

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

In the Matter of

MARKUS WALDER,
MARCO PARENTI ADAMI,
SUSANNE D. RUEGG MEIER,
ROGER SCHAERER, and
MICHELE BERGANTINO

Institution-Affiliated Parties of
Credit Suisse AG
Zurich, Switzerland

Docket No. 15-012-G-I

Notice of Prohibition Issued Pursuant
to Section 8(g)(1)(A) of the
Federal Deposit Insurance Act, as
amended

The Board of Governors of the Federal Reserve System (the “Board of Governors”) is of the opinion or has reasonable cause to believe that:

(A) On July 21, 2011, a Grand Jury in the United States District Court for the Eastern District of Virginia, Alexandria Division, filed a superseding indictment (the “Indictment”) (Case No. 1:11-CR-00095) charging Markus Walder (“Walder”), Marco Parenti Adami (“Adami”), Susanne D. Ruegg Meier (“Meier”), Roger Schaerer (“Schaerer”), and Michele Bergantino (“Bergantino”) (each a “Respondent” and collectively, the “Respondents”) with conspiring for the purpose of impeding, impairing, obstructing, and defeating the lawful government functions of the Internal Revenue Service (“IRS”) of the Treasury Department in the ascertainment, computation, assessment, and collection of revenue in violation of 18 U.S.C. § 371. The charges in the Indictment relate to actions taken by Respondents in connection with their status as institution-affiliated parties (“IAP”) of Credit Suisse AG, Zurich, Switzerland (“Credit Suisse” or the “Bank”), a foreign bank subject to the jurisdiction of the Board of

Governors under the International Banking Act and section 8 of the Federal Deposit Insurance Act (“FDI Act”);

(B) The violation of 18 U.S.C. § 371 charged in the Indictment involves dishonesty or breach of trust and is punishable by imprisonment for a term exceeding one year under Federal law within the meaning of section 8(g)(1)(A) of the FDI Act, 12 U.S.C. § 1818(g)(1)(A);

(C) Respondents’ continued service or participation in the conduct of the affairs of Credit Suisse or any relevant depository institution, as defined in section 8(g)(1)(E) of the FDI Act, 12 U.S.C. § 1818(g)(1)(E), posed, poses, or may pose a threat to the interests of depositors of Credit Suisse, or threatened, threatens, or may threaten to impair public confidence in Credit Suisse.

NOTICE IS HEREBY GIVEN by the Board of Governors, pursuant to section 8(g)(1)(A) of the FDI Act, 12 U.S.C. § 1818(g)(1)(A), that:

- (a) Walder, Adami, Meier, Schaerer, and Bergantino are each prohibited from participating in any manner in the conduct of the affairs of any insured depository institution, holding company thereof, foreign bank, or any institution specified in section 8(e)(7)(A) of the FDI Act, 18 U.S.C. § 1818(e)(7)(A);
- (b) the prohibitions of Walder, Adami, Meier, Schaerer, and Bergantino shall remain in effect until the Indictment (or any superseding complaint, information, or indictment) is finally disposed of, or such prohibition is terminated by the Board of Governors;

In support of this Notice, which applies individually to each Respondent, the Board of Governors alleges as follows:

JURISDICTION

1. Credit Suisse is a foreign bank subject to the jurisdiction of the Board of Governors under the International Banking Act, 12 U.S.C. § 3101(7), and section 8 of the FDI Act, 12 U.S.C. § 1818. Accordingly, the Board of Governors is the appropriate Federal

banking agency within the meaning of section 3(q)(3) of the FDI Act, 12 U.S.C. § 1813(q)(3), and section 8(g)(1)(A) of the FDI Act, 12 U.S.C. § 1818(g)(1)(A).

2. Walder was employed as a Managing Director of Credit Suisse responsible for the bank's North American Offshore Banking operations within the past six years. Accordingly, Walder is an IAP of the Bank, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), and section 8(i)(3) of the FDI Act, 12 U.S.C. § 1818(i)(3).

3. Adami was employed as a senior manager and private banker of Credit Suisse within the past six years. Accordingly, Adami is an IAP of the Bank, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), and section 8(i)(3) of the FDI Act, 12 U.S.C. § 1818(i)(3).

4. Meier was employed as a senior manager and private banker of Credit Suisse within the past six years. Accordingly, Meier is an IAP of the Bank, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), and section 8(i)(3) of the FDI Act, 12 U.S.C. § 1818(i)(3).

5. Schaerer was employed as Director of the New York Representative Office (the "Representative Office") of Credit Suisse within the past six years. Accordingly, Schaerer is an IAP of the Bank, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), and section 8(i)(3) of the FDI Act, 12 U.S.C. § 1818(i)(3).

6. Bergantino was employed as a private banker of Credit Suisse within the past six years. Accordingly, Bergantino is an IAP of the Bank, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), and section 8(i)(3) of the FDI Act, 12 U.S.C. § 1818(i)(3).

FACTUAL ALLEGATIONS

7. U.S. citizens, resident aliens and legal permanent residents have an obligation to report all income earned from foreign bank accounts on their tax returns and to pay the taxes due on that income. An "undeclared account" was a financial account owned by an individual

subject to U.S. tax and maintained in a foreign country that had not been reported by the individual account owner to the U.S. government on an income tax return.

8. Walder, a citizen and resident of Switzerland, was the head of Credit Suisse's North American Offshore Banking business and was responsible for the Bank's undeclared U.S. cross-border banking business. As a Director within Credit Suisse, Walder supervised teams of private bankers in Switzerland as well as Credit Suisse's Representative Office in New York. Walder also served as a private banker and traveled to the United States to provide banking and investment advice to U.S. customers who maintained undeclared accounts at Credit Suisse.

9. Adami, Meier, and Bergantino, all residents of Switzerland, were private bankers who provided banking and investment advice to U.S. customers who maintained undeclared bank accounts in Switzerland. Adami and Meier were also senior managers within Credit Suisse and supervised the bank's Switzerland-based undeclared U.S. cross-border banking business. At various times, Adami, Meier, and Bergantino traveled to the U.S. to meet with U.S. clients to assist them in setting up and accessing undeclared bank accounts.

10. Schaerer, a dual citizen of the United States and Switzerland, ran the New York Representative Office of Credit Suisse. Schaerer was the bank's Senior Representative in the United States. Schaerer reported to Walder and assisted Walder, Adami, Meier, and Bergantino in servicing U.S. clients, including soliciting deposits and facilitating withdrawals from the undeclared Swiss accounts. According to the Indictment, Schaerer also made false statements to the Federal Reserve Bank of New York regarding the bank's U.S.-based activities and compliance with U.S. laws.

11. In 2011, Walder, Adami, Meier, Bergantino, and Schaerer were indicted by the Department of Justice for conspiracy to defraud the United States by assisting U.S. citizens'

evasion of federal income taxes through the surreptitious creation and maintenance of undeclared Swiss bank accounts. To date, none of the Respondents has entered the United States to answer the Indictment.

12. Continued participation by Walder, Adami, Meier, Bergantino, and Schaerer in the affairs of Credit Suisse would threaten to impair public confidence in Credit Suisse. For example, in part as a result of the Respondents' misconduct described in the Indictment, on May 19, 2014, Credit Suisse entered a guilty plea for conspiracy to aid, assist, procure, counsel, and advise the preparation and presentation of false income tax returns to the IRS in violation of 18 U.S.C. § 371, and it paid \$2.6 billion in penalties. As a result of its guilty plea, certain pension funds can no longer do business with Credit Suisse.

13. Further, as a result of the Respondents' misconduct described in the Indictment, numerous news articles covered the Indictment of Respondents and highlighted the "heightened scrutiny" by U.S. authorities of the Bank's private banking services.¹ Respondents' involvement with Credit Suisse's assisting in the evasion of U.S. tax laws as alleged in the Indictment generated, and will likely continue to generate, adverse publicity for Credit Suisse.

14. The negative publicity created by the pending criminal action against Respondents, the serious nature of the charges contained in the Indictment, and the particular crime involved, all serve to impair public confidence in Credit Suisse.

¹ *New York Times*, U.S. Accuses Four Bankers Connected to Credit Suisse of Helping Americans Evade Taxes, Feb. 23, 2011, http://www.nytimes.com/2011/02/24/business/global/24tax.html?_r=0. See, e.g., *Wall Street Journal*, Charges for Four in Swiss-Tax Case, Feb. 24, 2011, <http://www.wsj.com/articles/SB10001424052748703775704576162180267567642>; *Reuters*, U.S. indicts three Credit Suisse bankers, July 21, 2011, <http://www.reuters.com/article/2011/07/21/us-creditsuisse-bankers-indictment-idUSTRE76K6S620110721>.

PROCEDURES GENERALLY

Within thirty (30) days of service of this Notice, a Respondent may file a request for an informal hearing regarding his or her individual suspension pursuant to section 8(g)(3) of the FDI Act, 12 U.S.C. § 1818(g)(3), and Subpart D of the Rules of Practice for Hearings of the Board of Governors (the “Rules of Practice”), 12 C.F.R. § 263.72. The request shall be filed in writing with the Secretary of the Board of Governors, Washington, DC 20551. Upon receipt of a timely request for an informal hearing, the Secretary shall promptly issue an order directing an informal hearing concerning the Respondent’s suspension to commence within 30 days of the receipt of the request. The hearing will be conducted in the manner prescribed in section 8(g)(3) of the FDI Act, 12 U.S.C. § 1813(g)(3), and Subpart D of the Rules of Practice, 12 C.F.R. § 263.73. An institution-affiliated party may waive in writing his or her right to an oral hearing and instead elect to have the matter determined by the Board solely on the basis of written submissions. The failure of any Respondent to individually file a timely written request for an informal hearing shall be deemed to be a waiver of his or her right to request such a hearing of that Respondent’s suspension.

By order of the Board of Governors of the Federal Reserve System, effective this 4th day of May, 2015.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

By: *Robert deV. Frierson (signed)*
Robert deV. Frierson
Secretary of the Board