

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING  
whether there has been a violation  
of the Securities Act of Washington by:

Order Number S-09-379-09-CO01

CONSENT ORDER

CREDIT SUISSE SECURITIES (USA) LLC,  
Respondent.

**INTRODUCTION**

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 State of Washington under the provisions of the Securities Act of Washington, RCW 21.20, (hereinafter "the Act"). In addition, Respondent Credit Suisse 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 Respondent Credit Suisse 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

CONSENT ORDER

1

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760



1 Financial Institutions to which it may be entitled under the Act, or any other law. Respondent  
2 Credit Suisse expressly waives all rights to seek judicial review or otherwise challenge the  
3 validity of this Order.

4 2. Respondent Credit Suisse neither admits nor denies the Findings of Fact and  
5 Conclusions of Law contained in this Order, and consents to the entry of this Order by the  
6 Securities Division of the Washington State Department of Financial Institutions.

7 **DEFINITIONS**

8 3. For the purposes of this Order:

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

8 (b) “Individual Investor” means any natural person who purchased auction rate  
9 securities from or through a Respondent Credit Suisse account prior to February 14, 2008, and  
10 also includes

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

14 (ii) charities and non-profits; and

15 (iii) small- to medium-sized businesses with up to \$10 million in assets in  
16 accounts with Credit Suisse Securities (USA) LLC, any of which purchased auction rate  
17 securities from or through Respondent Credit Suisse prior to February 14, 2008.

18 Notwithstanding any other provision, “Individual Investor” does not include broker-  
19 dealers, banks, Registered Investment Advisers, other investment firms or investment  
20 institutions regardless of whether any of the foregoing were acting for their own account  
21 or as conduits for their customers.  
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1 (c) "Institutional Investor" means any other legal entity not meeting the definition of  
2 "Individual Investor" in paragraph I.3(b), above, and which purchased auction rate securities  
3 from or through a Respondent Credit Suisse account.

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

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

8 (f) All other words, terms, and phrases used in this Order shall have the usual and  
9 ordinary meanings given to them in everyday speech, and are to be taken and understood in their  
10 plain, ordinary, and popular sense.  
11

## 12 **EVENTS**

13 4. Respondent Credit Suisse was an underwriter of a limited number of offerings of  
14 auction rate securities. Respondent Credit Suisse also acted as a manager for certain issues of  
15 auction rate securities. When acting as a sole manager, Respondent Credit Suisse was the only  
16 firm that could submit bids into the auction on behalf of its clients and/or other broker-dealers  
17 who wanted to buy and/or sell any auction rate securities. When acting as a co-lead manager,  
18 Respondent Credit Suisse and the other co-lead managers could directly submit orders into the  
19 auction, while other broker-dealers were able to submit orders on behalf of their clients and on  
20 their own behalf into the auction through a co-lead manager. Respondent Credit Suisse received  
21 revenue in connection with auction rate securities, including underwriting fees representing a  
22 percentage of total issuance and a fee for managing the auctions.  
23

1           5.       From time to time over many years, Respondent Credit Suisse submitted support  
2 bids, or purchase orders, for some or all of an auction rate security issue for which it acted as the  
3 sole or lead manager. Support bids were Respondent Credit Suisse's proprietary orders that  
4 would be filled, in whole or in part, if there was otherwise insufficient demand in an auction.  
5 When Respondent Credit Suisse purchased auction rate securities through support bids, those  
6 auction rate securities were then owned by Respondent Credit Suisse and were recorded on  
7 Respondent Credit Suisse's balance sheet.

8           6.       Because investors could not ascertain how much of an auction was filled through  
9 proprietary bids of Respondent Credit Suisse and other firms acting as sole or lead managers,  
10 they could not determine if auctions were clearing because of normal marketplace demand, or  
11 because Respondent Credit Suisse and other firms acting as lead managers were supporting the  
12 auctions through their own proprietary purchase orders. Generally, investors also were not  
13 aware of the extent to which the auction rate securities market was dependent upon Respondent  
14 Credit Suisse's and other broker-dealers' use of support bids for its successful operation. While  
15 Respondent Credit Suisse could track its own inventory as a measure of the supply and demand  
16 for auction rate securities for which it was a sole, lead, or co-lead manager, ordinary investors  
17 had no comparable ability to assess the operation of the market. There was no way for those  
18 investors to monitor supply and demand in the market or to assess when broker-dealers might  
19 decide to stop supporting the market, which could cause numerous and repeated auction failures.  
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1           7.     In August 2007, the credit crisis and other deteriorating market conditions  
2 strained the auction rate securities market. Some institutional investors withdrew from the  
3 market, decreasing demand for auction rate securities.

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

16           9.     In February 2008, Respondent Credit Suisse and other broker-dealers stopped  
17 supporting the auctions. Without the benefit of support bids, the auction rate securities market  
18 collapsed, leaving investors who thought they were buying liquid, short-term investments instead  
19 holding long-term or perpetual securities that they were unable to sell at par value.  
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21           10.    In certain instances, Respondent Credit Suisse representatives told certain of the  
22 firm's customers that auction rate securities were liquid investments that were alternatives to  
23 money market funds as part of a strategy for cash management. Specifically, certain employees  
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1 acting on behalf of Respondent Credit Suisse represented to certain investors that auction rate  
2 securities were highly liquid, highly rated alternatives to money market investments and other  
3 cash-equivalent investments.

4 11. In the context of the offer and sale of auction rate securities, the failure of certain  
5 employees acting on behalf of Respondent Credit Suisse to adequately state complete facts  
6 concerning auction rate securities constituted a violation of RCW 21.20.110(1)(g).

7 12. Respondent Credit Suisse, by failing reasonably to supervise its registered  
8 salesmen under the Act, as described in these Findings of Fact, has violated RCW  
9 21.20.110(1)(j).

#### 10 **ACTION NECESSARY TO PROTECT PUBLIC**

11 13. Action by the Securities Division of the Washington State Department of  
12 Financial Institutions to halt further conduct by Respondent Credit Suisse in violation of the Act  
13 is necessary and appropriate in the public interest and for the protection of investors, and is  
14 consistent with the purposes fairly intended by the policy and provisions of the Act.  
15

16 14. The undersigned Respondent Credit Suisse agrees that this Order contains,  
17 constitutes, and embodies the entire agreement between the undersigned, there being no  
18 agreement of any kind, verbal or otherwise, which varies, alters, or adds to this Order; and that  
19 this Order supersedes any prior communication, understanding, or agreement, whether written or  
20 oral, concerning the subject matter of this Order.  
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22 15. Respondent Credit Suisse, by execution of this Order, affirmatively states that it  
23 has freely agreed to the signing of this Order, and that no threats, promises, representations,  
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1 inducements, or offers of any kind, other than as stated in this document, have been made by the  
2 Securities Division of the Washington State Department of Financial Institutions or any member,  
3 officer, employee, agent, or representative of the Securities Division of the Washington State  
4 Department of Financial Institutions in connection with the signing of this Order.

5 16. Based upon the foregoing Findings of Fact, and consistent with the consent of the  
6 Respondent Credit Suisse, the Securities Division of the Washington State Department of  
7 Financial Institutions makes the following:

8 **II.**

9 **CONCLUSIONS OF LAW**

10 1. The Administrator has jurisdiction over the subject matter of securities  
11 transactions with persons in the State of Washington and the person of Respondent Credit Suisse  
12 under the Act.

13 2. As described in the Findings of Fact, Respondent Credit Suisse violated RCW  
14 21.20.110(1)(j) by its failure reasonably to supervise certain of its registered salesmen in their  
15 communication of material information concerning auction rate securities.

16 3. By reason of the matters described in the Findings of Fact, Respondent Credit  
17 Suisse through the activities of certain of its registered salesmen violated RCW 21.20.110(1)(g)  
18 by failing to adequately state complete facts concerning auction rate securities.

19 4. Action by the Securities Division of the Washington State Department of  
20 Financial Institutions against Respondent Credit Suisse pursuant to the cited provisions of the  
21 Act is necessary and appropriate in the public interest and for the protection of investors, and is  
22

1 consistent with the purposes fairly intended by the policy and provisions of the Act.

2 **III.**

3 **ORDER**

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

6 **IT IS HEREBY ORDERED:**

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

17  
18 2. This Order is entered into solely for the purpose of resolving the previously  
19 referenced multistate investigation, and is not intended to be used for any other purpose.

20  
21 3. Respondent Credit Suisse shall cease and desist from violating the Securities Act of  
22 Washington and shall comply with the provisions of that Act.

23 4. Within ten (10) days after the entry of this Order, Respondent Credit Suisse shall  
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1 pay the sum of \$80,707.01 to the State of Washington as a civil monetary penalty pursuant to  
2 RCW 21.20.110 and RCW 21.20.395, to be deposited in the Securities Prosecution Fund, RCW  
3 43.320.115. That amount constitutes the State of Washington's allocated share of the total  
4 settlement that Respondent Credit Suisse has agreed to make to those states and territories that  
5 enter administrative or civil consent orders approving the terms of the NASAA settlement and to  
6 the State of New York, allocated according to a formula determined and set by NASAA and the  
7 State of New York.

8 5. In the event another state securities regulator determines not to accept Respondent  
9 Credit Suisse's offer of settlement and does not enter an administrative or civil consent order  
10 approving the terms of the NASAA settlement, the total amount of the State of Washington's  
11 allocated payment shall not be affected, and shall remain at \$80,707.01.

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

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

17 a. As soon as practicable after September 23, 2008, Respondent Credit  
18 Suisse will have offered to purchase at par auction rate securities that since February 14,  
19 2008, have not been successfully auctioning from Individual Investors who purchased  
20 those auction rate securities from or through a Respondent Credit Suisse account prior to  
21 February 14, 2008;  
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1           b.     Respondent Credit Suisse shall have purchased such securities from  
2 investors who accepted this offer prior to December 11, 2008, by that date;

3           c.     Respondent Credit Suisse shall keep such offer open until December 31,  
4 2009, and promptly shall purchase such securities from any Individual Investor who  
5 accepts the offer between December 11, 2008, and December 31, 2009;

6           d.     Respondent Credit Suisse promptly will have provided notice to customers  
7 of the settlement terms publicly announced on September 16, 2008, and Respondent  
8 Credit Suisse promptly will have established a dedicated telephone assistance line, with  
9 appropriate staff, to respond to questions from customers concerning the terms of the  
10 settlement;

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

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

13 g. Respondent Credit Suisse shall endeavor to work with issuers and other  
14 interested parties, including regulatory and governmental entities, to expeditiously  
15 provide liquidity solutions for Institutional Investors;

16 h. Beginning December 11, 2008, and then quarterly after that, Respondent  
17 Credit Suisse shall submit a written report to the representative specified by NASAA  
18 outlining the efforts in which Respondent Credit Suisse has engaged and the results of  
19 those efforts with respect to Respondent Credit Suisse's Institutional Investors' holdings  
20 in auction rate securities;  
21

22 i. Respondent Credit Suisse shall confer, as requested, with the  
23 representative specified by NASAA no less frequently than quarterly to discuss  
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1 Respondent Credit Suisse's progress to date;

2 j. Such quarterly reports shall continue until no later than December 31,  
3 2009;

4 k. Following every quarterly report, the representative specified by NASAA  
5 will advise Respondent Credit Suisse of any concerns and, in response, Respondent  
6 Credit Suisse shall discuss with the representative specified by NASAA how it plans to  
7 address such concerns;

8 l. Respondent Credit Suisse shall make its best efforts to identify Individual  
9 Investors who took out loans from Respondent Credit Suisse, between February 14, 2008,  
10 and December 11, 2008, that were secured by auction rate securities that were not  
11 successfully auctioning at the time the loan was taken out from Respondent Credit Suisse,  
12 and who paid interest associated with the auction-rate-securities-based portion of those  
13 loans in excess of the total interest and dividends received on the auction rate securities  
14 during the duration of the loan. Respondent Credit Suisse shall reimburse such customers  
15 for the excess expense, plus reasonable interest, of the loan. Such reimbursement shall  
16 occur no later than March 31, 2009. This paragraph does not apply to margin loans;  
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18 m. Respondent Credit Suisse shall, upon request by the Administrator,  
19 provide all documentation and information reasonably necessary for the Administrator to  
20 verify compliance with this Order;  
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22 n. Respondent Credit Suisse shall not take any action, or make or permit to  
23 be made any public statement, denying, directly or indirectly, any finding in this Order or  
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1 creating the impression that this Order is without factual basis. Nothing in this paragraph  
2 affects Respondent Credit Suisse's (a) testimonial obligations; or (b) right to take legal or  
3 factual positions in defense of litigation or other legal proceedings to which the  
4 Administrator is not a party; and

5 o. Respondent Credit Suisse shall cooperate fully and promptly with the  
6 Administrator and shall use its best efforts to ensure that all of the current and former  
7 officers, directors, trustees, agents, members, partners, and employees of Respondent  
8 Credit Suisse (and of any of Respondent Credit Suisse's parent companies, subsidiaries,  
9 or affiliates) cooperate fully and promptly with the Securities Division of the Washington  
10 State Department of Financial Institutions in any pending or subsequently initiated  
11 investigation, litigation, or other proceeding relating to auction rate securities and/or the  
12 subject matter of this Order. Such cooperation shall include, without limitation, and on a  
13 best efforts basis:  
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15 (1) production, voluntarily and without service of subpoena, upon the  
16 request of the Securities Division of the Washington State Department of  
17 Financial Institutions, of all documents or other tangible evidence requested by  
18 the Securities Division of the Washington State Department of Financial  
19 Institutions and any compilations or summaries of information or data that the  
20 Securities Division of the Washington State Department of Financial Institutions  
21 requests that Respondent Credit Suisse (or Respondent Credit Suisse's parent  
22 companies, subsidiaries, or affiliates) prepare, except to the extent such  
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1 production would require the disclosure of information protected by the attorney-  
2 client and/or work product privileges;

3 (2) without the necessity of a subpoena, having the current (and  
4 making all reasonable efforts to cause the former) officers, directors, trustees,  
5 agents, members, partners, and employees of Respondent Credit Suisse (and of  
6 any of Respondent Credit Suisse's parent companies, subsidiaries, or affiliates)  
7 attend any proceedings, in the State of Washington or elsewhere, at which the  
8 presence of any such persons is requested by the Securities Division of the  
9 Washington State Department of Financial Institutions, and having such current  
10 (and making all reasonable efforts to cause the former) officers, directors,  
11 trustees, agents, members, partners, and employees answer any and all inquiries  
12 that may be put by the Securities Division of the Washington State Department of  
13 Financial Institutions to any of them at any proceedings or otherwise, except to  
14 the extent such production would require the disclosure of information protected  
15 by the attorney-client and/or work product privileges;  
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17 (3) fully, fairly, and truthfully disclosing all information and  
18 producing all records and other evidence in its possession, custody, or control (or  
19 the possession, custody, or control of Respondent Credit Suisse's parent  
20 companies, subsidiaries, or affiliates) relevant to all inquiries made by the  
21 Securities Division of the Washington State Department of Financial Institutions  
22 concerning the subject matter of this Order, except to the extent such inquiries call  
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1 for the disclosure of information protected by the attorney-client and/or work  
2 product privileges; and

3 (4) making outside counsel reasonably available to provide  
4 comprehensive presentations concerning any internal investigation relating to all  
5 matters in this Order and to answer questions, except to the extent such  
6 presentations or questions call for the disclosure of information protected by the  
7 attorney-client and/or work product privileges.

8 8. The cooperation provisions set forth in Paragraph III.7.O above is not intended,  
9 nor is it a reasonable construction of such provisions, to require Respondent Credit Suisse (or  
10 any of its parent companies, subsidiaries, or affiliates, or any of their current or former officers,  
11 directors, or employees) to violate any foreign or domestic law or regulation in complying with  
12 those provisions. Respondent Credit Suisse shall promptly notify the Securities Division of the  
13 Washington State Department of Financial Institutions if any request under those cooperation  
14 provisions have been construed to require that Respondent Credit Suisse (or any of its parent  
15 companies, subsidiaries, or affiliates, or any of their current or former officers, directors, or  
16 employees) violate any foreign or domestic law or regulation. In such circumstances, the  
17 Securities Division of the Washington State Department of Financial Institutions shall act in  
18 cooperation with Respondent Credit Suisse towards reaching a resolution that would not require  
19 a violation of such laws or regulations.  
20

21  
22 9. In consideration of Respondent Credit Suisse's agreement to resolve the  
23 previously referenced multistate investigation relating to its marketing and sales practices for  
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1 auction rate securities, and its agreement to fully comply with all the terms of this Order, the  
2 Securities Division of the Washington State Department of Financial Institutions will have  
3 refrained from taking legal action against Respondent Credit Suisse with respect to its  
4 Institutional Investors until at least December 11, 2008, and will not seek additional monetary  
5 payments from Respondent Credit Suisse relating to Respondent Credit Suisse's marketing and  
6 sale of auction rate securities.

7 10. If payment is not made timely by Respondent Credit Suisse, or if Respondent  
8 Credit Suisse defaults in any of its obligations set forth in this Order, the Securities Division of  
9 the Washington State Department of Financial Institutions may vacate this Order, at its sole  
10 discretion, upon ten (10) days notice to Respondent Credit Suisse and without opportunity for  
11 administrative hearing, or may refer this matter for enforcement as provided in the Securities Act  
12 of Washington.  
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14 11. Nothing herein shall preclude the State of Washington, its departments, agencies,  
15 boards, commissions, authorities, political subdivisions, and corporations (collectively, "State  
16 Entities"), other than the Securities Division of the Washington State Department of Financial  
17 Institutions and then only to the extent set forth in Paragraphs III.1 and III.9, and the officers,  
18 agents, or employees of State Entities from asserting any claims, causes of action, or applications  
19 for compensatory, nominal and/or punitive damages, administrative, civil, criminal, or injunctive  
20 relief against Respondent Credit Suisse in connection with the marketing and sale of auction rate  
21 securities by Respondent Credit Suisse.  
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23 12. This Order is not intended to indicate that Respondent Credit Suisse or any of its  
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1 affiliates or current or former employees shall be subject to any disqualifications contained in the  
2 federal securities law, the rules and regulations thereunder, the rules and regulations of self  
3 regulatory organizations or various states' securities laws including any disqualifications from  
4 relying upon the registration exemptions or safe harbor provisions. In addition, this Order is not  
5 intended to form the basis for any such disqualifications.

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

11 14. This Order shall not disqualify Respondent Credit Suisse or any of its affiliates or  
12 current or former employees from any business that they otherwise are qualified or licensed to  
13 perform under applicable state law and this Order is not intended to form the basis for any  
14 disqualification.

15 15. This Order and any dispute related thereto shall be construed and enforced in  
16 accordance with, and governed by, the laws of the State of Washington without regard to any  
17 choice of law principles.

18 16. This Order shall be binding upon Respondent Credit Suisse and its affiliates, its  
19 successors and assigns as well as the successors and assigns of relevant affiliates, with respect to  
20 all conduct subject to the provisions above, and all future obligations, responsibilities,  
21 undertakings, commitments, limitations, restrictions, events, and conditions under the above  
22

1 provisions.

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

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

9 19. By its consent to and execution of this Order, Respondent Credit Suisse  
10 affirmatively represents that it freely agrees to the signing of this Order by the Securities  
11 Division of the Washington State Department of Financial Institutions, and that no threats,  
12 promises, representations, inducements, or offers of any kind, other than as stated in this  
13 document, have been made by the Securities Division of the Washington State Department of  
14 Financial Institutions, any member of the staff of the Securities Division of the Washington State  
15 Department of Financial Institutions, or any agent or employee of the Securities Division of the  
16 Washington State Department of Financial Institutions in connection with the negotiation and  
17 signing of this Order.  
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19 20. This Order shall become final upon entry.  
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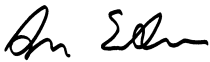
1 Dated and Entered this 30th day of August, 2010.

2 By:

3 

4 \_\_\_\_\_  
5 William M. Beatty  
6 Securities Administrator

7 Approved by:

8 

9 \_\_\_\_\_  
10 Suzanne Sarason  
11 Chief of Enforcement

Presented by:

12 

13 \_\_\_\_\_  
14 Bridgett Fisher  
15 Enforcement Attorney

1  
2 **CONSENT TO ENTRY OF ADMINISTRATIVE ORDER**  
3 **BY CREDIT SUISSE SECURITIES (USA) LLC**

4 **Credit Suisse Securities (USA) LLC** (hereinafter "Credit Suisse") hereby acknowledges  
5 that it has been served with a copy of this Administrative Consent Order ("Order"), has read this  
6 Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

7 Credit Suisse admits the jurisdiction of the Securities Division of the Washington State  
8 Department of Financial Institutions, neither admits nor denies the Findings of Fact and  
9 Conclusions of Law contained in this Order, and consents to entry of this Order by the Securities  
10 Division of the Washington State Department of Financial Institutions.

11 Credit Suisse states that no promise of any kind or nature whatsoever was made to it to  
12 induce it to enter into this Order and that it has entered into this Order voluntarily.

13 Credit Suisse agrees that it shall not claim, assert, or apply for a tax deduction or tax  
14 credit with regard to any state, federal, or local tax for any administrative monetary payment that  
15 Credit Suisse shall pay pursuant to this Order.

16 Pierre M. Gentin represents that he/she is the  
17 Managing Director of Credit Suisse and that, as such, has been  
18 authorized by Credit Suisse to enter into this Order for and on behalf of Credit Suisse.

19 Dated this the 23 day of August, 2010.

20 **CREDIT SUISSE SECURITIES (USA) LLC**

21 By: /s/ Pierre M. Gentin

22 Title: Managing Director

23 STATE OF New York

24 COUNTY OF New York

1 SUBSCRIBED AND SWORN TO before me this 23 day of August, 2010.

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3 /s/ John J. MacDonald

4 Notary Public

5 My commission expires: May 18, 2014

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