

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

In the Matter of:)
Stephen Lee)
Employee)
Bank of Communications, New York Branch)
New York, New York)

STIPULATION AND CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate a cease and desist proceeding pursuant to 12 U.S.C. § 1818(b) (as amended) against Stephen Lee (“Respondent”); and

WHEREAS, in the interest of cooperation and to avoid the costs associated with future administrative and judicial proceedings with respect to the above matter, the Comptroller and Respondent desire to enter into this Stipulation and Consent Order (“Order”);

NOW, THEREFORE, in consideration of the above premises, it is stipulated by and between the Comptroller, through his duly authorized representative, and Respondent, that:

Article I

JURISDICTION

(1) Bank of Communications, New York Branch (“Branch”) is a Federal branch licensed and examined by the Comptroller pursuant to the International Banking Act of 1978, as amended, 12 U.S.C. § 3101 *et seq.* For purposes of 12 U.S.C. § 1818, the Branch is an “insured depository institution,” pursuant to 12 U.S.C. § 1813(c)(3).

(2) Respondent is an employee of the Branch and is an “institution-affiliated party” of the Branch as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years from the date hereof (*see* 12 U.S.C. § 1818(i)(3)).

(3) Pursuant to 12 U.S.C. § 1813(q), the Comptroller is the “appropriate Federal banking agency” to maintain enforcement proceedings against institution-affiliated parties of the Branch. Therefore, Respondent is subject to the authority of the Comptroller to initiate and maintain a cease and desist proceeding against him pursuant to 12 U.S.C. § 1818(b) (as amended).

Article II

PERSONAL CEASE AND DESIST ORDER

(1) Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

(a) Respondent shall not participate in any trade settlement transaction in which he is aware of the existence of more than one bill of lading for the same shipment of goods, unless Respondent determines that such bills of lading are identical, or Respondent:

(i) Determines, through direct contact with the carrier, that there is a reasonable explanation for the existence of non-identical bills of lading for the same shipment of goods; and

(ii) Documents, in the appropriate trade settlement file(s), the location of the carrier office contacted, the means of contact, the carrier representative contacted, the date of contact, the substance of the information provided by Respondent to the carrier, and the substance of the information provided by the carrier to Respondent.

(b) Respondent shall cause to be filed a Suspicious Activity Report in every instance in which the carrier has not provided a reasonable explanation for the existence of non-identical bills of lading for the same shipment of goods.

(c) Respondent shall not participate in, and shall not assist any person in completing, any trade settlement transaction in which he has reason to believe that any of the trade settlement documentation is false, fictitious or fraudulent.

(d) Respondent shall not destroy, remove or conceal any trade documentation that he has reason to believe is false, fictitious or fraudulent.

(e) Respondent shall cause to be filed a Suspicious Activity Report in every instance in which he has reason to believe that any trade settlement documentation is false, fictitious or fraudulent.

(f) Respondent shall not participate in any trade settlement transaction in which any name appearing on the trade settlement documentation contains the name of a country subject to restrictions contained in regulations issued by the Office of Foreign Assets Control (“OFAC”), unless Respondent:

(i) Determines, through direct contact with OFAC, that there is no restriction under regulations issued by OFAC to completing such trade settlement transaction; and

(ii) Documents, in the appropriate trade settlement file(s), the means of contacting OFAC, the OFAC representative contacted, the date of the contact, the substance of the information provided by Respondent to OFAC, and the substance of the information provided by OFAC to Respondent.

- (g) Respondent shall not violate any regulations issued by OFAC.
- (h) Respondent shall not breach any of his fiduciary duties to any depository institution.
- (i) Respondent shall not engage in any unsafe or unsound practice with respect to any depository institution.
- (j) Respondent shall provide a copy of this Order to the General Manager of Bank of Communications, New York Branch within (3) days after receiving a fully executed copy. Thereafter, Respondent shall not accept employment at any entity listed in 12 U.S.C. § 1818(e)(7)(A) without first providing a copy of this Order to an officer or official of such entity who would be responsible for supervising Respondent.

Article III

WAIVERS

- (1) By executing this Order, Respondent waives:
 - (a) The right to the issuance of any Notices under 12 U.S.C. §§ 1818(b) and (i);
 - (b) All rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(b) and (i) and 12 C.F.R. Part 19;
 - (c) All rights to seek judicial review of this Order;
 - (d) All rights in any way to contest the validity of this Order;
 - (e) Any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or this Order, whether arising under common law or under the terms of any statute,

including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412; and

(f) All rights to assert a “double jeopardy” claim in the event of a criminal prosecution brought by the Department of Justice for the acts which form the basis for issuance of this Order.

(2) Respondent shall not cause, participate in or authorize the Branch (or any subsidiary or affiliate thereof) to incur, directly or indirectly, any expense for the payment of any legal (or other professional) expense relative to the negotiation and issuance of this Order; and, in accordance with 12 C.F.R. § 7.2014, Respondent shall not, directly or indirectly, obtain or accept any indemnification (or other reimbursement) from the Branch (or any subsidiary or affiliate thereof) with respect to such amounts.

(3) Respondent acknowledges that he has read and understands the premises and obligations of this Order and declares that no separate promise or inducement of any kind has been made by the Comptroller, his agents or employees to cause or induce the Respondent to agree to consent to the issuance of this Order and/or to execute this Order.

(4) It is hereby agreed that the provisions of this Order constitute a settlement of the cease and desist proceeding contemplated by the Comptroller. The Comptroller agrees not to institute proceedings for the specific acts, omissions, or violations, unless such acts, omissions, or violations reoccur.

(5) It is further agreed that the provisions of this Order shall not be construed as an adjudication on the merits and, except as set forth above, shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any action affecting the Respondent if, at any

time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America. Nothing contained herein shall be deemed to be an admission or denial of any fact by Respondent.

(6) Respondent understands that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and that nothing herein constitutes, nor shall Respondent contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, including the Department of Justice, to bring other actions deemed appropriate.

IN TESTIMONY WHEREOF, the undersigned have hereunto set their hands.

/s/ Ronald G. Schneck

10/29/03

Ronald G. Schneck
Director
Special Supervision

Date

Signed

10/23/03

Stephen Lee

Date