

To:

Mr Ēriks Kalnmeiers
General Prosecutor of Republic of Latvia

Address: Kalpaka bulvāris 6, Rīga, LV-1801

The undersigned _____, Romanian citizen, born on _____, resident in _____, Bucharest, Romania, tel. No: _____, e-mail: _____, acting in my capacity of Director, sole shareholder and sole Ultimate Beneficial Owner of the company _____, formally submit

CRIMINAL COMPLAINT

against **JSC Rietumu Banka**, Latvian Bank with registered address in 7 Vesetas str, Riga, LV-1013, LATVIA and its responsible officials for committing **Fraud in large scale**, according to Section 177 together with Section 48 art. 3 of the Latvian Criminal Law and for committing **Extortion**, according to Section 183 of Latvian Criminal Law

Facts:

My company _____ is registered in Seychelles. I am and I always was the sole Director, Shareholder and Ultimate Beneficial Owner of the company. (**Annex 2** – Certificate of Incumbency for the company _____). My company is having an account opened with JSC Rietumu Banka since 2014 (four years). The account of the company is _____. During this period of time, our company carried legitimate business, answered to all the questions (if any) raised by the bank and provided all necessary documents required by the bank.

The main business of our company is a small operation of intermediating services for Oil Service Industry. Basically we employ (direct or indirect – through other companies) specialized personell that provide services for bigger companies. In our particular situation, our beneficiary is the UK Company R _____ (UK) LTD and we have one direct employee (G _____) and another three indirect employees (they have created their own company for this purpose, called P _____ INC). I have provided their names to the bank when they requested them.

All the correspondence between me (as representative of the company) and JSC Rietumu Banka was done through their own internet banking message system and it was in English

In spite the good relationship, on 23rd of February 2018 at 17:51, the bank sent the following message (**Annex 3**):

Dear Client,

Hereby JSC “Rietumu Banka” (hereinafter – the Bank) informs G _____ (hereinafter – the Client) about its **decision to unilaterally terminate the Bank and Client Agreement** in accordance with the Terms and Conditions of Bank and Client Agreement.

The Bank **will cease the provision of services and will terminate Bank and Client Agreement on April 23, 2018.**

The Bank draw attention that a balance of cash funds and **other financial assets kept on Client’s accounts with the Bank should be transferred from accounts within the above-mentioned time frame.**

For the purpose of the transfers in the USD currency commission type BEN should be used, for transfers in EUR currency – commission type SHA.

In accordance with the Bank's Tariffs (<http://www.rietumu.com/fees>) you have to leave on your current account sufficient funds for multicurrency current account closure fee. The Bank kindly asks to request and receive from the Bank documentation necessary for the Client (for example, reference regarding the closure of the account, extracts) in a timely manner, before the deadline mentioned above, as well as to extinguish any and all indebtedness existing towards the Bank (if any).

Yours sincerely,
JSC "Rietumu Banka"

Asking about the reason, the bank DID NOT inform me about any wrongdoing or about the fact that our company falls into a certain category, in a message signed by „Anna Golovina” dated 1st of March 2018 12:50 (**Annex 4**) being informed that „Dear Mr. M , The decision was made according to the the bank's internal decision. We apologize for inconvenience caused. Thank you in advance for understanding. Best regards,”

According to the the recommendation received from the bank on 23rd of February, I started to transfer the funds of the company but, unexpectedly, **on 19th of March 2018** the accounts were frozen and after that we have received the following message (**Annex 5**):

„Dear customer!

Herewith we inform you that according to the prescription of the Regulator (Financial and Capital Markets Commission), **starting from the 21st of May 2018 Rietumu Bank stops servicing your account due to the fact that you are attributed to the category “shell companies”**. We pay your attention that since today (the 19 of March, 2018) any your payment order will be accepted for processing by the Bank only after the procedure of due diligence in accordance with requirements of Rules of Financial and Capital Markets Commission of Latvia No 3 as of 09.01.2018. ("Klientu padziļinātās izpētes normatīvajos noteikumos kredītiestādēm un licencētām maksājumu un elektroniskās naudas iestādēm).

Detailed information regarding the data and documents necessary for the due diligence is attached to this letter in a separate file.

We ask you to provide to the Bank full package of required documents and information within 45 days; after the receipt of this the Bank will inform you about the expected determination date. Analysis of the submitted documents will be held on the basis of the Bank's fees. We pay your attention to the fact that if the Bank does not receive requested information as of 21st of May 2018 (or the volume of provided information is not sufficient), transfer of monetary funds and financial instruments will be possible with limitations applied by the Latvian Legislation “On the Prevention of Money Laundering and Terrorism Financing”.

In case of any questions we ask you to contact your personal manager or Customer Service calling to +371 67025555.

Yours sincerely,
JSC "Rietumu Banka"

I immediately requested RIETUMU BANKA to close the accounts of my company and to release the funds but the only answer was that this will be possible only after a due diligence carried by the compliance department of the bank. I was forced to accept such due diligence so I have sent all the required answers and documents in the same day **19th of March at 17:50 (Annex 6)**. On 6th of April at 11:30, I was requested by message (**Annex 7**) to „to provide Certification of the Beneficial owner, signed by digital signature/ test-key/ digipass/. Please attach a scan of your passport as well.”

This message is the prove that JSC RIETUMU BANKA did not verified the documents sent by me on 19th of March at 17:50 as I had already provided the Certificate signed and also my passport copy on 19th of March. My reasonable question is „**Did they check the documents I have sent on 19th of March 2018 as long as they are asking the same documents again?**” Anyway, on **6th April 2018 (same day) at 13:34** I have sent (**Annex 7**) the Certification of Beneficial owner, a copy of my

passport and also Certificate of Good Standing and Certificate of Incumbency for the company

On **Friday 11th of May 2018 at 17:33** I have received the following message (**Annex 8**):

„Dear Client,

We have reviewed provided documents.

I am sending comments on DD documents. We kindly ask: 1) Present actual Certificate of Incumbency with information of owners signed by reg.agent, notarized and apostilled. As alternative, you may provide actual for 2018 Registry of shareholders signed by director of the company. Documents should be issued after 19 March 2017. As also Share Certificate + Trust Declaration (in case of nominee)

2) Provide working agreements with 4 employees

3) Provide your internal accountancy/reports/calculations including balance, profit/loss, assets etc. signed by director

4) Comment how business activity of the company related to professional activity of BO (legal services)? What is a role of BO in the company? Does BO have experience in related business (petroleum/natural gas)?

5) Information about P Inc – description of business activity, internet site, countries of business, starting cooperation with that partner

6) Comment invoices with R LTD where is stated Nigeria. You stated that all services are provided in Cyprus

7) Comment price formation for services provided by R LTD (Subcontracted Services of logistical and technical support)

8) Provide information about subcontractors for R LTD. Who personally provides services for that company? How do you pay salaries for these subcontractors?

9) Please provide documents for outgoing payments related to incoming payments for invoices GDS/128 (11/11/2017), GDS/149 (9/11/2017), GDS/158 (15/01/2018) from R

LTD. We need to see the chain of incoming and outgoing payments. How did you receive funds for invoices GDS/149 (09.11.2017), GDS/158 (15/01/2018)? We do not see related payments.”

On **Monday 14th of May 2018, next business day** I have sent all the requested documents and details, in spite the fact that most of them were already sent before to the JSC RIETUMU BANKA but it is obvious that the so called „due diligence” is just a cover operation to justify the freezing of our accounts .

On 22nd of May 2018, we have received the following message (**Annex 11**):

„ON THE COMPLETION OF THE PROCEDURE OF THE ENHANCED DUE DILIGENCE
Dear client,

In our letter from March 19, 2018 on the termination of the cooperation with the shell-companies, we requested You to undergo the procedure of the enhanced due diligence until May 21, 2018. Taking into account that the specified deadline has passed and the information available to the Bank, the preventive risk assessment has been conducted.

The **Bank accepts to bear the AML risk, that has arisen in relation to the cooperation with Your shell-company**, and upon the payment of the compensation for the mentioned risk, to change account status and to carry out the transfer of the funds of Your company without any limitations (in line with

the existing legislation).

Based on these grounds we are ready to accept an application from You “on the completion of the procedure of the enhanced due diligence” and the final termination of the Bank and Client Agreement.

Client

Further – Client

Represented by

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Bank

JSC "Rietumu Banka", Registration No. 40003074497, Legal Address:
Vesetas 7, Riga, LV-1013, Latvia
Further – Bank

APPLICATION ON THE COMPLETION OF THE PROCEDURE OF THE ENHANCED DUE DILIGENCE

In conjunction with the notification sent by the Bank on 19.03.2018, hereby I request the Bank to:

- to complete the procedure of the enhanced due diligence based on the documents and information, that is at the disposal of the Bank at the moment of the signing of this application.
- to deduct from the current account and/or any other accounts in the Bank the remuneration of the Bank for the closure of the accounts/transfers of the funds and any other payments, related to the provision of the services to the Client in line with the Tariffs of the Bank, as well as to deduct the compensation for the risk in the amount of EUR 5000.00;

- to transfer the remaining funds and/or assets, that are held at the Bank in line with the payment order forwarded by me, after signing of the given application;

- after the transfer of the funds and/or assets, to close all of the accounts in the Bank and to deem JSC "Rietumu Banka" and Client Agreement (further – the Agreement) terminated.

Likewise I hereby confirm, that

- the only obligation of the Bank is the carrying out of the actions mentioned above;
- shall the transfer of the funds and/or assets turn out to be impossible due to the reasons that do not depend on the Bank, the Client undertakes to inform the Bank of the correct requisites;
- from the moment of the provision of the order for the transfer of the funds/assets all the obligations of the Bank in relation to the Client shall be considered fulfilled;
- the Client does not have and will not have any demands and /or claims in regard to the Bank, its officials and employees;

- all the complaints/claims/ appeals of the Client to the Bank/regulator and to the third parties, in relation to the provision of the service by the Bank to the Client, among others the completion by the Client of the procedure of the enhanced due diligence in the Bank, shall be considered to be entirely regulated and resolved between the Bank and Client, or third parties, attracted by the Client;

- the client will observe the provisions of the confidentiality and the non-disclosure, foreseen by the Agreement, among others, in relation to the completion of the procedure of the enhanced due diligence and the communication with the Bank, and likewise Client will observe the provisions of the confidentiality and non-disclosure after the termination of the Agreement;

- the given application is priority and final document in regard to the obligations of the Client towards the Bank that arise from the legal relationship in line with the Agreement. Conditions, laid down in the application prevail over the conditions of the agreements and arrangements that were signed or sent to the Bank by the Client beforehand. Likewise, the application cancels any other arrangements, oral or written between the Bank and the Client, Client and third parties in regard to the subject of the Agreement and contains the complete agreement between the Bank and the Client.

- the given application was drafted and signed in the language clear to the Client, freely and without misconception, fraud or **coercion**.

I have refused to sign such document for the following reasons:

1. I have never asked JSC RIETUMU BANKA to bear an „AML risk”. If a relationship with our company is a „risk” for the bank, the bank had NOT TO open the account or, at the moment it has discovered this situation, to close the account and immediately and release our funds

2. JSC RIETUMU BANKA keeps our money ransome and will release our money only if we pay „a compensation” and sign a document giving up to our legal rights to go to courts againsts the bank and its officials. We are positive that this is Extortion, according to Section 183 of Latvian Criminal Law and I refuse to accept to be the victim of such blackmail
3. I am not going „to apply” in order to let JSC RIETUMU BANKA have our money for a made-up „risk”. If keeping our money in the bank is a risk for the bank, the bank should release our funds.
4. I have never asked the JSC RIETUMU BANKA to carry the due dilligence. I was forced to accept and send the documents in order to have our money released so I do not agree to let the bank deduct from the account the amounts for a service I have never asked and I was forced to accept
5. I consider that the condition that JSC RIETUMU BANKA will transfer our funds only after we signed the document is Extortion
6. If the procedure is legal, why does JSC RIETUMU BANKA asks the Client to consider the procedure resolved?

Immediately I have talked on the telephone with „Anna Golovina” the responsible representative of JSC RIETUMU BANKA relating to our account and agreed for a meeting for nest day, 23.05.2018 at 14:30. On 23.05.2018 at 14:30 I was present at the bank and kept to wait until 17:45 when a gentleman that presented himself as Mr. Timofej Stepanov, Head of Customer Relationship Management Division told me that „they will try to solve our problem” but no other communication received from the bank

Staring 19th of March 2018 JSC RIETUMU BANKA deducted from our account **without our consent** the following amounts:

- On 05 of April 2018 the amount of **1.000 EURO** as monthly fee for account maintenance for March 2018. **Comments:** The usually fee for account maintenance is 50 EUR/month but JSC Rietumu Banka unilaterally changed the fees to 1.000 EUR/month for „risky companies” but on 19th of March they did not finalized the due diligence so how did the bank know if our company is in the „risky category” or not. Also, when they informed us that our company might be in such category we have requested JSC RIETUMU BANKA to close the account and release the funds but the bank refused to execute our instructions and kept our money frozen but meantime had deducted from our account for madeup fees and services
- In 30 of April 2018 the amount of **533 EUR** as Commission for individual monitoring and analysis. **Comments:** we have never agreed and asked for this analysis
- On 02 of May 2018 the amount of **500 EUR** as Penalty for non-compliance with requirements for provision of documents. **Comments:** We have always provided the documents immediately. Also, if we did not provide them, why are we charged for „individual monitoring and analysis”?
- On 07 of May 2018 the amount of **76 EUR** as Commission for individual monitoring and analysis. **Comments:** we have never agreed and asked for this analysis
- On 05 of May 2018 the amount of **1.000 EUR** as monthly fee for account maintenance for April 2018 **Comments:** The usually fee for account maintenance is 50 EUR/month but JSC Rietumu Banka unilaterally changed the fees to 1.000 EUR/month for „risky companies” but on 5th of May they did not finalized the due diligence so how did the bank know if our company is in the „risky category” or not. Also, when they informed us that our company might be in such category we have requested JSC RIETUMU BANKA to close the account

and release the funds but the bank refused to execute our instructions and kept our money frozen but meantime had deducted from our account for madeup fees and services

- On 28 of May 2018 the amount of **500 EUR** as Charge for Account closing

Also, on **28th of May 2018** our account was closed by the bank and all the money dissapeared, being kept by the bank without any legal right.

The total amount illegally stolen by JSC RIETUMU BANKA by missusing the fiduciary agreement and trust granted by us as clients from our account is 14.442,38 EUR, according to the attached (Annex 12) Bank statement but the total damage created by its action is much larger, as my company had lost the subcontractors/employees due the fact that it could not pay them following the illegal actions of freezing our accounts.

I consider that the actions of JSC RIETUMU BANKA and its officials to missuse the trust granted by the client to a bank by freezing the accounts of its clients under the cover of a „mandatory due diligence” while the bank itself keeps the accounts opened against our will just to deduct from our account fees, penalties and other commissions we did not agree to pay can be considered as Fraud in large scale, according to Section 177 of the Latvian Criminal Law together with Section 48 art. 3 of the same Latvian Criminal Law.

Also, I consider that JSC RIETUMU BANKA and its officials actions of demanding us to surrender our rights to have any claims against the bank or its officials and to agree to pay (or be deducted from our accounts) some amounts unilaterally imposed by JSC RIETUMU BANKA unless the bank do not release our frozen accounts can be considered Extortion, according to Section 183 of Latvian Criminal Law.

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