

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

BEFORE THE COMMISSIONER OF THE OFFICE OF FINANCIAL AND INSURANCE REGULATION

In the matter of

CREDIT SUISSE SECURITIES (USA) LLC
1 Madison Avenue, 9th Floor
New York, New York 10010,

Respondent.

ADMINISTRATIVE CONSENT ORDER

WHEREAS, at all times relevant herein, the Respondent, CREDIT SUISSE SECURITIES (USA) LLC (hereinafter "Respondent Credit Suisse"), a limited liability company organized under the laws of the state of Delaware, has been and remains a securities dealer registered with the Michigan Office of Financial and Insurance Regulation ("OFIR") under the provisions of the Michigan Uniform Securities Act of 1964, 1964 PA 265, as amended, MCL 451.501 *et seq.*, and the Rules promulgated thereunder R 451.601.1 – 451.808.8 (hereinafter "the Uniform Securities Act"). In addition, Credit Suisse Securities (USA) LLC is a registered securities broker-dealer and an investment adviser covered under federal law offering brokerage and investment products and services to investors across the United States of America; and

WHEREAS, coordinated investigations of the activities of Credit Suisse Securities (USA) LLC and its affiliates in connection with its marketing and sales practices for investment products generally known as "auction rate securities" have been conducted by a multistate task force composed of members of the North American Securities Administrators Association, Inc. (hereinafter "NASAA"); and

WHEREAS, Respondent Credit Suisse has cooperated with regulators conducting the

1 investigations by responding to inquiries, providing documentary evidence and other materials, and
2 providing regulators with access to facts relating to the investigations; and

3 WHEREAS, Respondent Credit Suisse has advised regulators of its agreement to resolve
4 the investigations relating to its marketing and sales practices to certain investors in auction rate
5 securities; and

6 WHEREAS, Respondent Credit Suisse, without admitting or denying the Findings of Fact
7 and Conclusions of Law, agrees to take certain actions described herein; and

8 WHEREAS, Respondent Credit Suisse elects to permanently waive any right to a hearing
9 and appeal under the Administrative Procedures Act of 1969, 1969 PA 306, as amended, MCL
10 24.201 *et seq.* and the Michigan Uniform Securities Act of 1964, 1964 PA 265, as amended, MCL
11 451.501 *et seq.*, and the Rules promulgated thereunder R 451.601.1 – 451.808.8 with respect to this
12 Administrative Consent Order (the “Order”);
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14 NOW, THEREFORE, OFIR, as administrator of the Uniform Securities Act, hereby enters
15 this Order:

16 **I.**

17 **FINDINGS OF FACT**

18 1. Respondent Credit Suisse admits that this matter is within the subject matter
19 jurisdiction of OFIR and that it is personally subject to the jurisdiction of OFIR. Respondent
20 Credit Suisse expressly waives any right to a hearing, the making of findings of fact and
21 conclusions of law, and all further proceedings before OFIR to which it may be entitled under the
22 Uniform Securities Act, or any other law. Respondent Credit Suisse expressly waives all rights to
23 seek judicial review or otherwise challenge the validity of this Order.
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25 2. Respondent Credit Suisse neither admits nor denies the Findings of Fact and
26 Conclusions of Law contained in this Order, and consents to the entry of this Order by OFIR.

DEFINITIONS

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2 3. For the purposes of this Order:

3 (a) "Auction rate securities" are long-term debt or equity instruments that include
4 auction rate preferred shares of closed-end funds, municipal auction rate bonds, and various asset-
5 backed auction rate bonds. Some auction rate securities products have maturity dates of 20 years
6 or longer; auction rate preferred shares of certain closed-end funds have no maturity date
7 whatsoever. While auction rate securities are all long-term instruments, one significant feature of
8 auction rate securities, which historically provided the potential for short-term liquidity, is that the
9 variable interest rates reset through a bidding process known as a Dutch auction that occurred in
10 varying increments, generally between seven (7) and forty-two (42) days. At a Dutch auction,
11 bidders generally state the number of auction rate securities they wish to purchase and the
12 minimum interest rate they are willing to accept. Bids are then ranked, from lowest to highest,
13 according to the minimum interest rate each bidder is willing to accept. The lowest interest rate
14 required to sell all of the auction rate securities available at auction, known as the "clearing rate,"
15 becomes the rate paid to all holders of that particular security until the next auction. If an auction
16 is successful, investors wishing to sell are able to exit the auction rate securities market on a short-
17 term basis. When there are not enough orders to purchase all of the auction rate securities being
18 sold, a "failed" auction occurs. If an auction fails, investors are required to hold all or some of
19 their auction rate securities until the next successful auction in order to liquidate their funds, or
20 they may attempt to sell those auction rate securities in a secondary market transaction, if such a
21 secondary market even exists and is functioning. Beginning in February 2008, the auction rate
22 securities market experienced widespread and repeated failed auctions.
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1 (b) "Individual Investor" means any natural person who purchased auction rate
2 securities from or through a Respondent Credit Suisse account prior to February 14, 2008, and also
3 includes

4 (i) legal entities acting as an investment vehicle for family members, including
5 but not limited to IRA accounts, Trusts, Family Limited Partnerships, and other legal
6 entities performing a similar function;

7 (ii) charities and non-profits; and

8 (iii) small- to medium-sized businesses with up to \$10 million in assets in
9 accounts with Respondent Credit Suisse, any of which purchased auction rate securities
10 from or through Respondent Credit Suisse prior to February 14, 2008. Notwithstanding any
11 other provision, "Individual Investor" does not include broker-dealers, banks, Registered
12 Investment Advisers, other investment firms or investment institutions regardless of
13 whether any of the foregoing were acting for their own account or as conduits for their
14 customers.
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16 (c) "Institutional Investor" means any other legal entity not meeting the definition of
17 "Individual Investor" in paragraph I.3(b), above, and which purchased auction rate securities from
18 or through a Respondent Credit Suisse account.

19 (d) "Proceedings" include, but are not limited to, any meetings, interviews, depositions,
20 hearings, trials, grand jury proceedings, or any other proceedings.

21 (e) "The representative specified by NASAA" is the North Carolina Secretary of State
22 as Securities Administrator, or her lawfully authorized designee.

23 (f) All other words, terms, and phrases used in this Order shall have the usual and
24 ordinary meanings given to them in everyday speech, and are to be taken and understood in their
25 plain, ordinary, and popular sense.
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EVENTS

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2 4. Respondent Credit Suisse was an underwriter of a limited number of offerings of
3 auction rate securities. Respondent Credit Suisse also acted as a manager for certain issues of
4 auction rate securities. When acting as a sole manager, Respondent Credit Suisse was the only
5 firm that could submit bids into the auction on behalf of its clients and/or other broker-dealers who
6 wanted to buy and/or sell any auction rate securities. When acting as a co-lead manager,
7 Respondent Credit Suisse and the other co-lead managers could directly submit orders into the
8 auction, while other broker-dealers were able to submit orders on behalf of their clients and on
9 their own behalf into the auction through a co-lead manager. Respondent Credit Suisse received
10 revenue in connection with auction rate securities, including underwriting fees representing a
11 percentage of total issuance and a fee for managing the auctions.
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13 5. From time to time over many years, Respondent Credit Suisse submitted support
14 bids, or purchase orders, for some or all of an auction rate security issue for which it acted as the
15 sole or lead manager. Support bids were Respondent Credit Suisse's proprietary orders that would
16 be filled, in whole or in part, if there was otherwise insufficient demand in an auction. When
17 Respondent Credit Suisse purchased auction rate securities through support bids, those auction rate
18 securities were then owned by Respondent Credit Suisse and were recorded on Respondent Credit
19 Suisse's balance sheet.
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21 6. Because investors could not ascertain how much of an auction was filled through
22 proprietary bids of Respondent Credit Suisse and other firms acting as sole or lead managers, they
23 could not determine if auctions were clearing because of normal marketplace demand, or because
24 Respondent Credit Suisse and other firms acting as lead managers were supporting the auctions
25 through their own proprietary purchase orders. Generally, investors also were not aware of the
26 extent to which the auction rate securities market was dependent upon Respondent Credit Suisse's

1 and other broker-dealers' use of support bids for its successful operation. While Respondent Credit
2 Suisse could track its own inventory as a measure of the supply and demand for auction rate
3 securities for which it was a sole, lead, or co-lead manager, ordinary investors had no comparable
4 ability to assess the operation of the market. There was no way for those investors to monitor
5 supply and demand in the market or to assess when broker-dealers might decide to stop supporting
6 the market, which could cause numerous and repeated auction failures.

7 7. In August 2007, the credit crisis and other deteriorating market conditions strained
8 the auction rate securities market. Some institutional investors withdrew from the market,
9 decreasing demand for auction rate securities.

10 8. The potential for a market dislocation should have been evident to Respondent
11 Credit Suisse. In those auctions where Respondent Credit Suisse was a lead manager, Respondent
12 Credit Suisse's support bids filled the increasing gap between the supply of and the demand for
13 auction rate securities, maintaining the impression that the auction process was functioning. From
14 Fall 2007 until February 2008, demand for auction rate securities continued to erode and
15 Respondent Credit Suisse's inventory of auction rate securities grew. Respondent Credit Suisse
16 was aware of increasing strains on the auction rate securities market and increasingly questioned
17 the viability of the auction rate securities market. On January 28, 2008, Respondent Credit Suisse
18 provided written disclosure of these increasing risks of owning or purchasing auction rate securities
19 to its customers; prior to that date, certain of its representatives did not fully disclose those
20 increasing risks to certain of their clients.

21 9. In February 2008, Respondent Credit Suisse and other broker-dealers stopped
22 supporting the auctions. Without the benefit of support bids, the auction rate securities market
23 collapsed, leaving investors who thought they were buying liquid, short-term investments instead
24 holding long-term or perpetual securities that they were unable to sell at par value.
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1 supersedes any prior communication, understanding, or agreement, whether written or oral,
2 concerning the subject matter of this Order.

3 16. The undersigned Respondent Credit Suisse agrees that the presentation of this Order
4 to OFIR without the undersigned Respondent Credit Suisse or any counsel for Respondent Credit
5 Suisse being present shall not constitute an improper *ex parte* communication between the
6 Commissioner of OFIR and OFIR Securities Division or counsel for OFIR Securities Division.

7 17. Respondent Credit Suisse, by execution of this Order, affirmatively states that it has
8 freely agreed to the signing of this Order, and that no threats, promises, representations,
9 inducements, or offers of any kind, other than as stated in this document, have been made by OFIR
10 or any member of the staff of OFIR Securities Division, or any agent or employee of OFIR in
11 connection with the signing of this Order.
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13 II.

14 CONCLUSIONS OF LAW

15 Based upon the foregoing Findings of Fact, and consistent with the consent of the
16 Respondent Credit Suisse, OFIR makes the following conclusions of law:

17 1. The Administrator has jurisdiction over the subject matter of securities transactions
18 with persons in the State of Michigan and the person of Respondent Credit Suisse under the
19 Uniform Securities Act.

20 2. As described in the Findings of Fact, Respondent Credit Suisse violated Section
21 204(a)(2) of the Uniform Securities Act, MCL 451.604(a)(2) by its failure reasonably to supervise
22 certain of its registered salesmen in their communication of material information concerning
23 auction rate securities.
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25 3. By reason of the matters described in the Findings of Fact, Respondent Credit
26 Suisse through the activities of certain of its registered salesmen violated Section 204(a)(1)(g) of

1 the Uniform Securities Act, MCL 451.604(a)(1)(g) by failing to adequately state complete facts
2 concerning auction rate securities.

3 4. Action by OFIR against Respondent Credit Suisse pursuant to the cited provisions
4 of the Uniform Securities Act is necessary and appropriate in the public interest and for the
5 protection of investors, and is consistent with the purposes fairly intended by the policy and
6 provisions of the Uniform Securities Act.

7 **III.**

8 **ORDER**

9 On the basis of the Findings of Fact, Conclusions of Law, and Respondent Credit Suisse's
10 consent to the entry of this Order,

11 **IT IS HEREBY ORDERED:**

12 1. This Order terminates the investigation by OFIR with respect to Respondent Credit
13 Suisse's marketing and sale of auction rate securities to Individual Investors. However, nothing
14 herein limits the ability of OFIR, individually or jointly with other States, in pursuing any
15 investigation with respect to any individual concerning Respondent Credit Suisse's marketing and
16 sale of auction rate securities, whether that individual is associated with Respondent Credit Suisse
17 or otherwise; and specifically excluded from and not covered by this paragraph are any claims by
18 OFIR arising from or relating to the Order provisions contained herein.

19 2. This Order is entered into solely for the purpose of resolving the previously referenced
20 multistate investigation, and is not intended to be used for any other purpose.

21 3. Respondent Credit Suisse will CEASE AND DESIST from violating the Uniform
22 Securities Act and will hereafter comply with the provisions of the Uniform Securities Act.

23 4. Within ten (10) days after the entry of this Order, Respondent Credit Suisse shall
24 pay the sum of \$131,637.81 to the State of Michigan, allocated in the following manner:
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1 \$118,474.03 to the State of Michigan General Fund, and \$13,163.78 to the Michigan Investor
2 Protection Trust Fund. The \$131,637.81 settlement payment constitutes Michigan's allocated share
3 of the total settlement payment that Respondent Credit Suisse has agreed to make to those states and
4 territories that enter administrative or civil consent orders approving the terms of the NASAA
5 settlement and to the State of New York, allocated according to a formula determined and set by
6 NASAA and the State of New York.

7 5. In the event another state securities regulator determines not to accept Respondent
8 Credit Suisse's offer of settlement and does not enter an administrative or civil consent order
9 approving the terms of the NASAA settlement, the total amount of the State of Michigan allocated
10 settlement payment shall not be affected, and shall remain at \$131,637.81.

11 6. Respondent Credit Suisse shall not claim, assert, or apply for a tax deduction or tax
12 credit with regard to any state, federal, or local tax for any administrative settlement payment that
13 Respondent Credit Suisse shall pay pursuant to this Order.

14 7. Respondent Credit Suisse shall fully and fairly comply with all of the following
15 requirements:

16 A. As soon as practicable after September 23, 2008, Respondent Credit Suisse
17 will have offered to purchase at par auction rate securities that, since February 14, 2008,
18 have not been successfully auctioning from Individual Investors who purchased those
19 auction rate securities from or through a Respondent Credit Suisse account prior to
20 February 14, 2008;

21 B. Respondent Credit Suisse shall have purchased such securities from
22 investors who accepted this offer prior to December 11, 2008, by that date;

23 C. Respondent Credit Suisse shall keep such offer open until December 31,
24 2009, and promptly shall purchase such securities from any Individual Investor who accepts
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1 the offer between December 11, 2008, and December 31, 2009;

2 D. Respondent Credit Suisse promptly will have provided notice to customers
3 of the settlement terms publicly announced on September 16, 2008, and Respondent Credit
4 Suisse promptly will have established a dedicated telephone assistance line, with
5 appropriate staff, to respond to questions from customers concerning the terms of the
6 settlement;

7 E. No later than December 11, 2008, any Individual Investor that Respondent
8 Credit Suisse could reasonably identify who sold auction rate securities in a Credit Suisse
9 account below par between February 14, 2008, and September 16, 2008, will have been
10 paid by Respondent Credit Suisse the difference between par and the price at which the
11 Individual Investor sold those auction rate securities;

12 F. No later than December 11, 2008, Respondent Credit Suisse shall have
13 notified all Individual Investors that a public arbitrator (as defined by section 12100(u) of
14 the *NASD Code of Arbitration Procedure for Customer Disputes*, effective April 16, 2007),
15 under the auspices of the Financial Industry Regulatory Authority ("FINRA"), will be
16 available for the exclusive purpose of arbitrating any Individual Investor's consequential
17 damages claim. Arbitration shall be conducted by public arbitrators and Respondent Credit
18 Suisse will pay all applicable forum and filing fees. Any Individual Investors who choose
19 to pursue such claims shall bear the burden of proving that they suffered consequential
20 damages and that such damages were caused by investors' inability to access funds
21 consisting of investors' auction rate securities holdings in Respondent Credit Suisse
22 accounts. Respondent Credit Suisse shall be able to defend itself against such claims;
23 provided, however, that Respondent Credit Suisse shall not contest in these arbitrations
24 liability related to the sale of auction rate securities; and further provided that Respondent
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1 Credit Suisse shall not be able to use as part of its defense an Individual Investor's decision
2 not to borrow money from Respondent Credit Suisse. Punitive damages, or any other type
3 of damages other than consequential damages, shall not be available in the arbitration
4 proceedings;

5 G. Respondent Credit Suisse shall endeavor to work with issuers and other
6 interested parties, including regulatory and governmental entities, to expeditiously provide
7 liquidity solutions for Institutional Investors;

8 H. Beginning December 11, 2008, and then quarterly after that, Respondent
9 Credit Suisse shall submit a written report to the representative specified by NASAA
10 outlining the efforts in which Respondent Credit Suisse has engaged and the results of those
11 efforts with respect to Respondent Credit Suisse's Institutional Investors' holdings in
12 auction rate securities;

13 I. Respondent Credit Suisse shall confer with the representative specified by
14 NASAA no less frequently than quarterly to discuss Respondent Credit Suisse's progress to
15 date;

16 J. Such quarterly reports shall continue until no later than December 31, 2009;

17 K. Following every quarterly report, the representative specified by NASAA
18 will advise Respondent Credit Suisse of any concerns and, in response, Respondent Credit
19 Suisse shall discuss with the representative specified by NASAA how it plans to address
20 such concerns;
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22 L. Respondent Credit Suisse shall make its best efforts to identify Individual
23 Investors who took out loans from Respondent Credit Suisse, between February 14, 2008,
24 and December 11, 2008, that were secured by auction rate securities that were not
25 successfully auctioning at the time the loan was taken out from Respondent Credit Suisse,
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1 and who paid interest associated with the auction-rate-securities-based portion of those
2 loans in excess of the total interest and dividends received on the auction rate securities
3 during the duration of the loan. Respondent Credit Suisse shall reimburse such customers
4 for the excess expense, plus reasonable interest, of the loan. Such reimbursement shall
5 occur no later than March 31, 2009. This paragraph does not apply to margin loans;

6 M. Respondent Credit Suisse shall, upon request by the Administrator, provide
7 all documentation and information reasonably necessary for the Administrator to verify
8 compliance with this Order;

9 N. Respondent Credit Suisse shall not take any action, or make or permit to be
10 made any public statement, denying, directly or indirectly, any finding in this Order or
11 creating the impression that this Order is without factual basis. Nothing in this paragraph
12 affects Respondent Credit Suisse's (a) testimonial obligations; or (b) right to take legal or
13 factual positions in defense of litigation or other legal proceedings to which the
14 Administrator is not a party; and

15 O. Respondent Credit Suisse shall cooperate fully and promptly with the
16 Administrator and shall use its best efforts to ensure that all of the current and former
17 officers, directors, trustees, agents, members, partners, and employees of Respondent Credit
18 Suisse (and of any of Respondent Credit Suisse's parent companies, subsidiaries, or
19 affiliates) cooperate fully and promptly with OFIR in any pending or subsequently initiated
20 investigation, litigation, or other proceeding relating to auction rate securities and/or the
21 subject matter of this Order. Such cooperation shall include, without limitation, and on a
22 best efforts basis:

23 (1) production, voluntarily and without service of subpoena, upon the
24 request of OFIR, of all documents or other tangible evidence requested by OFIR and
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1 any compilations or summaries of information or data that OFIR requests that
2 Respondent Credit Suisse (or Respondent Credit Suisse's parent companies,
3 subsidiaries, or affiliates) prepare, except to the extent such production would
4 require the disclosure of information protected by the attorney-client and/or work
5 product privileges;

6 (2) without the necessity of a subpoena, having the current (and making
7 all reasonable efforts to cause the former) officers, directors, trustees, agents,
8 members, partners, and employees of Respondent Credit Suisse (and of any of
9 Respondent Credit Suisse's parent companies, subsidiaries, or affiliates) attend any
10 proceedings, in the State of Michigan or elsewhere, at which the presence of any
11 such persons is requested by OFIR, and having such current (and making all
12 reasonable efforts to cause the former) officers, directors, trustees, agents, members,
13 partners, and employees answer any and all inquiries that may be put by OFIR to
14 any of them at any proceedings or otherwise, except to the extent such production
15 would require the disclosure of information protected by the attorney-client and/or
16 work product privileges;

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18 (3) fully, fairly, and truthfully disclosing all information and producing
19 all records and other evidence in its possession, custody, or control (or the
20 possession, custody, or control of Respondent Credit Suisse's parent companies,
21 subsidiaries, or affiliates) relevant to all inquiries made by OFIR concerning the
22 subject matter of this Order, except to the extent such inquiries call for the
23 disclosure of information protected by the attorney-client and/or work product
24 privileges; and
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26 (4) making outside counsel reasonably available to provide

1 comprehensive presentations concerning any internal investigation relating to all
2 matters in this Order and to answer questions, except to the extent such
3 presentations or questions call for the disclosure of information protected by the
4 attorney-client and/or work product privileges.

5 8. The cooperation provisions set forth in Paragraph III.7.O, above is not intended, nor
6 is it a reasonable construction of such provisions, to require Respondent Credit Suisse (or any of its
7 parent companies, subsidiaries, or affiliates, or any of their current or former officers, directors, or
8 employees) to violate any foreign or domestic law or regulation in complying with those
9 provisions. Respondent Credit Suisse shall promptly notify OFIR if any request under those
10 cooperation provisions has been construed to require that Respondent Credit Suisse (or any of its
11 parent companies, subsidiaries, or affiliates, or any of their current or former officers, directors, or
12 employees) violate any foreign or domestic law or regulation. In such circumstances, OFIR shall
13 act in cooperation with Respondent Credit Suisse towards reaching a resolution that would not
14 require a violation of such laws or regulations.
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16 9. In consideration of Respondent Credit Suisse's agreement to resolve the previously
17 referenced multistate investigation relating to its marketing and sales practices for auction rate
18 securities, and its agreement to fully comply with all the terms of this Order, OFIR will have
19 refrained from taking legal action against Respondent Credit Suisse with respect to its Institutional
20 Investors until at least December 11, 2008, and will not seek additional settlement payments from
21 Respondent Credit Suisse relating to Respondent Credit Suisse's marketing and sale of auction rate
22 securities.
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24 10. If settlement payment is not made timely by Respondent Credit Suisse, or if
25 Respondent Credit Suisse defaults in any of its obligations set forth in this Order, OFIR, at its sole
26 discretion, upon ten (10) days notice to Respondent Credit Suisse and without opportunity for

1 administrative hearing, may refer this matter for enforcement as provided in the Uniform Securities
2 Act.

3 11. Nothing herein shall preclude the State of Michigan, its departments, agencies, boards,
4 commissions, authorities, political subdivisions, and corporations (collectively, "State Entities"), other
5 than OFIR and then only to the extent set forth in Paragraphs III.1 and III.9, and the officers, agents, or
6 employees of State Entities from asserting any claims, causes of action, or applications for
7 compensatory, nominal and/or punitive damages, administrative, civil, criminal, or injunctive relief
8 against Respondent Credit Suisse in connection with the marketing and sale of auction rate securities
9 by Respondent Credit Suisse.

10 12. This Order is not intended to indicate that Respondent Credit Suisse or any of its
11 affiliates or current or former employees shall be subject to any disqualifications contained in the
12 federal securities law, the rules and regulations thereunder, the rules and regulations of self
13 regulatory organizations or various states' securities laws including any disqualifications from
14 relying upon the registration exemptions or safe harbor provisions. In addition, this Order is not
15 intended to form the basis for any such disqualifications.

16 13. For any person or entity not a party to this Order, this Order does not limit or create
17 any private rights or remedies against Respondent Credit Suisse including, without limitation, the
18 use of any e-mails or other documents of Respondent Credit Suisse or of others for auction rate
19 securities practices, limit or create liability of Respondent Credit Suisse, or limit or create defenses
20 of or for Respondent Credit Suisse to any claims.

21 14. This Order shall not disqualify Respondent Credit Suisse or any of its affiliates or
22 current or former employees from any business that they otherwise are qualified or licensed to
23 perform under applicable state law and this Order is not intended to form the basis for any
24 disqualification.
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1 15. This Order and any dispute related thereto shall be construed and enforced in
2 accordance with, and governed by, the laws of the State of Michigan without regard to any choice
3 of law principles.

4 16. This Order shall be binding upon Respondent Credit Suisse and its affiliates, its
5 successors and assigns as well as the successors and assigns of relevant affiliates, with respect to
6 all conduct subject to the provisions above, and all future obligations, responsibilities,
7 undertakings, commitments, limitations, restrictions, events, and conditions under the above
8 provisions.

9 17. This Order contains, constitutes, and embodies the entire agreement between the
10 undersigned, there being no agreement of any kind, verbal or otherwise, which varies, alters, or
11 adds to this Order; and this Order supersedes any prior communication, understanding, or
12 agreement, whether written or oral, concerning the subject matter of this Order.

13 18. In the event that one or more provisions contained in this Order shall for any reason
14 be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
15 unenforceability shall not affect any other provision of this Order.

16 19. By its consent to and execution of this Order, Respondent Credit Suisse
17 affirmatively represents that it freely agrees to the signing of this Order by OFIR, and that no
18 threats, promises, representations, inducements, or offers of any kind, other than as stated in this
19 document, have been made by OFIR, any member of the staff of OFIR, or any agent or employee
20 of OFIR in connection with the negotiation and signing of this Order.
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20. This Order shall become final upon entry.

Dated this 26th day of May, 2010.

BY ORDER OF THE COMMISSIONER OF THE OFFICE
OF FINANCIAL AND INSURANCE REGULATION



Ken Ross, Commissioner
Office of Financial and Insurance Regulation

