

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

In the Matter of

JASON KATZ

A Former Institution-Affiliated Party of
Barclays Bank plc, New York Branch,
New York, New York; and
BNP Paribas Securities Corp.,
New York, New York

Docket Nos. 17-001-E-I; 17-001-B-I

Order of Prohibition Issued Upon
Consent Pursuant to Section 8(e) of the
Federal Deposit Insurance Act, as
Amended

WHEREAS, pursuant to sections 8(e) and 8(i)(3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. §§ 1818(e) and 1818(i)(3), the Board of Governors of the Federal Reserve System (“Board of Governors”) issues this Order of Prohibition upon the consent of Jason Katz (“Katz”), a former employee and institution-affiliated party, as defined by sections 3(u) and 8(b)(4) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(4), of the New York branch of Barclays Bank plc, in New York, New York (“Barclays”) and of BNP Paribas Securities Corp., a non-bank subsidiary of BNP Paribas S.A., in New York, New York (collectively, “BNPP”);

WHEREAS, Barclays Bank plc is, and was at all times relevant to this Order, a foreign bank, as defined by section 1(b)(7) of the International Banking Act, 12 U.S.C. § 3101(7), that conducts operations in the United States through various branches, offices and subsidiaries, including through the New York branch of Barclays Bank plc;

WHEREAS, BNP Paribas S.A. is, and was at all times relevant to this Order, a foreign bank, as defined by section 1(b)(7) of the International Banking Act, 12 U.S.C. § 3101(7), that

conducts operations in the United States through various branches, offices and subsidiaries, including through its non-bank subsidiary BNP Paribas Securities Corp.;

WHEREAS, the Board of Governors is the appropriate federal banking agency with jurisdiction over Barclays and BNPP under section 3(q) of the FDI Act, 12 U.S.C. § 1813(q);

WHEREAS, from approximately July 2010 through September 2011, Katz was employed as a trader on the FX trading desk in Barclays' New York offices, and was responsible for trading emerging market currency pairs, including the U.S. Dollar and South African Rand currency pair ("USD/ZAR");

WHEREAS, from approximately September 2011 through July 2013, Katz was employed as a trader on the FX trading desk in BNPP's New York offices, and was responsible for trading emerging market currency pairs, including USD/ZAR;

WHEREAS, while employed by Barclays and BNPP as an FX trader, Katz routinely engaged in unsafe or unsound practices including, among other things:

- (a) coordinating his trading with other FX traders, such as by executing non bona fide trades and by engaging several competitor FX traders to coordinate their trading positions in order to manipulate the FX market;
- (b) engaging FX traders from competitor financial institutions to agree on the pricing they would quote to certain customers who sought to buy or sell currency; and
- (c) disclosing confidential customer information to competitor FX traders, in violation of Barclays and BNPP policies;

WHEREAS, Katz has agreed to plead guilty in federal district court to a felony violation of section 1 of the Sherman Act, 15 U.S.C. § 1;

WHEREAS, by affixing his signature hereunder, Katz 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 C.F.R. Part 263, or otherwise, including but not limited to the right: (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 8(i)(3) of the FDI Act, 12 U.S.C. §§ 1818(e) and 1818(i)(3), that:

1. Katz, 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), without the approval of 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 12 U.S.C. § 3106(a) 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), Katz 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 Board of Governors' investigation into whether enforcement action should be taken against other individuals who are or were institution-affiliated parties of Barclays or BNPP or otherwise.

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

(a) Richard M. Ashton, 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) Jason Katz

With a copy to:

Robert Knuts, Esq.
Sher Tremonte LLP
80 Broad Street, Suite 1301

New York, NY 10004

4. Any violation of this Order shall separately subject Katz to appropriate civil or criminal penalties, or both, under sections 8(i) and 8(j) of the FDI Act, 12 U.S.C §§ 1818(i) and 1818(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 Katz; provided, however, that the Board of Governors shall not take any further action against Katz 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 4th day of January, 2017.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

/s/ Jason Katz
Jason Katz

By: /s/ Robert deV. Frierson
Robert deV. Frierson
Secretary of the Board