

## FICTITIONAL CASE

### FACTS:

Between December 2006 and March 2007, there is a share issue in Lithuania which is organized by AVB, an investment bank owned and managed by Z (Lithuanian citizen) and K (Estonian citizen). AVB has offices in Vilnius, Riga, and Tallinn, but the share issue was organised by the Vilnius office only, and both Z and K were personally involved in the process.

As a result of the share issue, 10 million euros are transferred to the bank account of CCC, a SPV registered in Lithuania (the issuer). Shortly after the issue is completed, the money is taken out from CCC's bank account in cash and it disappears. The beneficial owners of CCC turned out to be unknown persons hiding behind multiple off-shore companies. Also it became clear that the company was not managed by its nominal director, but instead by unknown persons. The investors who were private individuals and companies from all Baltic States, suspect that the share issue was a deliberate deception (fraud), and AVB was actively involved in it, perhaps also the mastermind behind it. Based on the joint application of the investors, Lithuanian authorities open a criminal investigation in Autumn 2009.

At the end of 2009, Lithuanian authorities request from Latvian and Estonian police to provide them with bank account statements of AVB, Z, and K from the period of December 2006 until the end of 2008. The documents are delivered in the beginning of the year 2010.

In spring 2010, both Z and K are interviewed as witnesses by the Estonian police, acting under a request by their Lithuanian counterparts.

In Autumn 2010, simultaneous searches of AVB offices in Vilnius, Riga and Tallinn are carried out, and large volume of documents and electronic data is seized.

In April 2013, Lithuania issues and European Arrest Warrant for Z and K. Shortly thereafter, K is arrested at his home in Tallinn, and Z at Riga Airport. They are currently being held in detention pending surrender to Lithuania. Also the bank accounts of AVB, Z and K in all three Baltic countries are arrested.

#### MATTERS TO BE CONSIDERED:

1. Which legal issues and arguments could be raised in defending the rights of Z and K?
2. Which European mutual legal assistance instruments are relevant to the case?