

Dresdner Kleinwort Bankers Settle London Bonus Suits (Update1)

By Karin Matussek and James Lumley



July 22 (Bloomberg) -- **Commerzbank AG**, Germany's second- biggest lender, settled at least two legal disputes with Dresdner Kleinwort bankers in London who were seeking millions of dollars in bonus and severance payments.

Former Dresdner Kleinwort head of emerging markets **Michael Adams** settled his lawsuit seeking more than \$3 million earlier this month, according to court filings. **Stephan Holzinger**, a spokesman for three other bankers, said that some of his clients also reached an accord with Frankfurt-based Commerzbank, without providing further details. Terms of the deals weren't disclosed.

More than a dozen suits were filed in London and Frankfurt over bonus and severance pay that was withheld after Commerzbank took over Dresdner Kleinwort in January. Dresdner Kleinwort's investment-banking units had a 6.3 billion-euro (\$8.76 billion) operating loss for 2008. Bankers' pay became controversial after the credit crisis forced governments to prop up banks.

"This suggests to me that Dresdner, and the people behind Dresdner, don't want the story to be heard," said **Ronnie Fox**, a London employment lawyer at Fox Lawyers who isn't involved in the dispute. "I always thought that the people claiming bonuses had a strong moral case, and they may well have a strong legal case."

Holzinger, spokesman for former Dresdner Kleinwort executive committee members **Martin Newson**, **Eduardo Listorti** and **Stefan Guetter**, declined to say which of his clients settled.

Newson, Listorti Suits

Newson, **Listorti** and **Guetter** filed separate suits in May seeking a total of 13.1 million euros (\$18.6 million) in bonuses and combined severance of about 863,000 pounds (\$1.4 million).

James Libson, a lawyer at Mishcon de Reya in London who represents Adams, couldn't be immediately be reached to comment today. Commerzbank declined to comment in an e-mail.

Commerzbank in February asked investment bankers at Dresdner Kleinwort to voluntarily give up bonuses guaranteed by their contracts after it eliminated variable pay for other employees. **Allianz SE**, the insurer that agreed to sell Dresdner Bank AG to Commerzbank, said in November it had earmarked about 400 million euros for bonuses at Dresdner, including money to keep employees from leaving.

Adams said in his lawsuit that he entered into a termination agreement in December that promised to pay him a 1.4 million euro (\$2 million) guaranteed bonus. He also said he was entitled to a 650,300 pound (\$1.1 million) severance payment. He said that in March he received a letter refusing to pay the bonus and offering a severance payment of 112,500 pounds if he waived claims against the bank.

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