

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

_____)	
In the Matter of)	Docket No. 16-010-E-I; 16-010-B-I
)	
Matthew Gardiner)	Order of Prohibition Issued Upon
)	Consent Pursuant to Section 8(e)
A Former Institution-Affiliated)	of the Federal Deposit Insurance Act,
Party of UBS AG)	as Amended
Zurich, Switzerland)	
)	
and)	
)	
A Former Institution-Affiliated)	
Party of Barclays Bank, PLC)	
_____)	

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”) upon the consent of Matthew Gardiner (“Gardiner”), a former employee and institution-affiliated party, pursuant to sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), of UBS AG (“UBS”) and a former employee and institution-affiliated party of Barclays Bank, PLC (“Barclays”) (collectively, the “Banks”), foreign banks as defined in section 1(b)(7) of the International Banking Act (12 U.S.C. § 3101(7));

WHEREAS, from January 2008 to at least January 2013 (the “Relevant Period”), while employed by the Banks, Gardiner routinely communicated with foreign exchange (“FX”) traders at other financial institutions through chatrooms on electronic messaging platforms;

WHEREAS, during the Relevant Period, Gardiner routinely engaged in unsafe and unsound conduct, including in communications by traders in multibank electronic chatrooms, consisting, among other things, of:

- a) disclosures to traders of other institutions of confidential customer information of the Banks;
- b) coordinating the trading of the EUR/USD currency pair in connection with benchmark FX currency “fixes” set by World Markets/Reuters and European Central Bank with traders of other institutions;
- c) coordinating with traders of other institutions regarding bid/offer spreads offered to FX customers; and
- d) agreements with traders of other institutions to refrain from trading against each other so as not to impact the market rate of a currency in which another chat room participant was transacting;

WHEREAS, on May 20, 2015, UBS entered into a consented cease and desist order with the Board of Governors and paid a civil money penalty of \$342 million related to unsafe and unsound practices by its FX traders;

WHEREAS, by affixing his signature hereunder, Gardiner 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 CFR Part 263, or otherwise: (a) to the issuance of a notice of intent to prohibit on any matter implied or 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 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 solely for the purpose of settlement of this proceeding without protracted or extended hearings or testimony:

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

1. Gardiner, 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 institutions 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, but not limited to, any insured depository institution or any holding company of an insured depository institution, or any subsidiary of such holding company, or any foreign bank or company to which subsection (a) of 12 U.S.C. § 3106 applies and any subsidiary of such foreign bank or 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, 12 U.S.C. § 1818(e)(7)(A).

2. Pursuant to section 8(b) of the FDI Act, 12 U.S.C. § 1818(b), Gardiner shall fully cooperate with and provide substantial assistance to the Board of Governors, including but not limited to the provision of information, testimony, documents, records, and other tangible evidence, in connection with the investigations of whether enforcement action should be taken against other individuals who are or were institution-affiliated parties of the Banks or otherwise.

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

(a) Richard M. Ashton, Esq.
Deputy General Counsel
Patrick M. Bryan
Assistant General Counsel
Board of Governors of
the Federal Reserve System
20th & C Sts. N.W.
Washington, DC 20551

(b) Matthew Gardiner

With copies to:

Mark Rosman, Esq.
Wilson Sonsini Goodrich & Rosati
1700 K Street NW
Fifth Floor
Washington, DC 20006

David McCluskey
TaylorWessing
5 New Street Square
London EC4A 3TW
United Kingdom

4. Any violation of this Order shall separately subject Gardiner 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).

5. 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 Gardiner; provided, however, that the Board of Governors shall not take any further action against Gardiner relating to the matters addressed by this Order based upon facts presently known by the Board of Governors.

6. Each provision of this Order 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 of the Federal Reserve System, effective this 19th day of July, 2016.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

Matthew Gardiner (signed)
Matthew Gardiner

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