

# Deutsche Bank Securities, Inc.

## Consent Order

DATE: March 28, 2005

RESPONDENTS: Deutsche Bank Securities, Inc.

ALLEGATIONS: Analysts' Conflict of Interest

ORDER: On March 26, 2005, Deutsche Bank Securities, Inc. entered into a Consent Order with the Office of the Kansas Securities Commissioner as part of a global settlement with state securities administrators and the U.S. Securities and Exchange Commission ("SEC") involving conflicts of interest between analysts and investment bankers. Deutsche Bank was ordered to cease and desist from engaging in acts in violation of the Kansas Securities Act and was ordered to pay \$287,500.00 to the Office of the Securities Commissioner as a civil penalty. In addition to the Kansas portion, the firm was ordered to pay a total of \$87,500,000 as a result of the global settlement.

Investigations revealed that from July 1999 through 2001 Deutsche Bank engaged in acts and practices that created and/or maintained inappropriate influence by investment banking over research analysts, thereby creating conflicts of interest for its research analysts. Deutsche Bank failed to establish and maintain adequate policies and procedures reasonably designed to manage these conflicts of interest. During this time period, Deutsche Bank offered research coverage in order to gain investment banking business and receive investment banking fees. In addition, Deutsche Bank compensated its research analysts based in part upon their contributions to Deutsche Bank's investment banking business. These relationships and activities constituted substantial conflicts of interest for Deutsche Bank's research analysts.

**Notice to Investors:** If you are not a resident of Kansas and have been affected by actions that are similar to those described in this synopsis, you should consider contacting your state securities regulator for assistance. To locate your securities regulator, go to the [North American Securities Administrators Association](#) website. If you choose to contact your state securities regulator, please inform him or her of the action taken by the State of Kansas.