

UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D.C.

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In the Matter of : Docket No. 05-029-E-I  
: HANSPETER WALDER : Order of Prohibition  
: A Former : Issued Upon Consent  
Institution-Affiliated Party of : Pursuant to the Federal  
the New York, New York branch of : Deposit Insurance Act,  
: as Amended  
UBS AG, :  
Zurich, Switzerland :  
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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 Hanspeter Walder (“Walder”), a former employee and 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, New York branch of UBS AG (“UBS”), a foreign bank, headquartered in Zurich, Switzerland, operating in the United States, relating to Walder’s violations of law, unsafe and unsound banking practices, and breaches of fiduciary duties to UBS and its customers in connection with his embezzlement of at least \$70 million for his personal use, in violation of 18 U.S.C. §§ 656 and 2; and

WHEREAS, Walder was charged in a criminal information, dated August 1, 2002, filed in the United States District Court for the Southern District of New York, with sixteen charges of embezzlement by a bank officer in violation of 18 U.S.C. §§ 656 and 2, and pled guilty to these charges; and

WHEREAS, the United States District Court for the Southern District of New York has entered a judgment requiring Walder to make restitution of more than \$70 million to UBS, and to consent to a lifetime ban from banking if asked to do so by the Board of Governors; and

WHEREAS, by affixing his signature hereunder, Walder 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 Walder 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. Walder, 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 depository institution or depository institution holding company;

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. Sarah J. Dahlgren  
Senior Vice President  
Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045

and a copy to:

Michele Kalstein  
Counsel  
Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045

b. Hanspeter Walder  
50913-054 [G-B]  
FSL Elkton  
P.O. Box 10  
Lisbon, OH 44432-0010

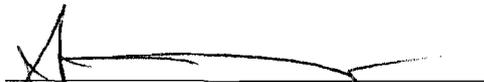
3. Any violation of this Order shall separately subject Walder to appropriate civil or criminal penalties, or both, under Sections 8(i) and (j) of the FDI Act (12 U.S.C. §§ 1818(i) and (j)).

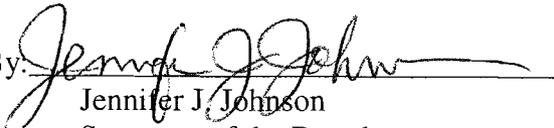
4. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, or any other federal or state agency or department, from taking any other action affecting Walder, provided, however, that the Board of Governors shall not take any further action against Walder based upon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

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

14<sup>th</sup> By order of the Board of Governors of the Federal Reserve System, effective this day of September, 2005.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

  
Hanspeter Walder *Pro-Se*

By:   
Jennifer J. Johnson  
Secretary of the Board

"AUTHORIZED BY THE ACT OF JULY 27, 1955,  
TO ADMINISTER OATHS (12 USC 4004)".

  
CORRECTIONAL TREATMENT SPECIALIST

08-20-2005  
DATE