

## VII. LIST OF DOCUMENTS 21. C.

### CHRONOLOGIES OF EVENTS/COMPANIES RELATIVE THE AUTHORITIES (see note)

- May 1974 The establishment of SCE ApS (anpartsselskab) in Copenhagen, with a paid-up capital of D.kr. 30.000,-
- August The registration of SCE ApS. Sold thereafter to external resident
- January 1975 The commencement of the activities of SCE ApS, by the opening of sales office in Østergade Copenhagen, and advertising campaign
- June Contact with the Ministry of Trade, after the Ministry have made inquiry as to SCE's activities (See Å - 1/34-1)
- October Investment in subsidiary in Norway, objected to by the Danish National Bank, after the payment was effected by SCE.
- December The establishment of SCANCAPITAL (Skandinavisk Realinvesterings- og Handelsselskab A/S) with a paid-up capital of D.kr. 1.000.000,-
- February 1976 The National Bank request information as to the companies activities on the terminal market etc., (See Å-1/34-2)
- Mogens Hauschildt (MH) has a meeting with a senior member of the National Bank and provide extensive details as to SCE's activities, further complain as to the limited and "wide" rules as to hedging and exchange control (See Å—1/34-3)
- April Detailed written reply from SCE to the National Bank, listing all payments from abroad to SCE. (See Å-1/34-5)
- July The National Bank confirm that the bankers have wrongly forgotten to forward details, however request further information and object to the sale of coins and medals from Spink & Son, London. (See Å-1/34-6)
- M. Hauschildt & Cie, Zurich (Unlimited partnership) enters into an agreement with SCE (See VII. 21. g.)
- August MH purchase a farm in Denmark (Kirsebærgården) and become a resident of Denmark although retain external status as an unlimited partner in M. Hauschildt & Cie, Zurich (M.H.&C) and internal status relative to activities in Denmark.
- MH receives CPR-registration for the first time.

October M.H. and SCE's legal advisor (Paul Lund) holds a meeting with the National Bank's senior management and cover all questions. (15/10)

The Customs and Excise conduct a detailed audit at SCE's offices and find nothing wrong, instruct the staff in the correct procedure etc.

SCE's legal advisor forward various information to The National Bank (See Å-1/34-10) and the Ministry (see Å-1/34-9)

November The National Bank request more information from SCE (See Å-1/34-11)

February 1977 SCE forward all details to the National Bank together with an audited account for the companies for the period 20.May 1974-31.December 1975

The National Bank request further information (See Å-1/34-14)

March SCE's legal advisor forward details to the National Bank (See Å-1/34-15)

June SCE increase its paid-up capital to D.kr. 1.500.000,- and the transfer of D.kr. 750.000 from Capital Associates A.G., Chur, Switzerland (C.A.) has been effected, but without the permission by the Ministry.

The Customs and Excise conducts audits at SCE's offices in Østergade and Højbro Plads, Copenhagen. See letter dated 11th April 1978.

The National Bank inform the SCE's legal advisor that the Bank have asked the Copenhagen Police to investigate the companies (See Å—1/34-16)

July SCE's legal advisor confirm to the National Bank a transfer from abroad of D.kr. 608.000, - (See Å-1/34-18)

A senior member of SCE's staff, confirm in an internal memorandum the content of a meeting with a banker from SCE's banking connection, who express a rather negative view as a result of the National Bank's activities against the company (See Å-1/34-18A)

M.H. write to the National Bank and protest against the harassment and confirm that SCE have forwarded all information (Å-1/34-19)

The National Bank request information as to SCE's import of gold bullion and the purchase of gold bars (See Å-1/34-20)

August SCE forward details as to the import of gold bullion (See Å—1/34-21)

The National Bank request more detailed information and directly ignore SCE's reply with information (See Å-1/34-22)

SCE's legal advisor write to the Ministry and explain the companies requirement for capital and apply for the permission to import money from C.A. Capital Associates A.G., Chur, D.Kr. 1.037.000,-. This application is the second, because the first was forwarded 10 months before (See Å—1/34-23)

SCE apply to the National Bank as to the payment of Sv.Kr. 50.000,- to Sweden for the establishment of a subsidiary company, however the National Bank refuse this payment (See A-1/34-25 and 1/34-26) ·

The National Bank object to SCE of the payment of US\$ 22.000 to M. Hauschildt & Cie, Zurich according to the agreement (Service agreement dated July 1976) and request to see all contracts and agreements (See Å—1/34-27)

October M.H. as the Managing Director of SCE is indicted for alleged violation of the exchange control, by bringing D.Kr. 24.591.11 too much to Denmark in 1975. (See Å-1/34-28)

SCE/M.H. protest as to the harassment, to the National Bank (See Å-1/34-30)

The court hearing as to the indictment takes place at the Copenhagen Municipal Court. The alleged violation is composed of the capital import of D.Kr. 224.591.11 during 1975 and entirely due to SCE's bankers, this amount was excess of the permitted D.kr. 200.000 (See Å-1/34-32). In consideration that the capital is imported to Denmark and it was SCE's banker's mistake, one may very well consider the motives with this indictment.

November The Ministry of Trade refuse SCE permission to import capital from its parents company in Switzerland. This is most serious for SCE who is in need to increase its capital base (See Å-1/34-33)

Christen Amby from the Revenue visits SCE's offices and demand information on customers dealings. In view that such information was not required by law and SCE considered its relationship with the customers - as confidential, M.H. refused to provide such

information to the Revenue, resulting in a negative attitude from the Revenue.

- December      The National Bank refuse to meet with the management of SCE, its legal advisor and auditor in order to answer any question the National Bank may have as to SCE's activities. The reason that the National Bank object to such a meeting should be the police investigation. SCE have also forwarded to the Bank a draft of the accounts for 1976. (See Å-1/34-37)
- The National Bank request information, as to a Mr. John Jensen, who works for the company and have purchased equity in the company through C.A. Capital Associates. (See Å-1/34-38)
- SCE and its legal advisor provide all details to the National Bank, related to Mr. John Jensen, Ireland and various payments (See 23-1/34-40 and 41)
- SCE's legal advisor forward information and copies of document to the Danish police (See Å—1/34/39)
- February 1978      SCE provide information to its bankers, as to a subsidiary company SCE Commodities ApS, established in May/June 1977. (See Å-1/3-41A)
- March              SCE's newly appointed legal advisor Kristian Madsen, inform the Ministry and the police dealing with the complain by the National Bank, that the company would like to clear all misunderstandings (See Å-1/34-42, 43)
- May                 The Custom & Excise conduct an audit of all the companies' transactions as to import and the payment of purchase tax (Moms). Due to change of staff and their misunderstanding of the correct procedure, a fault is found which result in the payment of D.Kr. 225.000 plus by SCE. Members from the Custom & Excise instruct SCE staff on the application of the rules and regulation, in addition to confirming the purchase tax payment methods in connection with the company's so-called deferred delivery contract.
- The Revenue with Christian Amby request by personal visit to SCE, information as to customs dealings, this is refused by M.H., according to the legal requirement.
- July                 A leading financial magazine prepares an article on SCE and its deferred delivery contract. M.H. confirms the content of the article to the journalist at the magazine (Finans/Invest).

- September Finans/Invest publish the article on SCE and the Deferred delivery contract, however the article has been changed and re-written by members of the magazine's staff. SCE protest against these changes since it now appear that SCE try to circumvent the exchange control regulation and make large profits in its internal procedure (See VII. 21. c. /i.)
- October After contact with the owners of Finans/Invest, SCE receives information, as to the re-writing of the article."A senior member of the National Bank Mr. Fleming Farup Madsen, is also a member of the editorial staff of the magazine, were he or another person effectively have changed the article before it was printed, in blatant terms against the interest of SCE. (See VII. 21. c/i)
- November The Revenue request pre—payment of taxes on estimated profits in SCE for the year 1977 despite that the company have an audited loss. SCE's auditors write to the Revenue and provide details (See Å-1/30)
- The National Bank ask the Copenhagen Police to investigate possible exchange control violation in SCE related to dealing on the terminal markets in London and New York, in connection with the companies hedging activities. (See Å-1/34-44)
- December The National Bank request information from SCE as to the companies' currency dealing on the forward market in Denmark, the companies' hedges their currency risks from time to time. Detailed information is forwarded by SCE (See Å-1/34-45)
- February 1979 The National Bank complains to the Copenhagen Police as to possible violation of exchange control by SCE. The article from Finans/invest, which was incorrect, was used as "proof" for such alleged violation. The letter to the Police is signed by the person who has personally been instrumental in re—writing the article. Furthermore claims the National Bank, by an incorrect translation of English from a "standard Contract" from the commodity exchange, that delivery of goods "is condition" as to a contemplated delivery, thereby should SCE be violating the exchange control regulation in Denmark. (See Å-1/34-46)
- The Revenue with Mr. Amby visits SCE's offices and request information as to the company's customers, this is again refused by M.H., whereby Mr. Amby "force" the company to provide a payment of D.kr. 200.000,-
- SCE request permission for a marketing campaign for gold coins to the Ministry of Trade, (See letter dated 22. January 1979)

- Due to pressure from the Revenue, SCE is forced to provide a bank guaranty for D.kr. 200.000, - for estimated profits (See Å - 1/59)
- April            The National Bank request information as to the forward purchase of US\$ 1 mill. (See Å-1/34-47)
- SCE reply to the National Bank and provide details of the hedging activities at the same time pointing out the wrong translations as to the standard contract etc. (See Å-1/34-48) Copy to the Police.
- May             An Internal Memorandum from the National Bank conclude (page 3.) that it has not been possible to find customers of SCE which would complain of any wrongdoing as to MH. (See Å-1/34-50). Investigation by the Police has not been "successful" and no person has been defrauded. The National Bank will still go ahead with the possible violations of the exchange control.
- SCE request confirmation from the Customs & Excise as to the re-purchase and refunding of purchase tax from customers. (See letter dated 1.June)
- The National Bank refuses to meet with SCE's management (See Å-1/34-52)
- SCE write to Andelsbanken (one of its bankers) and protest as to an imposed change, enforced by the National Bank, as to the company's currency hedging (3 contracts US\$ 800.000, 1.000.000, - and 500.000,-). Due to instruction from the National Bank to Andelsbanken, SCE have lost money as to the dealing. (See Å-1/34-54)
- Andelsbanken reply to the above letter and confirm the instruction by the National Bank (See Å -1/34-53)
- June            The Revenue with Mr. Amby visit SCE and request from MH information as to various customers, this is refused by MH since there was no legal requirement to provide such information.
- SCE's legal advisors protest to the National Bank as to the specific restriction imposed on the company, which in effect cost SCE money and considerable risks, since the company can't hedge its currency requirement. (See Å-1/34-55)
- July             The National Bank replies to SCE's legal advisor (See Å-1/34-56) however the situation is still very unsatisfactory for the company.

Due to the events and the interest of the National Bank, Andelsbanken request various information from SCE (See Å-1/34-57)

August

The National Bank forwards a letter to Copenhagen Police and confirms some of the alleged exchange control violation, can not be pursued due to the time factor. It list the real alleged violation: (See Å-1/34-59)

1) The payment of Fees in 1977 from SCE to MH&C, US\$22.000 and \$8.000

2) The payment of £500 to Ireland (outside consultant) and £800 to West-Germany for consultancy fees to outside persons in 1977.

3) Currency hedging in Denmark, by the forward purchase of US Dollars based upon the companies estimated obligations.

SCE forward details to its legal advisor, as to the company's import during the first 6 months of precious metals. (See Å-1/34-60)

The Revenue request permission to go through the companies' accounts and ledgers and at the same time assess profits in SCE of D.Kr.500.000 and Skandinavisk Realinvesterings & Handelsselskab A/S of D. Kr. 200.000, (See correspondence dated 23rd August 1979 signed by Christian Amby)

September

The Revenue with Christer Amby and a number of accountants go through SCE's account for the previous year. After creating considerable harassment in SCE's banking premises, the Revenue receives all material for 1977/1978 and part of 1979.

In view of the serious harassment, MH provides details to Mr. Amby as to SCE's internal procedure, with such services as hedging etc. In addition given very detailed information as some dealings.

The Revenue request payment for estimated taxes for SCE and various subsidiaries, (See correspondence dated 24th September 1979)

Copenhagen Police write to SCE's legal advisor (See Å-1/34-61 and confirm the indictment of the above mentioned alleged violations.

October

SCE is "forced" to pay the Revenue D.kr. 208.360, - for estimated tax despite losses, (See letter dated 8th October 1979)

SCE's legal counsel has contact with the Company Register, as to the incorporation of a new company SCE A/S. In addition to this, contact is made to the Ministry of Trade, as to permission to bring D.Kr. 5. million to Denmark from United Kingdom, for the new company's capital. The Ministry will only permit D.Kr. 1 mill.

SCE's legal advisor request confirmation from Mr. J. Jensen, as to the payment of £500 in 1977, the amount which has resulted in an indictment for SCE by alleged exchange control violation. (Å-1/34-62)

SCE inform the Company Register, as to changes in the management of SCE ApS on the 4th October. (See H-2/4-4)

SCE's legal advisor forward details to the National Bank and confirm that the companies import exceed its hedging in currencies. (See Å-1/34-63)

Internal memorandum from the National Bank lists all exports of currency by SCE during a 8 months period (See Å-10/34-51)

An internal memorandum from the Revenue (A-3/13) confirm the real motives behind the Revenue's harassment of SCE, in addition to giving details as to SCE's internal procedure as to the Deferred contracts, such as, that the company do not specific purchase goods when it enters into a contractual relationship. (See page 2, "Ikke opfyldte kontrakter")

November

SCE's legal advisor forward papers to Copenhagen Police and at the same time request that one of the indictment withdrawn. (See Å-1/34—64A)

Internal memorandum from the National Bank, as to the alleged exchange control violation (dated 1st November 1979) See Å-1/34-64)

After the initial incorporation of a new SCE A/S, Scandinavian Capital Exchange A/S (under incorporation) on the 15th of November, a large amount of documentation is forwarded to the Company Register (See E-1/2-16, E—2/3-1, E-1/1-10,)

Due to the very disfavoured methods of currency hedging enforced by the National Bank on Andelsbanken, in the banks relationship with SCE, as an effect SCE have a loss of D.Kr. 492.000,- (See Å-1/34-65)



SCE reply to the above loss and do not except the amount. (See Å-1/34-66)

Internal memorandum from SCE, confirm the Revenue investigation as to specific customers dealings, a large number of customers had via the telephone contacted SCE and confirmed that the Revenue had contacted them (See II-1-26)

December SCE enters into a dispute with Andelsbanken as to the losses created, however make payment relative the amount SCE agree upon. (See Å-1/34-67, 68, 69, 70, 71, 72 and 73)

SCE forward information to the Customs & Excise, as to the new SCE A/S (See correspondence dated 13th, 6th December 1979)

SCE provide a list of imports of precious metals to the National Bank during the period 6th August - 18th December 1979, amounting to US\$ 1.722.253,92 (See Å-1/47-3)

SCE contact the Company Register in order to get confirmation as to the new company's registration. This had been promised, in view that the company was buying a new head office in Copenhagen. However the Company Register has not registered the documentation.

January 1980 Due to the urgency involved, SCE take several contact with the Company Register, in order to get the incorporation confirmed, however the Company Register have "lost" some of the papers and request further documentation, despite it already have been provided in November 1979.

The National Bank write to SCE's legal advisor as to the restriction imposed on SCE's currency hedging (See Å-1/34-76)

SCE by MH confirm to its legal advisor that a court hearing will take place as to the alleged exchange control violation. (See Å-1/34-78)

After contact between SCE and the Company Register, various information and documentation, which previous has been given to the Register, are forwarded again to the Register (See E-1/1-11)

Internal reports from the Special Prosecution, See A-2/5, A-2/2, A 1/1, 2/1 confirm the following:

- 1) The Special Prosecution have established contact with the Company Register, and have asked the Register to "delay" the incorporation by

requesting further information (See conversation with Mr. B. Græsvænge)

- 2) That the National Bank confirm that most of SCE's dealings in effect result in that customers receive payment from completing the Deferred Contract, instead of the goods, furthermore that the company is not obligated to buy physical goods, but hedge the requirement from time to time at the Commodity Exchange in New York (Previous stated in the article from 1978 in Finans/invest)
- 3) Contacts have been established between the Special Prosecution, The National Bank, The Revenue, The Company Register and the Customs and Excise.

The Revenue forward complain to the Special Prosecution, the complain is dated the 30th of January 1980 (See A-1/1)

**Note:**

*In view that most of the documentation which this chronological list makes reference to, were originally seized by the prosecution and later been included in the trial documentation by the request of the defence, the reference numbering can seem rather confusing. As an example, the documentations marked Å, are papers which the defence has found after the proceedings and all others marked A,B,C,D,E, ... were included in the prosecutions reports.*