

1 STATE OF ALABAMA  
2 ALABAMA SECURITIES COMMISSION

3 In the matter of )  
4 CREDIT SUISSE SECURITIES (USA) )  
5 LLC. ) ADMINISTRATIVE CONSENT ORDER  
6 1 Madison Avenue, 9<sup>th</sup> Floor ) NO. CO-2010-0002  
7 New York, New York 10010 )  
8 Respondent )

9 WHEREAS, at all times relevant herein, the Respondent, CREDIT SUISSE SECURITIES  
10 (USA) LLC (hereinafter "Respondent Credit Suisse"), a limited liability company organized under  
11 the laws of the state of Delaware, has been and remains a securities dealer registered with the  
12 Alabama Securities Commission ("Commission") under the provisions of the Section 8-6-3 and 8-  
13 6-4 Code of Alabama 1975, the Alabama Securities Act (hereinafter "the Act"). In addition,  
14 Respondent Credit Suisse is a registered securities broker-dealer and an investment adviser covered  
15 under federal law offering brokerage and investment products and services to investors across the  
16 United States of America; and

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

22 WHEREAS, Respondent Credit Suisse has cooperated with regulators conducting the  
23 investigations by responding to inquiries, providing documentary evidence and other materials, and  
24 providing regulators with access to facts relating to the investigations; and

25 WHEREAS, Respondent Credit Suisse has advised regulators of its agreement to resolve  
26 the investigations relating to its marketing and sales practices to certain investors in auction rate

1 securities; and

2 WHEREAS, Respondent Credit Suisse, without admitting or denying the Findings of Fact  
3 and Conclusions of Law set forth herein, agrees to take certain actions described herein and to  
4 make certain payments, and consents to the terms and conditions of this Administrative Consent  
5 Order ("Order"); and

6 WHEREAS, Respondent Credit Suisse elects to permanently waive any right to a hearing  
7 and appeal under Section 8-6-25 Code of Alabama 1975 with respect to this Order;

8 NOW, THEREFORE, the Commission, as administrator of the Act, hereby enters this  
9 Order:

10 **I.**

11 **FINDINGS OF FACT**

12 1. Respondent Credit Suisse admits that its conduct in this matter is within the subject  
13 matter jurisdiction of the Commission and that it is personally subject to the jurisdiction of the  
14 Commission. Respondent Credit Suisse expressly waives any right to a hearing, the making of  
15 findings of fact and conclusions of law, and all further proceedings before the Commission to  
16 which it may be entitled under the Act, or any other law. Respondent Credit Suisse expressly  
17 waives all rights to seek judicial review or otherwise challenge the validity of this Order.

18 2. Respondent Credit Suisse neither admits nor denies the Findings of Fact and  
19 Conclusions of Law contained in this Order, and consents to the entry of this Order by the  
20 Commission.

21 **DEFINITIONS**

22 3. For the purposes of this Order:

23 (a) "Auction rate securities" are long-term debt or equity instruments that include  
24 auction rate preferred shares of closed-end funds, municipal auction rate bonds, and various asset-

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

20 (b) “Individual Investor” means any natural person who purchased auction rate  
21 securities from or through a Respondent Credit Suisse account prior to February 14, 2008, and also  
22 includes  
23

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

(ii) charities and non-profits; and

(iii) small- to medium-sized businesses with up to \$10 million in assets in accounts with Credit Suisse Securities (USA) LLC, any of which purchased auction rate securities from or through Respondent Credit Suisse prior to February 14, 2008. Notwithstanding any other provision, "Individual Investor" does not include broker-dealers, banks, Registered Investment Advisers, other investment firms or investment institutions regardless of whether any of the foregoing were acting for their own account or as conduits for their customers.

(c) "Institutional Investor" means any other legal entity not meeting the definition of "Individual Investor" in paragraph I.3(b), above, and which purchased auction rate securities from or through a Respondent Credit Suisse account.

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

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

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

## EVENTS

4. Respondent Credit Suisse was an underwriter of a limited number of offerings of auction rate securities. Respondent Credit Suisse also acted as a manager for certain issues of auction rate securities. When acting as a sole manager, Respondent Credit Suisse was the only firm that could submit bids into the auction on behalf of its clients and/or other broker-dealers who wanted to buy and/or sell any auction rate securities. When acting as a co-lead manager,

1 Respondent Credit Suisse and the other co-lead managers could directly submit orders into the  
2 auction, while other broker-dealers were able to submit orders on behalf of their clients and on  
3 their own behalf into the auction through a co-lead manager. Respondent Credit Suisse received  
4 revenue in connection with auction rate securities, including underwriting fees representing a  
5 percentage of total issuance and a fee for managing the auctions.

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

14 6. Because investors could not ascertain how much of an auction was filled through  
15 proprietary bids of Respondent Credit Suisse and other firms acting as sole or lead managers, they  
16 could not determine if auctions were clearing because of normal marketplace demand, or because  
17 Respondent Credit Suisse and other firms acting as lead managers were supporting the auctions  
18 through their own proprietary purchase orders. Generally, investors also were not aware of the  
19 extent to which the auction rate securities market was dependent upon Respondent Credit Suisse's  
20 and other broker-dealers' use of support bids for its successful operation. While Respondent Credit  
21 Suisse could track its own inventory as a measure of the supply and demand for auction rate  
22 securities for which it was a sole, lead, or co-lead manager, ordinary investors had no comparable  
23 ability to assess the operation of the market. There was no way for those investors to monitor  
24 supply and demand in the market or to assess when broker-dealers might decide to stop supporting  
25 the market, which could cause numerous and repeated auction failures.

1           7.     In August 2007, the credit crisis and other deteriorating market conditions strained  
2 the auction rate securities market. Some institutional investors withdrew from the market,  
3 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, Respondent  
6 Credit Suisse's support bids filled the increasing gap between the supply of and the demand for  
7 auction rate securities, maintaining the impression that the auction process was functioning. From  
8 Fall 2007 until February 2008, demand for auction rate securities continued to erode and  
9 Respondent Credit Suisse's inventory of auction rate securities grew. Respondent Credit Suisse  
10 was aware of increasing strains on the auction rate securities market and increasingly questioned  
11 the viability of the auction rate securities market. On January 28, 2008, Respondent Credit Suisse  
12 provided written disclosure of these increasing risks of owning or purchasing auction rate securities  
13 to its customers; prior to that date, certain of its representatives did not fully disclose those  
14 increasing risks to certain of their clients.

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.

20           10.    In certain instances, Respondent Credit Suisse representatives told certain of the  
21 firm's customers that auction rate securities were liquid investments that were alternatives to  
22 money market funds as part of a strategy for cash management. Specifically, certain employees  
23 acting on behalf of Respondent Credit Suisse represented to certain investors that auction rate  
24 securities were highly liquid, highly rated alternatives to money market investments and other  
25 cash-equivalent investments.

1           11. In the context of the offer and sale of auction rate securities, the failure of certain  
2 employees acting on behalf of Respondent Credit Suisse to adequately state complete facts  
3 concerning auction rate securities constituted a violation of Section 8-6-17(b)(4), Code of Alabama  
4 1975, the Alabama Securities Act.

5           12. The Commission received complaints from Alabama investors who purchased  
6 auction rate securities from Respondent Credit Suisse during the time specified in this Order.

7           13. Respondent Credit Suisse, by failing reasonably to supervise its registered salesmen  
8 under the Act, as described in these Findings of Fact, has violated Section 8-6-3 (j) (10), Code of  
9 Alabama 1975, the Alabama Securities Act

10           **ACTION NECESSARY TO PROTECT PUBLIC**

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

15           15. The undersigned Respondent Credit Suisse agrees that this Order contains,  
16 constitutes, and embodies the entire agreement between the undersigned, there being no agreement  
17 of any kind, verbal or otherwise, which varies, alters, or adds to this Order; and that this Order  
18 supersedes any prior communication, understanding, or agreement, whether written or oral,  
19 concerning the subject matter of this Order.

20           16. The undersigned Respondent Credit Suisse agrees that the presentation of this Order  
21 to the Commission without the undersigned Respondent Credit Suisse or any counsel for  
22 Respondent Credit Suisse being present shall not constitute an improper *ex parte* communication  
23 between the Commission or counsel for the Commission.

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

18. Based upon the foregoing Findings of Fact, and consistent with the consent of the Respondent Credit Suisse, the Commission makes the following:

II.

## CONCLUSIONS OF LAW

1. The Administrator has jurisdiction over the subject matter of securities transactions with persons in Alabama and the person of Respondent Credit Suisse under the Act.

2. Respondent Credit Suisse Failed to Supervise: As described in the Findings of Fact, Respondent Credit Suisse violated Section 8-6-3 (j) (10), Code of Alabama 1975, the Alabama Securities Act by its failure reasonably to supervise certain of its registered salesmen in their communication of material information concerning auction rate securities.

3. Respondent Credit Suisse Engaged in Dishonest and Unethical Practices: By reason of the matters described in the Findings of Fact, Respondent Credit Suisse through the activities of certain of its registered salesmen violated Section 8-6-17(b)(4), Code of Alabama 1975, the Alabama Securities Act, by failing to adequately state complete facts concerning auction rate securities.

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

III.

## ORDER

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

**IT IS HEREBY ORDERED:**

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

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

3. Respondent Credit Suisse will CEASE AND DESIST from violating the Act and will comply with the provisions of that Act.

4. Within ten (10) days following the entry of this Order, Respondent Credit Suisse shall pay to the Alabama Securities Commission the sum of Thirty Two Thousand Nine Hundred Eighty Three Dollars and Eighty-Six Cents (\$32,983.86). That amount constitutes Alabama's allocated share of the \$15 million total settlement payment that Respondent Credit Suisse agreed to make to those states and territories that enter administrative or civil consent orders approving the terms of the NASAA settlement and to the State of New York, allocated according to a formula determined and set by NASAA and the State of New York.

1           5. In the event another state securities regulator determines not to accept Respondent  
2 Credit Suisse's offer of settlement and does not enter an administrative or civil consent order  
3 approving the terms of the NASAA settlement, the total amount of the Alabama allocated payment  
4 shall not be affected, and shall remain at Thirty Two Thousand Nine Hundred Eighty Three Dollars  
5 and Eighty Six Cents (\$32,983.86).

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

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

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

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

18           C. Respondent Credit Suisse shall keep such offer open until December 31,  
19 2009, and promptly shall purchase such securities from any Individual Investor who accepts  
21 the offer between December 11, 2008, and December 31, 2009;

22           D. Respondent Credit Suisse promptly will have provided notice to customers  
23 of the settlement terms publicly announced on September 16, 2008, and Respondent Credit  
24 Suisse promptly will have established a dedicated telephone assistance line, with  
25 appropriate staff, to respond to questions from customers concerning the terms of the

1 settlement;

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

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

24 G. Respondent Credit Suisse shall endeavor to work with issuers and other  
25

1 interested parties, including regulatory and governmental entities, to expeditiously provide  
2 liquidity solutions for Institutional Investors;

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

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

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

12 K. Following every quarterly report, the representative specified by NASAA  
13 will advise Respondent Credit Suisse of any concerns and, in response, Respondent Credit  
14 Suisse shall discuss with the representative specified by NASAA how it plans to address  
15 such concerns;

16 L. Respondent Credit Suisse shall make its best efforts to identify Individual  
17 Investors who took out loans from Respondent Credit Suisse, between February 14, 2008,  
18 and December 11, 2008, that were secured by auction rate securities that were not  
19 successfully auctioning at the time the loan was taken out from Respondent Credit Suisse,  
20 and who paid interest associated with the auction-rate-securities-based portion of those  
21 loans in excess of the total interest and dividends received on the auction rate securities  
22 during the duration of the loan. Respondent Credit Suisse shall reimburse such customers  
23 for the excess expense, plus reasonable interest, of the loan. Such reimbursement shall  
24 occur no later than March 31, 2009. This paragraph does not apply to margin loans;

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

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

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

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

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

20 (4) making outside counsel reasonably available to provide  
21 comprehensive presentations concerning any internal investigation relating to all  
22 matters in this Order and to answer questions, except to the extent such  
23 presentations or questions call for the disclosure of information protected by the  
24 attorney-client and/or work product privileges.  
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26 8. The cooperation provisions set forth in Paragraph III.7.O, above is not intended, nor

1 is it a reasonable construction of such provisions, to require Respondent Credit Suisse (or any of its  
2 parent companies, subsidiaries, or affiliates, or any of their current or former officers, directors, or  
3 employees) to violate any foreign or domestic law or regulation in complying with those  
4 provisions. Respondent Credit Suisse shall promptly notify the Commission if any request under  
5 those cooperation provisions have been construed to require that Respondent Credit Suisse (or any  
6 of its parent companies, subsidiaries, or affiliates, or any of their current or former officers,  
7 directors, or employees) violate any foreign or domestic law or regulation. In such circumstances,  
8 the Commission shall act in cooperation with Respondent Credit Suisse towards reaching a  
9 resolution that would not require a violation of such laws or regulations.

10 9. In consideration of Respondent Credit Suisse's agreement to resolve the previously  
11 referenced multistate investigation relating to its marketing and sales practices for auction rate  
12 securities, and its agreement to fully comply with all the terms of this Order, the Commission will  
13 have refrained from taking legal action against Respondent Credit Suisse with respect to its  
14 Institutional Investors until at least December 11, 2008, and will not seek additional monetary  
15 payments from Respondent Credit Suisse relating to Respondent Credit Suisse's marketing and  
16 sale of auction rate securities.

18 10. If payment is not made timely by Respondent Credit Suisse, or if Respondent Credit  
19 Suisse defaults in any of its obligations set forth in this Order, the Commission may vacate this  
20 Order, at its sole discretion, upon ten (10) days notice to Respondent Credit Suisse and without  
21 opportunity for administrative hearing, or may refer this matter for enforcement as provided in  
22 Section 8-6-25 Code of Alabama1975.

24 11. Nothing herein shall preclude the State of Alabama, its departments, agencies, boards,  
25 commissions, authorities, political subdivisions, and corporations (collectively, "State Entities"), other  
26 than the Commission and then only to the extent set forth in Paragraphs III.1 and III.10, and the

1 officers, agents, or employees of State Entities from asserting any claims, causes of action, or  
2 applications for compensatory, nominal and/or punitive damages, administrative, civil, criminal, or  
3 injunctive relief against Respondent Credit Suisse in connection with the marketing and sale of  
4 auction rate securities by Respondent Credit Suisse.

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

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

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

20 15. This Order and any dispute related thereto shall be construed and enforced in  
21 accordance with, and governed by, the laws of the state of Alabama without regard to any choice of  
22 law principles.

23 16. This Order shall be binding upon Respondent Credit Suisse and its affiliates, its  
24 successors and assigns as well as the successors and assigns of relevant affiliates, with respect to

1 all conduct subject to the provisions above, and all future obligations, responsibilities,  
2 undertakings, commitments, limitations, restrictions, events, and conditions under the above  
3 provisions.

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

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

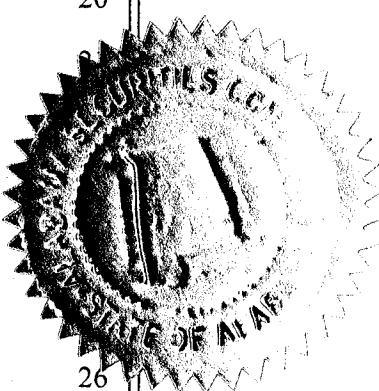
11 19. By its consent to and execution of this Order, Respondent Credit Suisse  
12 affirmatively represents that it freely agrees to the signing of this Order by the Commission, and  
13 that no threats, promises, representations, inducements, or offers of any kind, other than as stated in  
14 this document, have been made by the Commission, any member of the staff of the Commission, or  
15 any agent or employee of the Commission in connection with the negotiation and signing of this  
16 Order.

17 20. This Order shall become final upon entry.

18 Dated this 7th day of January, 2010.

19  
20 BY ORDER OF THE  
ALABAMA SECURITIES COMMISSION

JOSEPH P BORG  
DIRECTOR



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CONSENT TO ENTRY OF FINAL ORDER  
BY CREDIT SUISSE SECURITIES (USA) LLC

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

Credit Suisse admits the jurisdiction of the Commission, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order, and consents to entry of this Order by the Commission.

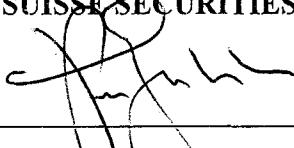
Credit Suisse states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

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

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

Dated this the 4<sup>th</sup> day of January, 2010.

CREDIT SUISSE SECURITIES (USA) LLC

By: 

Title: Managing Director

STATE OF New York

COUNTY OF New York

SUBSCRIBED AND SWORN TO before me this 4<sup>th</sup> day of January, 2009.

  
Notary Public

My commission expires: May 18, 2010

JOHN J. MacDONALD  
Notary Public, State Of New York  
No. 01MA6007204  
Qualified In New York County  
Commission Expires May 18, 2010