

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

In the Matter of	)	
	)	Docket No. 03-041-B-I(2)
Dominique Bazy,	)	
	)	
A former institution-affiliated party of	)	
CREDIT LYONNAIS, S.A.	)	Order to Cease and Desist Issued
Paris, France	)	Upon Consent
	)	
	)	

WHEREAS, pursuant to Section 8(b) of the Federal Deposit Insurance Act, as amended (the “FDI Act”)(12 U.S.C. § 1818(b)), the Board of Governors of the Federal Reserve System (the “Board of Governors”) issues this consent Order to Cease and Desist (the “Order”) against Dominique Bazy, a former institution-affiliated party, as defined in Sections 3(u) and 8(b)(4) of the FDI Act (12 U.S.C. §§ 1813(u) & 1818(b)(4)), of Credit Lyonnais, S.A., Paris, France (“Credit Lyonnais”), a foreign bank;

WHEREAS, this Order resolves allegations relating to Bazy’s alleged participation in violations of law and regulation with respect to matters set forth in the Order to Cease and Desist and Order of Assessment of a Civil Money Penalty Issued Upon Consent, issued by the Board of Governors against Credit Lyonnais, S.A., dated December 18, 2003 (the “Credit Lyonnais Board Order”);

WHEREAS, Bazy has entered into an agreement with the United States Attorney for the Central District of California to plead guilty to an offense related to the matters set forth in the Credit Lyonnais Board Order (the “Plea Agreement”);

WHEREAS, if the Plea Agreement is accepted by the United States District Court for the Central District of California, Bazy, pursuant to 12 U.S.C. § 1829, is precluded from participating in the conduct of the affairs of an insured depository institution in the United States;

WHEREAS, pursuant to the provisions of this Order, Bazy has agreed to certain limitations and restrictions regarding his participation in the conduct of the affairs of foreign banks in the United States;

WHEREAS, by affixing his signature hereunder, Bazy has consented to the issuance of this Order by the Board of Governors, has agreed to comply with each and every provision of this Order, 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 charges and of hearing; (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, effectiveness or enforceability of this Order or any provisions hereof.

NOW, THEREFORE, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issues of fact or law herein, and without this Order constituting an admission by Bazy of any allegation made or implied by the Board of Governors in connection with this matter, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted or extended hearings or testimony and pursuant to the aforesaid resolution:

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

1. Bazy shall not, directly or indirectly, violate the Bank Holding Company Act (the “BHC Act”) or any rules or regulations issued pursuant thereto.

2. Without the prior written approval of the Board of Governors and the appropriate Federal banking agency, Bazy shall not serve or function as an officer, director, employee, or agent of any United States branch or agency, United States commercial lending company, or other United States subsidiary of a foreign bank that is subject to the provisions of 12 U.S.C. § 3106(a).
3. Without the prior approval of the Board of Governors and the appropriate Federal banking agency, while serving as an officer, director, or employee outside of the United States of a foreign bank that is subject to 12 U.S.C. § 3106(a), or any subsidiary of a foreign bank that is subject to 12 U.S.C. § 3106(a) (collectively, “Foreign Banking Organization”), Bazy shall not:
  - (a) assume direct reporting responsibility for the management of any United States branch, agency or United States commercial lending company or other United States subsidiary of the Foreign Banking Organization;
  - (b) participate, directly or indirectly, in any audit of any United States branch, agency or United States commercial lending company or other United States subsidiary of the Foreign Banking Organization, or participate in any review of or response to such an audit, *provided that*, Bazy may provide information to persons conducting such audits upon the request of such persons;
  - (c) participate in any manner in any decision by the Foreign Banking Organization with respect to the acquisition or retention by the Foreign Banking Organization of five percent or more of the voting shares of any United States company, unless he:

- (i) consults experienced outside counsel to advise him on the implications of the acquisition or retention under the BHC Act, and makes full disclosure to such counsel on all material aspects of the transaction that may affect its treatment under the BHC Act;
  - (ii) notifies the Board of Governors in writing of his involvement in the transaction before it is completed, separate from any other notification or application requirements applicable to the Foreign Banking Organization; and
  - (iii) promptly thereafter produces to the Board of Governors, upon request, all documentation describing the terms of the proposed transaction and his role in it.
4. Within 10 days of this Order, Bazy shall designate an agent in the United States acceptable to the Board of Governors with respect to the service of process in connection with the enforcement of this Order.
5. Bazy irrevocably consents to the jurisdiction of the Board of Governors with respect to any aspect of this Order or any violation thereof.
6. The provisions of this Order shall not bar, estop or otherwise prevent the Board of Governors or any other U.S. federal or state agency or department from taking any other action affecting Bazy; *provided, however*, the Board of Governors shall take no further action against Bazy based on any matters set forth in this Order or in the Credit Lyonnais Board Order.
7. This Order shall become effective upon the acceptance of the Plea Agreement by the United States District Court for the Central District of California. Each provision of this

Order shall remain effective and enforceable until stayed, modified, terminated or suspended by the Board of Governors. Bazy may apply to the Board of Governors to have this Order terminated, modified, or amended.

8. No amendment to the provisions of this Order shall be effective unless made in writing by the Board of Governors and Bazy.
9. No representations, either oral or written, except those provisions as set forth herein, were made to induce any of the parties to agree to the provisions as set forth herein.
10. All communications regarding this Order shall be addressed to:
  - (a) J. Virgil Mattingly, Jr., Esq.  
General Counsel  
Board of Governors of the  
Federal Reserve System  
20th & C Streets, NW  
Washington, DC 20551
  - (b) Mr. Robert A. O'Sullivan  
Senior Vice President  
Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045
  - (c) Mr. Dominique Bazy  
c/o Richard Marmaro  
Proskauer Rose LLP  
2049 Century Park East, Suite 3200  
Los Angeles, CA 90067-3206

By order of the Board of Governors of the Federal Reserve System, effective this  
4<sup>th</sup> day of February 2004.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

(signed)

\_\_\_\_\_  
Dominique Bazy

(signed)

By: \_\_\_\_\_  
Jennifer J. Johnson  
Secretary of the Board