

UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D.C.

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In the Matter of : Docket No. 98 – 027 – B – I
:
William Shilstone :
:
A Former Institution-Affiliated : Cease and Desist Order
Party of : Issued Upon Consent
: Pursuant to the Federal
Société Générale - New York : Deposit Insurance Act,
Branch : as Amended
New York, New York :
:
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WHEREAS, pursuant to Section 8(b) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818 *et seq.* (the "Act") the Board of Governors of the Federal Reserve System (the "Board of Governors") issues this Cease and Desist Order (the "Order") against William Shilstone ("Shilstone"), a former institution-affiliated party, as defined in Sections 3(u) and (b)(4) of the Act, 12 U.S.C. §§ 1813(u) and 1818(b)(4), of the New York branch of Société Générale, in connection with his recording of foreign exchange transactions on the books and records of Société Générale; and

WHEREAS, by affixing his signature hereunder, Mr. Shilstone has consented to the issuance of this Order by the Board of Governors and has waived any and all rights he might otherwise have pursuant to 12 U.S.C. § 1818 or 12 C.F.R. Part 263 or otherwise (a) to the issuance of a notice of charges and of hearing; (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 thereof; and (d) to challenge or contest in any manner the basis, issuance, 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 without this Order constituting an admission of any allegation made or implied by the Board of Governors in connection herewith, and solely for the purpose of settlement of this matter without protracted or extended proceedings:

IT IS HEREBY ORDERED, pursuant to Section 8(b) of the Act, 18 U.S.C. § 1818(b), that:

1. Shilstone shall not serve as an institution-affiliated party 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 a bank, bank holding company, or nonbank subsidiary, where his duties include, directly or indirectly, trading on behalf of the institution or agency.

2. Should Shilstone desire to become an institution-affiliated party, as defined in Sections 3(u) and 8(b)(3) and (4) of the FDI Act, of any institution or agency specified in Section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(7)(A), including, but not limited to, any insured depository institution, bank or thrift holding company, or U.S. agency or branch of a foreign bank, other than is set forth in paragraph 1, above, Shilstone shall take all actions as are necessary, consistent with his responsibilities, to ensure that he will: (a) comply with all policies and procedures of his employer as they pertain to his duties, including, where applicable, the

preparation of accurate books and records; and (b) comply fully with all applicable laws and regulations.

3. (a) Shilstone shall make restitution to the New York branch of Société Générale in the sum of \$10,000 for losses incurred by the New York branch in connection with Shilstone's recording of foreign exchange transactions on the books and records of Société Générale.

(b) The restitution described in paragraph 3 (a) hereof shall be remitted in full, payable to the "Board of Governors of the Federal Reserve System" and shall be forwarded, with Shilstone's executed copy of this Order, to Jennifer J. Johnson, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, who shall make remittance of the same to the New York branch of Société Générale.

(c) No portion of the restitution payment required by this paragraph shall be, directly or indirectly, paid, advanced, reimbursed or otherwise funded by the New York branch of Société Générale or any of its successors or assigns.

4. Any violation of this Order shall separately subject Mr. Shilstone to appropriate civil penalties under Section 8(i) of the Act, 12 U.S.C. § 1818(i).

5. All communication regarding this Order shall be addressed to:

(a) Mr. Robert O'Sullivan
Senior Vice President
Examinations Department
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

and a copy to:

Karen E. Gifford, Esq.
Legal Department
Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045

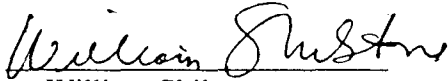
(b) Mr. William Shilstone
c/o Ira Finkelstein, Esq.
Tenzer Greenblatt LLP
The Chrysler Building
405 Lexington Ave.
New York, NY 10174

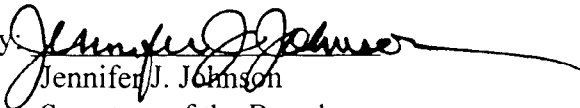
6. This Order and each and every provision hereof, is and shall remain fully effective and enforceable until expressly stayed, modified, terminated or suspended in writing by the Board of Governors.

7. The provisions of this Order shall not bar, estop or otherwise prevent the Board of Governors, the Reserve Bank or any federal or state agency or department from taking any other action affecting Shilstone. Shilstone agrees and acknowledges that this Order does not bar or estop any criminal charges or prosecutions against him, and Shilstone hereby waives any right he might otherwise have based upon this Order to assert a defense of double jeopardy in any criminal proceeding.

By order of the Board of Governors, effective this 2nd day of November, 1998.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM


William Shilstone

By 
Jennifer J. Johnson
Secretary of the Board