

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

In the Matter of

Vinay B. Malhotra

An Institution-Affiliated  
Party of

The Chicago Branch of  
The Bank of Tokyo-Mitsubishi, Ltd.,  
Tokyo, Japan

Docket No. 00-005-E-I

Order of Prohibition Issued  
Upon Consent Pursuant to  
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 Order of Prohibition (the "Order") against Vinay B. Malhotra ("Malhotra"), a former Vice President and an institution-affiliated party, as defined by sections 3(u) and 8(b)(4) of the FDI Act (12 U.S.C. 1813(u) and 1818(b)(4)), of the Chicago Branch of The Bank of Tokyo-Mitsubishi, Ltd., Tokyo, Japan (the "Bank"), a foreign bank, due to Malhotra's breach of fiduciary duties and misapplication of Bank funds for his personal benefit;

WHEREAS, on September 2, 1999, Malhotra pled guilty to fraud in violation of 18 U.S.C. 1344 in connection with his misappropriation of Bank funds; and

WHEREAS, by affixing his signature hereunder, Malhotra 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 and 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 on 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, terms, validity, 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 of any allegation made or implied by the Board of Governors in connection herewith, and solely for the purpose of settlement of this proceeding without protracted or extended proceedings:

IT IS HEREBY ORDERED, pursuant to sections 8(e), (i)(3), and (j) of the FDI Act (12 U.S.C. 1818(e), (i)(3), and (j)) that:

1. Malhotra, 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)), another federal financial institution 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, the Bank, any insured depository institution, any insured depository institution holding company, or any U.S. branch or agency of a foreign banking organization;

(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; or

(c) 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.

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

3. All communication regarding this Order shall be addressed to:

(a) Mr. Joseph J. Turk  
Director – Supervisory Resource Group  
Federal Reserve Bank of Chicago  
230 South La Salle Street  
Chicago, Illinois 60604

(b) Vinay B. Malhotra  
c/o Jeffrey B. Steinback, Esq.  
Law Offices of Jeffrey Steinback  
2737 Shannon Road  
Northbrook, Illinois 60662

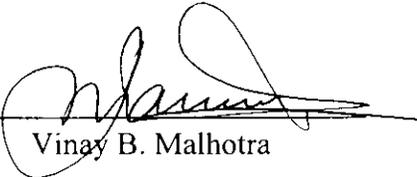
4. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors or any other federal or state agency or department from taking any other action affecting Malhotra or the Bank or any former or current institution-affiliated party thereof.

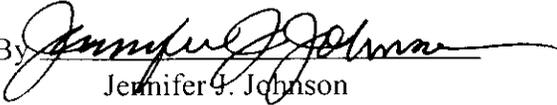
5. This Order, and each and every provision hereof, is and shall remain fully effective and enforceable until expressly stayed, modified, terminated, or suspended in writing by the Board of Governors.

By order of the Board of Governors effective this 8<sup>th</sup> day of March, 2000.

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BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

  
Vinay B. Malhotra

By   
Jennifer J. Johnson  
Secretary of the Board