



## Former Fortis Managers Charged With Misleading Investors

By Andrew Clapham - Feb 20, 2013

Seven former managers of Fortis were charged in Belgium with misleading investors during the financial crisis in 2007 and 2008, potentially opening the gates to civil claims for damages against the executives.

The Brussels prosecutor's office referred the seven individuals, who were not named, to the criminal court because they failed to inform investors of potential subprime losses starting from the bank's 13.4 billion-euro (\$17.9 billion) rights offer in September 2007 to fund its part in the purchase of ABN Amro Holding NV.

"According to the law, they had to inform the investors about the fact that Fortis Bank was very exposed to the subprime crisis and they didn't," Jean-Marc Meilleur, a spokesman for the prosecutor's office, said today in Brussels.

Today's charges are another legal triumph for Fortis shareholders who suffered losses following the collapse of what was once Belgium's largest financial-services company. A Dutch court last April ruled that the management failed to respond in a timely way to worsening market conditions and didn't properly inform investors about potential losses.

Fortis, now known as [Ageas](#), and Fortis Bank, now [BNP Paribas Fortis](#), haven't been charged in the case as Fortis's management was more to blame for misleading investors than the company itself, Meilleur said. Under Belgian law, either a company or its management may be charged, not both.

### Criminal Court

The case will now go to a criminal court in Brussels, which will decide whether to pursue the charges as laid out by the prosecutor's office. The court also will determine if the seven charged should stand trial.

Ageas committed to cover [any damages](#) its former top executives are found liable for, according to their 2008 termination agreements. Ageas is contesting those commitments in a lawsuit filed in the Utrecht district court in the Netherlands.

“Some of [these executives](#) will argue that they’re entitled by Belgian law to be held harmless by the company,” Ageas Chief Risk Officer [Kurt De Schepper](#) told reporters in Brussels today. “The indemnity clauses cover legal expenses and some financial expenses, but we contest the validity of the arrangements.”

To contact the reporter on this story: [Andrew Clapham](#) in Brussels at [aclapham@bloomberg.net](mailto:aclapham@bloomberg.net)

To contact the editor responsible for this Jerrold Colten at [jcolten@bloomberg.net](mailto:jcolten@bloomberg.net)

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