

STATE OF WISCONSIN

CIRCUIT COURT

BROWN COUNTY

HERMAN GRAD, MARYA GRAD,
KEITH GILLAM, MURIELLE VENDETTE-
GILLAM, IVAN VELEV AND
MAIA VELEVA,

Plaintiffs,

v.

ASSOCIATED BANK, N.A.

Defendant.

Civil Action No.

09 CV 2949

Case Code: 30703

Unclassified

AUTHENTICATED COPY
FILED

SUMMONS

27 2009

LISA M. WILSON
CLERK OF COURTS
BROWN COUNTY, WI

To each person named above as a Defendant:

You are hereby notified that the Plaintiffs named above have filed a lawsuit or other legal action against you. The Complaint, which is attached, states the nature and basis of the legal action.

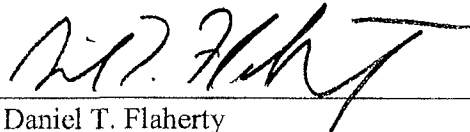
Within forty-five (45) days of receiving this Summons, you must respond with a written answer, as that term is used in Chapter 802 of the Wisconsin Statutes, to the Complaint. The Court may reject or disregard an answer that does not follow the requirements of the statutes. The answer must be sent or delivered to the Court, whose address is 100 S. Jefferson Street, Green Bay, Wisconsin 54301, and to Godfrey & Kahn, S.C., Attention: Daniel T. Flaherty, 780 North Water Street, Milwaukee, Wisconsin 53202-3590. You may have an attorney help or represent you.

If you do not provide an answer within forty-five (45) days, the Court may grant judgment against you for the award of money or other legal action requested in the Complaint, and you may lose your right to object to anything that is or may be incorrect in the Complaint. A

judgment may be enforced as provided by law. A judgment awarding money may become a lien against any real estate you own now or in the future, and may also be enforced by garnishment or seizure of property.

Dated this 27th day of October, 2009.

GODFREY & KAHN, S.C.

By: 
Daniel T. Flaherty
State Bar No. 1011357
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State Bar No. 1047241

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COMPLAINT

Plaintiffs Herman Grad, Marya Grad, Keith Gillam, Murielle Vendette-Gillam, Ivan Velev and Maia Veleva (collectively, "Plaintiffs"), by their undersigned attorneys, for their Complaint against defendant Associated Bank, N.A. ("Associated Bank"), allege as follows:

INTRODUCTION

1. Plaintiffs are victims of a massive fraud scheme disguised as a sophisticated foreign currency investment program in which they lost nearly \$10 million, and the total loss suffered by all investors exceeds \$100 million. Associated Bank played an integral role in the scheme.

2. The perpetrators of the fraudulent scheme established one or more depository accounts at Associated Bank for the purpose of receiving funds that investors believed would be invested in the foreign currency investment program. In reality, however, much of the funds were ultimately transferred to offshore accounts and elsewhere in order to enrich the promoters of the scheme.

3. Beginning the instant the account applications were submitted, and continuing in the months that followed when an avalanche of highly suspicious activity occurred in the accounts, Associated Bank ignored obvious red flags symptomatic of fraud or other illicit activity. For example, even though one of the accounts was established in the name of a fictitious business entity using a fictitious address, Associated Bank stood idly by while millions of dollars were deposited into that account by investors and funneled out of the account by the perpetrators of the illegal scheme. If Associated Bank had complied with customer identification regulations and procedures in opening the accounts, and had responded properly to many obvious red flags associated with the accounts, millions of dollars in investor losses – including the nearly \$10 million lost by Plaintiffs – could have been prevented.

4. Under federal banking regulations, guidance provided by bank regulators, and standard practices commonly accepted in the banking industry, Associated Bank should have asked questions and investigated further. The answers to these questions would have exposed the fraudulent nature of the accounts, and caused Associated Bank to freeze the accounts and immediately report the suspicious facts and circumstances to law enforcement.

5. Unfortunately, Associated Bank facilitated the scheme by continuing to provide banking services to its perpetrators, and by doing nothing to prevent the Plaintiffs' massive losses. In fact, it was only after the fraudulent nature of the scheme became public that Associated Bank began to acknowledge accountability for its role in the scheme: At that point – and long after millions of dollars of investor funds had been funneled through Associated Bank to offshore locations – Associated Bank fired the bank Vice President who was responsible for the business banking relationship with at least one of the account holders responsible for promoting the illegal scheme.

6. At best, Associated Bank is guilty of gross negligence that caused substantial and foreseeable losses to Plaintiffs. At worst, Associated Bank, through the conduct of a rogue banker, knowingly facilitated a scheme to defraud dozens of unsuspecting investors.

PARTIES

7. Plaintiff Herman Grad is a citizen of Canada and resides in Toronto, Ontario.

8. Plaintiff Marya Grad is a citizen of Canada and resides in Toronto, Ontario.

9. Plaintiff Keith Gillam is a citizen of Canada and resides in Fountain Hills, Arizona.

10. Plaintiff Murielle Vendette-Gillam is a citizen of Canada and resides in Fountain Hills, Arizona.

11. Plaintiff Ivan Velev is a citizen of Canada and resides in Calgary, Alberta.

12. Plaintiff Maia Veleva is a citizen of Canada and resides in Calgary, Alberta.

13. Defendant Associated Bank is a corporation organized and existing under the laws of Wisconsin, with its principal place of business at 200 North Adams Street, Green Bay, Wisconsin 54301.

JURISDICTION AND VENUE

14. This Court has subject matter jurisdiction pursuant to Wis. Stat. § 801.04(1) because the Court has the power to hear the claims for relief sought pursuant to the Constitution and statutes of the State of Wisconsin. The Court has personal jurisdiction over the defendant pursuant to Wis. Stat. § 801.05(1) because the defendant is a domestic corporation with its headquarters in the State of Wisconsin.

15. Venue is proper in Brown County pursuant to Wis. Stat. § 801.50(2)(c) because defendant's headquarters are in Brown County.

FACTS

Bank Customer Due Diligence and Transaction Monitoring

16. In the post-9/11 world, banks must perform certain due diligence when opening accounts and when monitoring ongoing activity in those accounts once they are open. Federal regulations, guidance from bank regulators, and standard industry practice all prescribe accepted procedures that banks must follow to help ensure that their accounts are not used as conduits for fraud, money laundering, and the funding of terrorism.

17. At their core, these procedures require banks to “know their customer.” Pursuant to federal regulations, banks must obtain certain identifying information from customers who wish to open accounts. Banks then must verify through reliable and independent sources that the information provided by the customer is accurate, so that the bank can form a reasonable belief that it knows the true identity of the customer.

18. When a bank opens a depository account for a business entity, the customer identification program regulations (sometimes referred to as the “know your customer” regulations) require the bank to obtain the name, address and taxpayer identification number for the business from the customer.

19. After obtaining this information from the customer, the bank then must perform due diligence designed to help the bank understand who the customer is and the nature of its business. At a minimum, the bank must verify the identity of the business, and the identity of its beneficial owners, to ensure that the business is legitimate. To do so, the bank should review documents or other reliable non-documentary verification sources confirming the legal existence and good standing of the business entity, that its address is valid, and that the signers on the account are, in fact, legitimately associated with the business. Among other things, the bank

should also inquire about the expected activity of the business and the source of the funds that the business will deposit in the account. If the business contemplates that it will conduct international banking transactions, the bank should inquire about the purposes of those transactions and the countries involved. All of these due diligence procedures are an important part of the regime that helps ensure that bank customers are not using the bank's accounts as conduits for illegal activity.

20. Moreover, the duties imposed on a bank to help prevent illegal activity do not stop after the customer opens the account. The level of due diligence and follow-up investigation required by the bank can change over time depending on the level and type of account activity. When transactions in the account appear suspicious, the bank must inquire about the background and purpose of the transaction. If the bank is not satisfied that the transaction has a lawful purpose, or if the transaction deviates from the sort of transaction that the bank would expect the particular customer to conduct, the bank must file a Suspicious Activity Report (or "SAR") with the federal government, and under certain circumstances, immediately contact law enforcement and/or freeze the account.

21. The level of due diligence and investigation that banks must perform is not the same for all customers or for all accounts. Rather, regulations, regulatory guidance, and industry standards all require banks to conduct a "risk-based" analysis. For example, at the account opening stage, the level of due diligence will be relatively minor for a Green Bay resident and W2 wage earner who opens a savings account with minimal funds. In contrast, the level of due diligence should be significantly more for a limited liability company that represents itself as (or is later discovered to be) an asset management company receiving millions of dollars of other people's money and in turn transferring those funds to high-risk jurisdictions overseas.

22. The accepted “risk-based” approach to compliance requires banks to look for “red flags” that, depending on the circumstances, may warrant further investigation. According to the Office of the Comptroller of the Currency, these red flags include, but are not limited to, the following:

- a business is reluctant, when establishing a new account, to provide complete information about the nature and purpose of the business, anticipated account activity, prior banking relationships, names of its officers and directors, or information on its business location;
- a customer’s home or business telephone is disconnected;
- the customer’s background differs from that which would be expected based on his or her business activities;
- a customer makes frequent or large transactions and has no record of past or present employment experience;
- wire transfer activity to or from a financial secrecy haven, or high-risk geographic location, without an apparent business reason, or when it is inconsistent with the customer’s business or history;
- large incoming wire transfers on behalf of a foreign client with little or no explicit reason;
- wire activity that is unexplained, repetitive, or shows unusual patterns;
- payments or receipts with no apparent links to legitimate contracts, goods, or services;
- a large volume of cashier’s checks, money orders, and/or wire transfers deposited into, or purchased through, an account when the nature of the account holder’s business would not appear to justify such activity; and
- unusual transfer of funds among related accounts, or accounts that involve the same or related principals.

23. By monitoring the ongoing activity in accounts for evidence of these red flags and others, a bank can stop its customers from using the bank as a conduit for illegal activity, and thereby prevent foreseeable harm to others.

Associated Bank Compliance Program

24. Upon information and belief, at all times relevant to this Complaint, Associated Bank had an internal compliance program to ensure compliance with the federal banking regulations, guidance and industry practice that are aimed at preventing bank customers from using banks as conduits for illegal activity.

25. Upon information and belief, the Associated Bank compliance program was approved in Green Bay, Wisconsin, by the Board of Directors of Associated Bank.

26. Upon information and belief, the Associated Bank compliance program was monitored by senior management for Associated Bank at the bank's headquarters in Green Bay, Wisconsin.

27. Upon information and belief, the principal account opening operations and wire operations for Associated Bank are located in Green Bay, Wisconsin.

28. Upon information and belief, the Associated Bank compliance program included a transaction monitoring system that should have alerted Associated Bank about potentially suspicious activity based on, among other things, large dollar amount transactions, round dollar amount transactions, incoming and outgoing cross-border wire transfers, large dollar wire transfers into an account followed shortly thereafter by large dollar wire transfers out of the account, and transfers between related accounts.

29. Upon information and belief, at part of its compliance program, Associated Bank trained its employees regarding the federal banking regulations, guidance from bank regulators, and standard industry practice that are designed to help banks detect and prevent fraud, money laundering, and the funding of terrorism.

30. As explained further below, Associated Bank's compliance program and/or its execution of that program were deficient and failed to meet regulatory and industry standards. Indeed, rather than serving as a defense against fraud, Associated Bank's program did the opposite: Through its abject disregard of federal banking regulations, guidance, and standard industry practice, Associated Bank facilitated a massive fraud perpetrated by its customers who used their accounts at Associated Bank as the primary mechanism for their illegal scheme. The resulting harm was foreseeable, and could have been prevented if Associated Bank had performed even the bare minimum inquiry required. As a result, Plaintiffs and other investors lost millions of dollars.

The Crown Forex Scheme

31. The fraud scheme at issue was perpetrated by individuals associated at times with an entity named Oxford Global Partners, LLC ("Oxford").

32. At all times relevant to this Complaint, Oxford was a company registered under the laws of Minnesota that purported to provide investment advisor services. Beginning in approximately 2006, individuals later affiliated with Oxford began marketing an investment opportunity that purportedly involved the investment of funds through a Swiss company called Crown Forex SA (the "Crown Forex Scheme"). These individuals marketed the Crown Forex Scheme through Oxford beginning at least in approximately 2008, and continuing into 2009.

33. As part of the Crown Forex Scheme, Oxford solicited investors to appoint Oxford as their investment advisor. As such, Oxford owed a fiduciary duty to investors to manage their funds in accordance with the representations made by Oxford.

34. The promoters of the Crown Forex Scheme explained the investment program underlying the scheme as a complex trading strategy involving cross-currency swaps of foreign

currencies. The promoters of the scheme alleged that investors would earn steady returns by selling short a certain foreign currency with a low interest rate, and using the funds to purchase a long position in a different currency yielding a higher interest rate. The long position would allegedly generate a “swap credit” that would be paid as interest daily to investors.

35. Oxford falsely informed investors that any funds invested in the Crown Forex Scheme would be held in a segregated account in the name of Crown Forex SA at Credit Suisse in Switzerland. Investors were informed that these segregated funds would be used as collateral for the currency trades.

36. Oxford issued account statements that falsely claimed that investor funds were held in segregated accounts at Crown Forex SA in Switzerland, when in truth and fact no such accounts existed.

37. The promoters of the Crown Forex Scheme also falsely boasted that they did not have a vested interest in the scheme, when in truth and fact they personally profited from the scheme. In at least one instance, a promoter of the Crown Forex Scheme who claimed not to have a vested interest in the scheme was the signatory on a bank account into which investors were instructed to invest their funds.

38. Oxford also concealed from investors that Swiss financial regulators seized control of Crown Forex SA on or about December 9, 2008, and that no individuals other than the trustees appointed by Swiss financial regulators have been authorized to act on behalf of Crown Forex SA since that time. Similarly, Oxford concealed from investors that Swiss financial regulators decided to liquidate Crown Forex SA on or about February 23, 2009.

39. The promoters of the Crown Forex Scheme are currently under investigation by law enforcement in the United States, including the Federal Bureau of Investigation, the United

States Securities and Exchange Commission, and the United States Commodity Futures Trading Commission.

The Crown Forex Account at Associated Bank

40. After the Crown Forex Scheme unraveled, in connection with the Crown Forex SA bankruptcy proceedings in Switzerland, the bankruptcy trustees warned that “financial intermediaries” in the United States had been collecting funds for investment in an “illegally operated” trading platform under the name Crown Forex SA, and that would-be investors in the program were instructed to wire funds to a certain bank account at Associated Bank in the United States.

41. The account in question was opened at Associated Bank in 2008, with account number *****1705, in the name of “Crown Forex LLC” (the “Crown Forex Account”). Upon information and belief, the Crown Forex Account was established and maintained for the purpose of converting investor funds in furtherance of the Crown Forex Scheme.

42. Upon information and belief, the employees of Associated Bank responsible for opening the Crown Forex Account, and the employees of Associated Bank responsible for monitoring activity in the Crown Forex Account after it was opened, received training regarding the federal banking regulations, guidance from bank regulators, and standard industry practice that are designed to help banks detect and prevent fraud, money laundering, and the funding of terrorism.

43. After the Crown Forex Account was established at Associated Bank, Oxford instructed investors that investments in the Crown Forex Scheme should be made through the Crown Forex Account.

44. In fact, Oxford identified an Associated Bank Vice President in business banking named Lien Sarles as a contact person to facilitate investments. Upon information and belief, in advance of investments in the Crown Forex Scheme through Associated Bank, on certain occasions Associated Bank employees had communications to facilitate investments in the Crown Forex Scheme with, among others, investors or their agents.

45. As a result, investors invested tens of millions of dollars in the Crown Forex Scheme by depositing funds into the Crown Forex Account at Associated Bank, or accounts at Associated Bank maintained by related entities and individuals.

46. Investors in the Crown Forex Scheme accomplished many of their deposits into the accounts at Associated Bank via wire transfer. When Associated Bank accepted deposits via wire transfer, the receiving bank and beneficiary bank for the wire transfers was Associated Bank, Green Bay, Wisconsin.

47. Upon information and belief, Associated Bank knew that the funds transferred into the Crown Forex Account involved investor funds to be held in trust and invested on behalf of Plaintiffs and others. In addition to the due diligence and investigation that Associated Bank should have conducted regarding the Crown Forex Account, numerous transfers into the Crown Forex Account identified the transfers as intended for the benefit of (or "FBO") individual investors' accounts with Crown Forex. Upon information and belief, Associated Bank knew that the funds in the Crown Forex Account were funds belonging to individuals other than the account holder, and that the account holder owed a fiduciary duty to those other individuals with respect to the disposition of the funds in the Crown Forex Account.

48. Associated Bank was motivated to maintain the Crown Forex Account and other accounts at Associated Bank related to the Crown Forex Scheme because those accounts were a

lucrative source of income for Associated Bank. Upon information and belief, after investors in the Crown Forex Scheme invested millions of dollars into these accounts, Associated Bank not only earned income from normal banking fees associated with the multiple transactions in the accounts, but also earned revenue by investing the accounts' large dollar balances.

Red Flags on the Crown Forex Account

49. Associated Bank turned a blind eye to numerous indicia of fraud surrounding the Crown Forex Account that, if questioned, would have exposed the fraudulent nature of the account and should have caused Associated Bank to contact law enforcement immediately and to take steps to freeze the account.

50. For example, although the Crown Forex Account was opened in the name of "Crown Forex LLC," the Minnesota Secretary of State does not have a single record of any business entity bearing that name. In fact, with the sole exception of an obviously unrelated corporation in New Jersey, there do not appear to be any companies registered under the name "Crown Forex" anywhere in the United States.

51. Upon information and belief, because "Crown Forex LLC" was not a validly registered business entity, the business did not have a valid taxpayer identification number. Therefore, upon information and belief, Associated Bank never obtained a valid taxpayer identification number for "Crown Forex LLC," even though federal banking regulations expressly required Associated Bank to obtain that information in connection with opening the account.

52. Furthermore, the address associated with the Crown Forex Account was 5413 Nicollet Avenue, Suite 14, in Minneapolis, Minnesota. Although there is a Nicollet

Avenue in Minneapolis, property records for Hennepin County (where Minneapolis is located) do not list 5413 Nicollet Avenue as a valid address.

53. Likewise, there is no listing in the Minneapolis area for any telephone number corresponding to any entity named “Crown Forex.”

54. Although the Crown Forex Scheme purported to be a highly sophisticated and complex international investment strategy that attracted millions of dollars in investments from dozens of investors all across the country and Canada, the signatories on the Crown Forex Account were neither registered investment advisors nor licensed with state or federal securities regulators. Indeed, one of the signatories on the Crown Forex Account, Patrick Kiley, was a local radio talk show host whose background did not suggest that he had the capacity to manage or sell highly sophisticated investments, and the other signatory, Julia Smith, was a secretary.

55. Of the millions of dollars that investors transferred into the Crown Forex Account, often times investors identified the payees with names such as “Crown Forex SA,” or “Crown Bank,” or simply “Crown,” that varied from the “Crown Forex LLC” name on the account.

56. Associated Bank does not have any accounts in the name of Crown Forex SA. Nonetheless, Associated Bank accepted several deposits into the Crown Forex Account – an account purportedly established by a local investment company doing business in the Minneapolis area – that listed the payee as Crown Forex SA. On some occasions, when making their transfers into the Crown Forex Account, investors also included the address of Crown Forex SA in Switzerland. The “SA” suffix is an acronym for the French term “société anonyme” – which literally translates as “anonymous society” but is commonly used by Swiss

companies to describe an incorporated entity. The acronym is not used by companies incorporated in the United States.

57. The signatories on the Crown Forex Account – Patrick Kiley and Julia Smith – were also the signatories on other accounts at Associated Bank. Upon information and belief, after investor funds began to arrive, large amounts of money – often in large round dollar amounts – were transferred between the Crown Forex accounts and other accounts at Associated Bank held by Kiley, Smith and other promoters of the Crown Forex Scheme.

58. For example, funds from the Crown Forex Account were transferred to accounts at Associated Bank and elsewhere controlled by an Associated Bank customer named Trevor Cook. Like Kiley, Cook promoted the Crown Forex Scheme to investors. In fact, Cook represented himself as a principal of Oxford, one of the central entities in the Crown Forex Scheme. Even before his involvement in the Crown Forex Scheme, Cook had been accused of investor fraud on multiple occasions. For example, in 2006, an investor filed a complaint against Cook before the National Futures Association (“NFA”). Ultimately, the NFA panel concluded that Cook was responsible for falsified information on the investor’s account documents. The NFA panel found Cook to be “evasive, cagey and in many instances simply not credible,” and fined him \$25,000 for what it deemed a “very serious violation.” Notably, Kiley testified in Cook’s defense on the matter, and the NFA panel also found his testimony not to be credible.

59. The transfers to accounts controlled by Trevor Cook were not the only transfers out of the Crown Forex Account that should have alarmed Associated Bank. Upon information and belief, large dollar wire transfers were received into the Crown Forex Account followed shortly thereafter by large dollar wire transfers out of the account – activity commonly accepted in the banking industry as a “red flag” of potential illegal activity.

60. Moreover, upon information and belief, much of the investor funds deposited into the Associated Bank accounts and other accounts employed in furtherance of the Crown Forex Scheme were promptly transferred from those accounts to offshore banking centers in high-risk jurisdictions or countries that are known havens for financial secrecy.

61. In addition, upon information and belief, other investor funds deposited into the Associated Bank accounts and other accounts employed in furtherance of the Crown Forex Scheme were transferred from those accounts to foreign countries that had no connection whatsoever to the purported purpose of the Crown Forex Scheme. For example, upon information and belief, the perpetrators of the Crown Forex Scheme transferred some of the funds invested in the Crown Forex Scheme to Panama, purportedly to finance a casino and condominium project in that country.

62. If Associated Bank had followed the bare minimum standards established by federal regulations, guidance and industry practice, it would have immediately recognized the suspicious nature of not only the Crown Forex Account itself, but also the numerous transactions and millions of dollars funneled through it. The conspicuous red flags associated with the Crown Forex Account should have caused Associated Bank to contact federal law enforcement immediately, and to take steps to freeze transactions in the account until it could complete an investigation into their legitimacy.

63. Instead, Associated Bank did too little too late. Only when the nature of the fraud scheme became public – and long after millions of dollars of investor funds had been funneled through Associated Bank to offshore locations – did Associated Bank terminate the employment of Lien Sarles, the Associated Bank Vice President who had been identified by the perpetrators of the Crown Forex Scheme as a person at Associated Bank who could facilitate investments.

Upon information and belief, the termination was directly related to Sarles' mismanagement of the Crown Forex Account.

Investments in the Crown Forex Scheme by Plaintiffs

64. Oxford marketed the Crown Forex Scheme through other investment advisors, including an investment advisor in Canada called Tanren Corporation ("Tanren").

65. Tanren marketed the Crown Forex Scheme to Plaintiffs.

66. In reliance on the representations made by Oxford and relayed to Plaintiffs through Tanren, Plaintiffs decided to invest in the Crown Forex Scheme.

67. Plaintiffs appointed Oxford as a "sub advisor" for their investments. As such, Oxford owed a fiduciary duty to Plaintiffs to manage their funds in accordance with the representations made by Oxford.

68. On or about March 4, 2009, Plaintiffs Ivan Velez and Maia Velez invested \$3,000,000 in Canadian dollars in the Crown Forex Scheme by transferring funds to the Crown Forex Account at Associated Bank.

69. On or about March 16, 2009, Plaintiff Herman Grad invested \$3,000,000 in U.S. dollars in the Crown Forex Scheme by transferring funds to the Crown Forex Account at Associated Bank.

70. On or about April 3, 2009, Plaintiffs Keith Gillam and Murielle Vendette-Gillam invested \$1,000,000 in U.S. dollars in the Crown Forex Scheme by transferring funds to the Crown Forex Account at Associated Bank.

71. On or about April 13, 2009, Plaintiff Marya Grad invested \$1,000,000 in Canadian dollars in the Crown Forex Scheme by transferring funds to the Crown Forex Account at Associated Bank.

72. On or about May 28, 2009, Plaintiff Herman Grad invested an additional \$2,000,000 in U.S. dollars in the Crown Forex Scheme by transferring funds to the Crown Forex Account at Associated Bank.

73. Despite the glaring red flags that riddled the landscape surrounding the Crown Forex Account, Associated Bank neither rejected Plaintiffs' deposits into the Crown Forex Account, nor put the funds into a temporary or suspense account that would have allowed further investigation and due diligence by Associated Bank. In fact, Associated Bank continued to provide banking services to the perpetrators of the Crown Forex Scheme that allowed them to continue to defraud investors.

74. Upon information and belief, the funds deposited by Plaintiffs through the Crown Forex Account at Associated Bank, as well as millions of dollars of funds deposited by other investors through accounts at Associated Bank, were never transferred to Crown Forex SA in Switzerland and were instead stolen and converted by the perpetrators of the Crown Forex Scheme.

75. Had Associated Bank performed even the bare minimum due diligence and investigation required by federal banking regulations, guidance, and industry standards, it would have or should have discovered the fraudulent conduct being perpetrated through the Crown Forex Account and related accounts at Associated Bank. Associated Bank's failure to discover and to take steps to stop this fraud, and its insistence on continuing to provide banking services for what was obviously an illegal scheme, was a direct and proximate result of the complete breakdown of its compliance program, its abject disregard of numerous red flags associated with these accounts, and its utter failure to appropriately train and supervise its employees.

FIRST CLAIM FOR RELIEF
NEGLIGENCE

76. Plaintiffs reallege and incorporate by reference the allegations in paragraphs 1 through 75 of this Complaint.

77. Federal banking regulations, guidance from bank regulators, and standard practice in the banking industry all impose a duty on banks to know their customers and monitor their accounts. This duty is owed not only to the bank's customers, but also to members of the public who transact business with the customers and who may suffer foreseeable harm as a result of fraud perpetrated by the customers through the bank's accounts, particularly when the customer holds funds in a fiduciary capacity. This standard of care is heightened depending on the risk assessment in particular cases.

78. Associated Bank failed to exercise ordinary care under the circumstances by, among other things: failing to conduct proper customer due diligence and verification of customer identity information regarding the Crown Forex Account and other accounts at Associated Bank employed in furtherance of the Crown Forex Scheme; failing to monitor and supervise those accounts properly once they were opened; failing to monitor, supervise and execute its compliance program; failing to adequately train and supervise its employees; failing to contact law enforcement as promptly as the circumstances warranted; failing to freeze the Crown Forex Account before Plaintiffs deposited their funds; executing directives from the account holder of the Crown Forex Account to divert funds out of the Crown Forex Account; and failing to take steps to reject or to otherwise delay deposit of Plaintiffs' deposits into the Crown Forex Account.

79. In failing to exercise ordinary care, Associated Bank created an unreasonable risk of harm to others, including Plaintiffs.

80. Given the numerous red flags associated with the Crown Forex Account, it was foreseeable to Associated Bank that its acts constituting failure to exercise reasonable care would cause harm to others, including Plaintiffs, who deposited money into the Crown Forex Account.

81. Associated Bank owed a duty to Plaintiffs to exercise ordinary care such as a reasonable person would use in similar circumstances.

82. The failure of Associated Bank to exercise such ordinary care under the circumstances constituted a breach of its duty to Plaintiffs.

83. The breach of duty by Associated Bank caused substantial damages to Plaintiffs and was the proximate cause of such damages, in an amount to be determined at trial.

SECOND CLAIM FOR RELIEF
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY

84. Plaintiffs reallege and incorporate by reference the allegations in paragraphs 1 through 83 of this Complaint.

85. The account holder of the Crown Forex Account at Associated Bank, and individuals and entities associated with that account holder, owed Plaintiffs a fiduciary duty that included, among other things, managing Plaintiffs' funds without engaging in a scheme to convert such funds for uses other than those intended by Plaintiffs.

86. Associated Bank knew that the Crown Forex Account contained investments by third parties other than the account holder. As such, Associated Bank knew that the account holder for the Crown Forex Account owed a fiduciary duty to those third parties.

87. The account holder of the Crown Forex Account at Associated Bank, and individuals and entities associated with that account holder, breached their fiduciary duty to Plaintiffs by participating in a scheme that resulted in Plaintiffs losing their entire investments.

88. Associated Bank knew that the account holder of the Crown Forex Account at Associated Bank, and individuals and entities associated with that account holder, breached their fiduciary duty to Plaintiffs because Associated Bank knew that the funds in the Crown Forex Account were being diverted in a manner inconsistent with the purpose of the investments deposited into the Crown Forex Account.

89. Associated Bank provided substantial assistance to the account holder of the Crown Forex Account, and individuals and entities associated with that account holder, that aided and abetted their breach of their fiduciary duty to Plaintiffs by, among other things: opening the Crown Forex Account in a manner that violated the bank's own policies and procedures, as well as applicable banking regulations, guidance and industry practice; providing banking services to the perpetrators of the Crown Forex Scheme; executing directives from the account holder of the Crown Forex Account to divert funds out of the Crown Forex Account; failing to contact law enforcement as promptly as the circumstances warranted; failing to freeze the Crown Forex Account before Plaintiffs deposited their funds; and failing to take steps to reject or to otherwise delay deposit of Plaintiffs' deposits into the Crown Forex Account under circumstances where Associated Bank was aware of numerous red flags tainting the Crown Forex Account.

90. In addition, Associated Bank rendered itself willfully blind to the breach of fiduciary duty by, among other things: failing to conduct proper customer due diligence and verification of customer identity information regarding the Crown Forex Account and other accounts at Associated Bank employed in furtherance of the Crown Forex Scheme; failing to monitor and supervise those accounts properly once they were opened; failing to monitor,

supervise and execute its compliance program; and failing to adequately train and supervise its employees.

91. The conduct of Associated Bank in aiding and abetting breaches of fiduciary duty caused substantial damages to Plaintiffs in an amount to be determined at trial.

THIRD CLAIM FOR RELIEF
AIDING AND ABETTING CONVERSION

92. Plaintiffs reallege and incorporate by reference the allegations in paragraphs 1 through 91 of this Complaint.

93. The account holder of the Crown Forex Account at Associated Bank, and individuals and entities associated with that account holder, intentionally took property of Plaintiffs and exercised dominion and control over such property, which consisted of funds in specific and identifiable sums.

94. This taking of Plaintiffs' property was without their consent and without lawful authority.

95. This taking of Plaintiffs' property seriously interfered with Plaintiffs' right to possess, use, and enjoy such property.

96. Associated Bank knew that the funds in the Crown Forex Account did not belong to the account holder, and in fact were funds being held by the account holder on behalf of others.

97. Associated Bank aided and abetted the wrongful conversion of Plaintiffs' property by, among other things: opening the Crown Forex Account in a manner that violated the bank's own policies and procedures, as well as applicable banking regulations, guidance and industry practice; providing banking services to the perpetrators of the Crown Forex Scheme; executing directives from the account holder of the Crown Forex Account to divert funds out of the Crown

Forex Account; failing to contact law enforcement as promptly as the circumstances warranted; failing to freeze the Crown Forex Account before Plaintiffs deposited their funds; and failing to take steps to reject or to otherwise delay deposit of Plaintiffs' deposits into the Crown Forex Account under circumstances where Associated Bank was aware of numerous red flags tainting the Crown Forex Account.

98. Alternatively, Associated Bank rendered itself willfully blind to the wrongful conversion of Plaintiffs' property by, among other things: failing to conduct proper customer due diligence and verification of customer identity information regarding the Crown Forex Account and other accounts at Associated Bank employed in furtherance of the Crown Forex Scheme; failing to monitor and supervise those accounts properly once they were opened; failing to monitor, supervise and execute its compliance program; and failing to adequately train and supervise its employees.

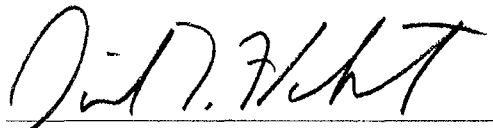
99. This wrongful conversion of property aided and abetted by Associated Bank caused substantial damages to Plaintiffs in an amount to be determined at trial.

100. WHEREFORE, Plaintiffs demand judgment against defendant Associated Bank as follows:

- A. Damages in the sum of at least \$9,500,000 U.S. dollars, in accordance with the proof to be adduced at trial;
- B. Pre-judgment interest in accordance with applicable state law;
- C. For costs and attorneys' fees incurred in connection with this action as provided for by law; and
- D. For such other and further relief to which the Court may determine Plaintiffs are entitled.

Dated: October 27, 2009

By:



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