

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

In the Matter of)	
)	
Jean Peyrelevade,)	Docket Nos. 03-041-CMP-I
)	03-041-B-I
A former institution-affiliated party of)	03-041-E-I
CREDIT LYONNAIS, S.A.)	
Paris, France)	Order to Cease and Desist Issued
)	Upon Consent
)	
)	

WHEREAS, pursuant to Section 8(b) of the Federal Deposit Insurance Act, as amended (the "FDI Act")(12 U.S.C. section 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 Jean Peyrelevade ("Peyrelevade"), a former institution-affiliated party, as defined in Sections 3(u) and 8(b)(4) of the FDI Act (12 U.S.C. sections 1813(u) & 1818(b)(4)), of Credit Lyonnais, S.A., Paris, France ("Credit Lyonnais"), a foreign bank;

WHEREAS, the Board of Governors, on December 18, 2003, issued a combined Notice of Charges and of Hearing, Notice of Assessment of Civil Money Penalties, and Notice of Intent to Prohibit (the "December 18, 2003 Notice") against Peyrelevade. The December 18, 2003 Notice alleges that Peyrelevade participated in violations of law and regulation and engaged in unsafe and unsound practices with respect to alleged violations by Credit Lyonnais in connection with its alleged acquisition and retention of indirect control of voting shares of the successor to the Executive Life Insurance Company of California. Peyrelevade has denied the allegations;

WHEREAS, Peyrelevade and the United States Attorney for the Central District of California have entered into a plea agreement in accordance with the principles of *North Carolina v. Alford*, 400 U.S. 25 (1970) and *United States v. Alber*, 56 F.3d 1106 (9th Cir. 1995) related to certain matters set forth in the December 18, 2003 Notice which, if accepted by the United States District Court for the Central District of California, will result in Peyrelevade being precluded from participating in the conduct of the affairs of an insured depository institution in the United States pursuant to 12 U.S.C. section 1829 and paying a fine of \$500,000;

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

WHEREAS, this Order resolves the proceedings initiated by the December 18, 2003 Notice; and

WHEREAS, by affixing his signature hereunder, Peyrelevade 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. section 1818 or 12 C.F.R. Part 263, or otherwise (a) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in the December 18, 2003 Notice or herein; (b) to obtain judicial review of this Order or any provision hereof; and (c) 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 introduction of any testimony or adjudication of, or finding on, any issue of fact or law implied herein, and without this Order constituting an admission by Peyrelevade 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 and to avoid protracted or extended proceedings:

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

1. Peyrelevade shall not, directly or indirectly, violate the Bank Holding Company Act 12 U.S.C. section 1841 *et. seq.*, as amended (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, Peyrelevade 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. section 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. section 3106(a), or any subsidiary of a foreign bank that is subject to 12 U.S.C. section 3106(a) (collectively, a “Foreign Banking Organization”), Peyrelevade 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 a 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 a Foreign Banking Organization, or participate in any review of or response to

such an audit, *provided that*, Peyrelevade may provide information to persons conducting such audits upon the request of such persons; and

(c) participate in any manner in any decision by a 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, Peyrelevade 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. Peyrelevade 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 Peyrelevade; *provided, however*, the Board of Governors shall take no further action against Peyrelevade based on or with respect to: (i) any matters set forth in the December 18, 2003 Notice; (ii) any of the “Specified Acts or Omissions,” attached as Exhibit B to the Plea Agreement; or (iii) any facts encompassed in the allegations recited in the Order to Cease and Desist and Order of Assessment of Civil Money Penalty issued by the Board of Governors against Credit Lyonnais, dated December 18, 2003.

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. In the event that the Plea Agreement is rejected by the United States District Court for the Central District of California, this Order shall be null and void and shall not be construed as an admission of guilt, liability, or any alleged factual matter referenced herein nor as a waiver of any potential defense that otherwise might be available to Peyrelevade. In the event that this Order becomes effective, each provision of this Order shall remain effective and enforceable until stayed, modified, terminated or suspended by the Board of Governors. Peyrelevade 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 Peyrelevade.
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) Richard M. Ashton
Deputy 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. Jean Peyrelevade
c/o John L. Douglas and
John E. Stephenson, Jr.
Alston & Bird LLP
1201 W. Peachtree Street
Atlanta, GA 30309-3424

By order of the Board of Governors of the Federal Reserve System, effective this
19th day of January 2006.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

(signed)

Jean Peyrelevade

(signed)

By: _____
Jennifer J. Johnson
Secretary of the Board