21.4 Mr Taylor has not identified any of the "*lost investment opportunities*" which he says give rise to "*aggravated damages*" of £250,000.
22. 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.

D. The claim against Mr Jain

23. Mr Taylor has also brought a claim against Mr Jain, the co-CEO of Deutsche Bank, in his personal capacity. There is no legal basis for such a claim and no proper basis has been articulated. Instead, the foundation of the claim is said to be as follows (para. 2(l) of the Particulars of Claim):

"Since the fake audit implies a serious criminal fraud, and its cover-up may have caused a corruption of court verdicts, we have the rationale for calling Anshu Jain, Co-CEO of Deutsche Bank".

24. As set out above, the allegation that an internal review of precious metals trading conducted by Deutsche Bank is fake is entirely baseless. Thus, even on Mr Taylor's case, the basis for suing Mr Jain falls away.

25. Mr Taylor also asserts (para. 15 of the Particulars of Claim) that, emphasis added:

"Anshu Jain, the CEO of Deutsche Bank is the principle cause of damage in this claim unless he can show why the fake audit and its repercussions was the responsibility of the other members of Deutsche Bank's board".

26. There is no (still less no reasonable) basis for this allegation (or the proposed reversal of the burden of proof), and none is offered.
27. The reality is that there are no reasonable grounds for bringing a claim against Mr Jain in his personal capacity in respect of the alleged manipulation by corporate entities of precious metals prices, and it should be struck out.
28. This is the second occasion on which Mr Taylor has sought to bring a claim against an officer of Deutsche Bank. In 2014, Mr Taylor brought proceedings in the Frankfurt Court against Mr Jain's Co-CEO, Mr Juergen Fitschen. Mr Taylor advanced the very same complaints as are advanced in these proceedings (a copy of his complaint in those proceedings is at pages 1–5; a translation of the judgment is at pages 6–12). The claim was dismissed as being “without merit” on the basis that, as here:
 - 28.1 *“The Claimant failed to provide evidence for any act of [Mr Fitschen] that would have caused any specific loss and could trigger any liability [pursuant to the German Civil Code]”;*
 - 28.2 *“Apart from the general nature and the lack of logic and comprehensibility of the arguments brought by the Claimant with regard to the allegations of manipulation and conspiracy, the Claimant fails to present even rudimentary evidence of a specific act of the Defendant, or... [an] omission that would be causative of the loss”.*
29. It will be the First and Second Defendants' submission that the German Court's approach to the allegations raised by Mr Taylor is persuasive and should be followed by the Court.

E. CPR r. 30.8

30. 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 I 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 Defendants have 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 First and Second Defendants by this Court.

Conclusion

31. For all of the above reasons, and as will be developed in submissions at the hearing, 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.
32. In addition, given Mr Taylor's motivation for bringing the Claim (see para. 7(2) above) and its wholly unsubstantiated and unparticularised nature, the Claim is an abuse of process.
33. The Court is therefore respectfully invited to strike out the claims and/or to grant summary judgment in the First and Second Defendants' favour.
34. The First and Second 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: 

Date: 24-2-15