

**STRICTLY PRIVATE AND CONFIDENTIAL**

**OFFER LETTER TO NOTEHOLDERS**

**19<sup>th</sup> November 2021**

Dear Noteholders,

***Re: Index-linked Notes managed by Von der Heydt AG, Germany  
(ISIN codes XS2092965511, XS2091652797, XS1545830256 & XS1633062127)***

We have received a letter dated 18<sup>th</sup> November 2021 from Alliance Group containing a legal statement (“**Legal Brief**”) from the solicitors of the Alliance Group. In the email containing the Legal Brief we noted your email address was included in the email.

The MultiBank Group, with an unblemished record with all its regulators since 2005, under the circumstances referred to below does not wish the innocent Noteholders to be harmed, as a result of the actions of the Von der Heydt Group and to this end, we write to you this letter.

**INTRODUCTION**

We are writing to inform you of a legal action MultiBank Group will initiate against the designated investment manager, Von der Heydt AG (“**Von der Heydt AG**”). Specifically, this relates to unfortunate activities, and breaches of contract that occurred between 2017 and 2020 when MultiBank Group, Von der Heydt AG and Alliance Group, undertook a joint venture partnership.

This lawsuit against Von der Heydt Group (“**Von der Heydt Group**”) comprising Von der Heydt AG of Germany and Von der Heydt Invest of Luxembourg of circa €150 Million. The rationale and causation of this claim is explained in the Legal Brief.

**MAIN ISSUES**

At this juncture, we refer to certain sections that we noted in the Legal Brief which we believe are relevant in addressing you in this letter, namely:

- (1) Section 10 in general and paragraph 48 wherein it is explained that in the light of the confirmation by Von der Heydt Group that the trading is illegal, then it is not open for the Noteholders to recoup illegal profits. In particular, it is stated this

*“It is a basic principle in financial compliance and regulations, as confirmed by Eversheds, that when a party profits from illegal trading, they are not entitled to these profits, and it is incumbent upon a regulated entity not to transfer these illegal profits to Von der Heydt Invest or they would be considered a party to the illegality or the fraud and in breach of the Directives.”*

It is therefore manifestly clear, on any view, that the Noteholders are not entitled to receive illegal profits for the reasons as confirmed by Eversheds Solicitors.

- (2) Section 5 in general and at paragraph 31 thereof in particular, it is confirmed that in accordance with Luxembourg Law, that the funds held by the Issuers are the property of the Issuers and of the Noteholders. In relation to this matter, a Luxembourg expert opinion was referred to in relation to the funds. The said expert opinion stated:

*“Do the terms and conditions, under the applicable laws, give rise to any trust obligations owed by the Plaintiffs to Noteholders?”*

***No.”***

It must follow that the MultiBank Group has no liability to the Noteholders, nor has it any relationship or contract with the Noteholders who should seek their recoupment of funds from Von der Heydt AG being their investment manager who committed the unconscionable behaviour referred to in the Legal Brief.

**THE WAY FORWARD**

Nonetheless – and without prejudice to the generality of the foregoing - it is very important to us as a trusted financial services provider, that the investments of the third-party innocent noteholders in this instance are protected.

With this in mind, in order to assist the Noteholders to recoup their funds, MultiBank Group is prepared, subject to contract, to issue notes (“**MultiBank Notes**”) to the Noteholders guaranteeing and undertaking the return of their original investment, together with an interest of 4+ LIBOR (albeit the current LIBOR rate for EUR is negative), from the date that each noteholder invested.

The payment of the monies to the Noteholders, shall be done on equal yearly tranches, from the commencement of the investment to the date of the maturity of the notes.

The above offer does not apply for Von der Heydt Invest or its client in Luxembourg as they are the protagonist of the illegalities and caused substantial losses.

The above offer is also made in good faith and benevolently in the interests of the innocent Noteholders but is not an admission of any liability whatsoever. MultiBank will be pursuing all available rights against Von Der Heydt Group and reserving its legitimate position and rights in all respects.

If you would like to discuss this further, please contact us on [legal@multibankfx.com](mailto:legal@multibankfx.com) and we will deal promptly with any issue relating to this matter and offer. Moreover, once we hear of your response, we are prepared to arrange for our representatives to meet with you personally in Germany at your convenience and discuss this matter further.

We look forward to hearing from you.

Yours sincerely

**Legal Department**  
**MultiBank Group**

