



Association of  
Ethical Shareholders Germany

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## **Deutsche Bank Responsible for Destruction of Social Capital Common Ground and Ethical Shareholders Demand Restitution for Milwaukee at Shareholders' Meeting in Germany**

Milwaukee/Cologne/Frankfurt (Germany) - Through its actions in the subprime mortgage crisis, Deutsche Bank is responsible for the destruction of social capital in Milwaukee, Wisconsin. In tomorrow's Annual General Meeting Southeastern Wisconsin Common Ground and the German Association of Ethical Shareholders demand that the bank make restitution to the communities it has destroyed, begin to act as a responsible trustee, and reinvest in Milwaukee.

"We are very disappointed that Deutsche Bank, as one of the biggest trustees of foreclosed properties in Milwaukee, still doesn't acknowledge its responsibility for the crisis", says Dr. Susan Giaimo of Common Ground. "Having explained the problem to Deutsche Bank CEO Dr. Ackermann at last year's shareholder meeting I had some hope that talks with the bank's officials might lead to a solution of the problem.

"In meetings with Common Ground and the City of Milwaukee last summer, Deutsche Bank officials promised to work with their servicers to maintain their properties", explains Giaimo. "Yet today, many of these properties remain in a state of disrepair and neglect." The City of Milwaukee lists Deutsche Bank as the trustee of 151 properties as of January 2011. From 2005 through January 2010, the bank received 3,046 orders on 1,230 properties involving 14,970 individual code violations. Between June 2010 and May 2011, the city issued 364 additional orders on 172 Deutsche Bank properties involving 2071 individual violations. The average cost to the city to demolish abandoned properties that are beyond repair is \$12,000.

"We asked Deutsche Bank to contribute to a plan to reinvest in Milwaukee neighborhoods that have been devastated by the foreclosure crisis", says Common Ground's Lead Organizer Mark Fraley. "Last October, Deutsche Bank agreed publicly to consider our proposals and meet with us to discuss them. In May of this year, however, bank officials denied responsibility for the foreclosure crisis, refused to make restitution for the damage they had caused Milwaukee, and offered nothing more than a loan." This despite the US Senate subcommittee report of April 2011, which found Deutsche Bank to be the 4th largest issuer of collateralized debt obligations (CDOs) in the US at the height of the housing bubble.

Fraley denounces Deutsche Bank's strategy to become a global investment bank. "Deutsche Bank

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invested in originators of subprime mortgages, packaged these as CDOs and sold them to its own customers, and then took out insurance money from AIG against these worthless financial vehicles. According to the US Senate subcommittee report of April 2011 on the financial crisis, Deutsche Bank made a profit of \$1.5 billion on its short position, essentially betting against its own worthless investment vehicles.

Markus Dufner, manager of Ethical Shareholders, pointed to several legal actions against Deutsche Bank related to the subprime mortgage crisis. “Only three weeks ago the US Justice Department filed a \$1 billion lawsuit against Deutsche Bank for its irresponsible lending through Mortgage IT. And the City of Los Angeles is suing Deutsche Bank for its failure to take care of its properties. As the trustee of these properties, the bank is the owner and therefore responsible for maintaining these properties and ensuring that they meet city codes.”

**For more information** read the counter-motion on [www.ethicalshareholders.org](http://www.ethicalshareholders.org). Visit [www.commongroundwi.org](http://www.commongroundwi.org) to get more information on Southeast Wisconsin Common Ground and have a look at [www.facesofforeclosure.com](http://www.facesofforeclosure.com) to learn more about their foreclosure efforts. Common Ground is an affiliate of the Industrial Areas Foundation.