

FEDERAL RESERVE press release



For immediate release

January 3, 1997

The Federal Reserve Board today announced the issuance of a combined Order to Cease and Desist and Order of Assessment of a Civil Money Penalty against Mark Yale, a former employee and institution-affiliated party of Bankers Trust New York Corporation and BT Securities Corporation, New York, New York.

Mr. Yale, without admitting to any allegations, consented to the issuance of the Order in connection with his alleged involvement in the provision of a valuation for leveraged derivative transactions to a customer of the bank holding company and its subsidiaries.

Mr. Yale paid a civil money penalty of \$25,000.

A copy of the Order is attached.

Attachment

subsidiary of BTNYC, in connection with Yale's involvement in the provision of a valuation for leveraged derivative transactions to a customer of BTNYC and its subsidiaries;

WHEREAS, by affixing his signature hereunder, Yale has consented to the issuance of this Order by the Board of Governors and consented to comply with each and every provision of this Order, and waived any and all rights he might 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 charges and of hearing and of a notice of assessment of a civil money penalty; (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, effectiveness, collectibility or enforceability of this Order or any provision hereof; and

NOW, THEREFORE, prior to the taking of any testimony or adjudication of or finding on any issue of fact or law herein, and without this Order constituting an admission 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 proceeding without protracted or extended hearings or testimony:

IT IS HEREBY ORDERED, pursuant to Sections 8(b) and 8(i) of the FDI Act, that:

1. Upon becoming an institution-affiliated party, as defined in Sections 3(u) and 8(b)(3) and (4) of the FDI Act, of any institution or agency specified in Section 8(e)(7)(A) of the FDI Act (12 U.S.C. § 1818 (7)(A)), including, but not limited to, any insured depository institution, bank or thrift holding company, or U.S. agency or branch of a foreign bank, where his duties include, directly or indirectly, marketing, selling or providing valuations of derivatives transactions of any such institution or agency, Yale shall take such actions as are necessary, consistent with his responsibilities, to ensure that he will (a) comply with all policies and procedures of his employer as they pertain to such trading activities, including, where applicable, the preparation and maintenance of accurate books and records, (b) engage in marketing and sales activities that are consistent with his fiduciary duties and with safe and sound banking practices, and (c) comply fully with all applicable laws and regulations.

2. Yale shall pay to the Board of Governors a civil money penalty in the amount of \$25,000. No portion of Yale's civil money penalty shall be, directly or indirectly paid,

advanced, reimbursed or otherwise funded by Bankers Trust, or any affiliate or subsidiary.

3. The penalty assessed by this Order shall be remitted in full, at the time of Yale's execution of this Order, payable to the "Board of Governors of the Federal Reserve System" and forwarded with Yale's executed copy of this Order, to William W. Wiles, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, DC 20551, who shall make remittance of the same to the Treasury of the United States as required by statute.

4. All communications regarding this Order shall be sent to:

(a) Ms. Christine M. Cumming
Senior Vice President
Federal Reserve Bank
of New York
33 Liberty Street
New York, NY 10045

and a copy to:

Scott Freeman, Esq.
Legal Department
Federal Reserve Bank
of New York
33 Liberty Street
New York, NY 10045

(b) Mark Yale
c/o Andrew E. Tomback, Esq.
Milbank, Tweed, Hadley & McCloy
1 Chase Manhattan Plaza
New York, NY 10005

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

6. The provisions of this Order shall not bar, estop or otherwise prevent the Board of Governors, the Reserve Bank or any federal or state agency or department from taking any other action affecting Yale; provided, however, that the Board of Governors shall not take further action against Yale, based upon information known to the Board of Governors as of the date of this Order, in regards to the provision of valuations for, and the marketing or sale of, derivative transactions. Yale agrees and acknowledges that this Order does not bar or estop any criminal charges or prosecutions against him, and Yale hereby waives any right he might otherwise have based upon this Order to assert a defense of double jeopardy in any criminal proceeding.

By order of the Board of Governors of the Federal Reserve System, effective this 2nd day of JANUARY, 1997.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

Mark Yale
Mark Yale

By: William W. Wiles
William W. Wiles
Secretary of the Board

