



Media release

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SFBC withdraws Sogevalor's License and Initiates Bankruptcy Proceedings

The Swiss Federal Banking Commission (SFBC) has withdrawn the license of Ticino's securities dealers firm Sogevalor SA with immediate effect on grounds of serious legal violations and insolvency. Having opened a bankruptcy procedure against Sogevalor, the SFBC has appointed Deloitte & Touche AG to act as liquidator. At this point, the importance of the potential loss suffered by investors cannot be established.

August 25, 2004 – Sogevalor SA was a small securities dealers firm with a staff of 14, balance sheet total net assets of CHF 6.6 mio and clients' deposits amounting to approx. CHF 28 mio. The firm had about 350 clients. The last verified net results amounted to CHF 112'000.-.

The conclusions of the June 2004 inquiry by Deloitte & Touche AG, as authorised representative mandated by the SFBC to clarify the situation of Sogevalor, were that :

- Sogevalor's organs do not present the required guarantee of irreproachable activities and may have acted in a way contrary to criminal law;
- the organization of Sogevalor was appalling and the accounting was incomplete;
- the dispositions relating to minimal own funds and risk management were violated and Sogevalor was over-indebted.

In this context, and as a redressment procedure was not to be considered, the SFBC has decided to withdraw the license of Sogevalor and to order the opening of a bankruptcy procedure. As liquidator, Deloitte & Touche will assess the financial situation and clarify the responsibilities of all involved. In July, following the suggestion of the SFBC, the main actors in Sogevalor were the object of a denunciation to the criminal authorities of the Canton of Ticino by Deloitte & Touche. Some of the persons concerned are currently incarcerated.

The search and protection of assets from Sogevalors is a high priority. The SFBC acts in close cooperation with the Ticino's criminal authorities and other foreign financial supervisory authorities, which can be helpful in the search for assets. The latter will be achieved through mutual judicial assistance.

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