

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

In the Matter of)	FRB Docket No. 06-014-E-I2
)	
DAVID CRONIN)	
)	
A Former Institution-Affiliated Party of)	Order of Prohibition
Allfirst Bank, Baltimore, Maryland)	Issued Upon Consent
)	Pursuant to the Federal
)	Deposit Insurance Act,
)	as Amended
)	

WHEREAS, pursuant to Section 8(e) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. §§ 1818(e), the Board of Governors of the Federal Reserve System (the “Board of Governors”) issue this Order of Prohibition upon the consent of David Cronin (“Cronin”), a former institution-affiliated party, as defined in Sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), of Allfirst Bank, Baltimore, Maryland (“Allfirst”), a former state member bank,¹ relating to Cronin’s alleged unsafe and unsound practices in connection with his supervision of a subordinate whose fraudulent proprietary foreign exchange trading caused approximately \$691 million in losses to Allfirst; and

WHEREAS, by affixing his signature hereunder, Cronin 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 might have pursuant to 12 U.S.C. § 1818, 12

¹ In April 2003, Allfirst was acquired by M&T Bank Corporation, Buffalo, New York, and merged into its existing subsidiary bank, M&T Bank.

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, effectiveness, collectibility 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 herein, and without this Order constituting an admission by Cronin 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 hearing or testimony:

IT IS HEREBY ORDERED, pursuant to Section 8(e) of the FDI Act, 12 U.S.C. § 1818(e), that:

1. Cronin, without 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 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 FDI Act, 12 U.S.C. § 1818(e)(7)(A), including without limitation, any insured depository institution, or any bank or savings association holding company;

(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 FDI Act, 12 U.S.C. § 1818(e)(7)(A);

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

(d) voting for a director, or serving or acting as an institution-affiliated party, as defined in Section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), such as an officer, director or employee, in any institution described in Section 8(e)(7)(A) of the FDI Act.

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

(a) Richard M. Ashton
Deputy General Counsel
Board of Governors of the Federal Reserve System
20th & C Streets, N.W.
Washington, D.C. 20551

(b) David Cronin
c/o Stuart Stein, Esq.
Hogan and Hartson
555 Thirteenth Street, N.W.
Washington, D.C. 20004

3. Any violations of this Order shall separately subject Cronin 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 Federal or state agency or department from taking any other action affecting Cronin, provided, however, that the Board of Governors shall not take any further action against Cronin relating to the matters addressed by this Order.

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

By order of the Board of Governors of the Federal Reserve System, effective this

20th day of April, 2006.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

David Cronin

David Cronin

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