

UNITED STATES OF AMERICA  
BEFORE THE  
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON, D.C.

In the Matter of

Walter Simon,  
a former institution-affiliated party of  
the New York, New York branch of

Skandinaviska Enskilda Banken  
Stockholm, Sweden

Docket No. 10-108-E-I

Order of Prohibition  
Issued Upon Consent Pursuant to  
Section 8(e) of the Federal  
Deposit Insurance Act, as Amended

WHEREAS, pursuant to Sections 8(e) and (i)(3) of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. 1818(e) and (i)(3)), the Board of Governors of the Federal Reserve System (the "Board of Governors") issues this consent Order of Prohibition (the "Order") against Walter Simon ("Simon"), a former foreign exchange options trader and an institution-affiliated party, as defined in Sections 3(u) and 8(b)(4) of the FDI Act (12 U.S.C. § 1813(u) and § 1818(b)(4)), of the New York branch of Skandinaviska Enskilda Banken ("SEB"), a foreign bank headquartered in Stockholm, Sweden, which operates branches in the United States, relating to Simon's violations of law, unsafe and unsound banking practices, and breaches of his fiduciary duty to SEB, in connection with his foreign exchange options trading activity, by allegedly entering fictitious trades on or between March 24, 2008 and April 11, 2008, that concealed a significant trading loss and allowed the trading loss to increase substantially without detection;

WHEREAS, by affixing his signature hereunder, Simon has consented to the

issuance of this Order by the Board of Governors and has agreed to comply with each and every provision of this Order, and has waived any and all rights he may have pursuant to 12 U.S.C. § 1818 or 12 C.F.R. Part 263, or otherwise (a) to the issuance of a notice of intent to prohibit on any matter set forth in this Order; (b) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) to obtain judicial review of this Order or any provision hereof; and (d) to challenge or contest in any matter the basis, issuance, validity, terms, effectiveness or enforceability of this Order or any provision hereof;

NOW THEREFORE, prior to the taking of any testimony or adjudication of or finding on any issue of fact or law implied or set forth herein, and without this Order constituting an admission by Simon of any allegation made or implied by the Board of Governors in connection with this proceeding, and solely for the purpose of settlement of this matter without protracted or extended hearings or testimony:

IT IS HEREBY ORDERED, pursuant to Section 8(e) of the FDI Act (12 U.S.C. § 1818(e)), that:

1. Simon, without the prior written approval of the Board of Governors and, where necessary pursuant to Section 8(e)(7)(B) of the FDI Act (12 U.S.C. § 1818(e)(7)(B)), the appropriate Federal financial institutions regulatory agency, is hereby and henceforth prohibited:

a. from participating in any manner in the conduct of the affairs of any institution or agency specified in Section 8(e)(7)(A) of the FDI Act (12 U.S.C. § 1818(e)(7)(A)), including, but not limited to, any insured depository institution, depository institution holding company or foreign bank;

b. from soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in Section 8(e)(7)(A) of the FDI Act (12 U.S.C. § 1818(e)(7)(A));

c. from violating any voting agreement previously approved by any Federal banking agency; or

d. from voting for a director, or serving or acting as an institution-affiliated party, such as an officer, director or employee in any institution described in Section 8(e)(7)(A) of the FDI Act (12 U.S.C. 1818(e)(7)(A)).

2. All communications regarding this Order shall be addressed to:

(a) Richard M. Ashton, Esq.  
Deputy General Counsel  
Board of Governors of  
the Federal Reserve System  
20<sup>th</sup> & C Sts. N.W.  
Washington, DC 20551

(b) Thomas C. Baxter  
General Counsel and  
Executive Vice President  
Federal Reserve Bank of  
New York  
33 Liberty Street  
New York, NY 10045

(c) Walter Simon  
[REDACTED]  
Ridgefield, CT 06877

with a copy to:

Scott Corrigan, Esq.  
Wiggin and Dana  
450 Lexington Avenue

Suite 3800  
New York, NY 10017-3913

3. Any violation of this Order shall separately subject Simon to appropriate civil or criminal penalties, or both, under sections 8(i) and (j) of the FDI Act, 12 U.S.C. §§ 1818(i) and (j).

4. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, or any Federal or state agency or department from taking any other action affecting Simon, provided, however, that the Board of Governors shall not take any further action against Simon based upon information presently known by the Board of Governors relating to the matters set forth herein.

5. Each provision of this Order shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Board of Governors.

By order of the Board of Governors of the Federal Reserve System, effective this 20<sup>th</sup> day of May, 2010.



Walter Simon

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

By:



Jennifer J. Johnson  
Secretary of the Board