

UNITED STATES OF AMERICA
 BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
 WASHINGTON, DC

In the Matter of	x	
	:	Docket No. 97-025-E-I
MICHAEL WACHS	:	
	:	Order of Prohibition
	:	Issued Upon Consent
A Former Officer and	:	Pursuant to the Federal
Institution-Affiliated	:	Deposit Insurance Act
Party of	:	as Amended
	:	
CHASE MANHATTAN CORPORATION	:	
New York, New York	:	
	:	
CHASE SECURITIES INC.	:	
New York, New York	x	

WHEREAS, pursuant to Sections 8(e) and 8(i)(3) of the Federal Deposit Insurance Act, as amended (the "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 Order of Prohibition (the "Order") against Michael Wachs ("Wachs"), a former Managing Director and institution-affiliated party, as defined in Section 3(u) and 8(b)(3) of the Act (12 U.S.C. §§ 1813(u) and 1818(b)(3)), of the Chase Manhattan Corporation, New York, New York ("CMC"), a registered bank holding company, and Chase Securities Inc., a nonbank subsidiary of CMC, due to

Wach's alleged engagement in a fraudulent scheme to purchase CMC assets by means of a fraudulent bidding process and to obtain a profit from the immediate resale of those assets;

WHEREAS, on December 15, 1997, Wachs pled guilty in the U.S. District Court for the Southern District of New York to violating 18 U.S.C. § 1344(2), Bank Fraud; and

WHEREAS, by affixing his signature hereunder, Wachs has consented to the issuance of this Order by the Board of Governors and has waived any and all rights he might otherwise 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; (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 manner the basis, issuance, validity, terms, effectiveness or enforceability of this Order or any provision hereof.

NOW, THEREFORE, before the taking of any testimony or adjudication of or finding on any issue of fact or law herein; 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(e), (i)(3) and (j) of the Act (12 U.S.C. §§ 1818(e), (i)(3) and (j)), that:

1. Wachs, without the prior written approval of the Board of Governors and, where necessary pursuant to Section 8(e)(7)(B) of the Act (12 U.S.C. § 1818(e)(7)(B)), another federal financial institution regulatory agency, is hereby and henceforth prohibited from:

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

(b) 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 Act;

(c) violating any voting agreement previously approved by any federal banking agency; or

(d) voting for a director, or serving as an institution-affiliated party, such as an officer, director or employee, of any institution described in Section 8(e)(7)(A) of the Act.

2. Any violation of this Order shall separately subject Wachs to appropriate criminal or civil penalties or both under Section 8 of the Act (12 U.S.C. § 1818).

3. This Order, and each and every provision hereof, is and shall remain fully effective and enforceable until expressly stayed, modified, terminated or suspended in writing by the Board of Governors.

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

(a) Mr. Christopher J. McCurdy
Senior Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

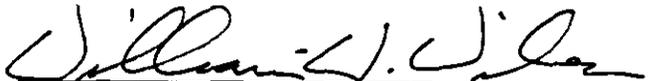
(b) Mr. Michael Wachs
360 East 72nd Street
B-801
New York, NY 10021

5. 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 Wachs.

By order of the Board of Governors effective this 24th day of February, 1998. *W.W.W.*

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM


Michael Wachs

By: 
William W. Wiles
Secretary of the Board