

Exhibit A to the Plea Agreement dated December 3, 2012
United States v. Wegelin & Co., S1 12 Cr. 02 (JSR)

Allocution

My name is Otto Bruderer. I am one of the managing partners of Wegelin & Co., the defendant in this case.

I appear before the Court to enter a guilty plea to Count One of the Superseding Indictment in this case, pursuant to the Plea Agreement entered into between Wegelin and the United States of America.

I am appearing before the Court with the unanimous consent of the partners of Wegelin, pursuant to the Unanimous Resolution of the Partners of Wegelin & Co., which is attached to the Plea Agreement as Exhibit C.

At all relevant times, Wegelin & Co. Private Bankers (“Wegelin”), founded in 1741 and headquartered in St. Gallen, Switzerland, was a partnership organized under the laws of Switzerland. Wegelin was known as Switzerland’s oldest private bank. As of December 2010, Wegelin had offices in 12 locations in Switzerland, including its headquarters in St. Gallen. Wegelin has never had any branches or offices located in the United States.

From 2002 through 2010, Wegelin provided private banking, wealth management, and other related financial services to individuals and entities around the world who held accounts at Wegelin, including citizens and residents of the United States (“U.S. taxpayers”). Wegelin provided these services principally through “client advisors” based in its various offices in Switzerland. Wegelin also acted as a custodian with respect to accounts that were managed by independent asset managers, including accounts for U.S. taxpayers.

From about 2002 through about 2010, Wegelin agreed with certain U.S. taxpayers to evade the U.S. tax obligations of these U.S. taxpayer clients, who filed false tax returns with the IRS.

In furtherance of its agreement to assist U.S. taxpayers to commit tax evasion in the United States, Wegelin opened and maintained accounts at Wegelin in Switzerland for U.S. taxpayers who did not complete W-9 tax disclosure forms. Wegelin also allowed independent asset managers to open non-W9 accounts for U.S. taxpayers at Wegelin.

At all relevant times, Wegelin knew that certain U.S. taxpayers were maintaining non-W9 accounts at Wegelin in order to evade their U.S. tax obligations, in violation of U.S. law, and Wegelin knew of the high probability that other U.S. taxpayers who held non-W9 accounts at Wegelin also did so for the same unlawful purpose. Wegelin was aware that U.S. taxpayers had a legal duty to report to the IRS, and pay taxes on the basis of, all of their income, including income earned in accounts that these U.S. taxpayers maintained at Wegelin. Despite being aware of this legal duty, Wegelin intentionally opened and maintained non W-9 accounts for these taxpayers with the knowledge that, by doing so, Wegelin was assisting these taxpayers in violating their legal duties. Wegelin was aware that this conduct was wrong.

However, Wegelin believed that, as a practical matter, it would not be prosecuted in the United States for this conduct because it had no branches or offices in the United States and because of its understanding that it acted in accordance with, and not in violation of, Swiss law and that such conduct was common in the Swiss banking industry.

In the course of the agreement to knowingly and willfully assist U.S. taxpayers in evading their U.S. tax obligations, Wegelin acted through, among others, certain employees who were acting within the scope of their employment and for the benefit of Wegelin. Wegelin's conduct allowed Wegelin to increase the number of undeclared U.S. taxpayer accounts and the amount of undeclared U.S. taxpayer assets held at Wegelin, thereby increasing Wegelin's fees and profits.

Wegelin admits that its agreement to assist U.S. taxpayers in evading their U.S. tax obligations in this manner resulted in a loss to the Internal Revenue Service that was \$20,000,001.

One or more of the U.S. taxpayers who conspired with Wegelin lived in the Southern District of New York when they did so and had communications by telephone and fax in furtherance of the conspiracy with Wegelin while they were in Manhattan.