



# Federal Housing Finance Agency

Constitution Center  
400 7<sup>th</sup> Street, S.W.  
Washington, D.C. 20219  
Telephone: (202) 649-3800  
Facsimile: (202) 649-1071  
[www.fhfa.gov](http://www.fhfa.gov)

## FINAL SUSPENSION ORDER

The Federal Housing Finance Agency, as safety and soundness regulator of Fannie Mae, Freddie Mac, and the eleven Federal Home Loan Banks (the “regulated entities”), is issuing this Final Order pursuant to the following legal authorities:

1. Section 1313B of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) authorizes FHFA to establish standards for the regulated entities regarding prudential management of risks. FHFA is authorized to issue orders requiring the regulated entities to take any action that will best carry out the purposes of that section. *See* 12 U.S.C. 4513b(b)(2)(B)(iii).
2. Section 1319G of the Safety and Soundness Act authorizes FHFA to issue any orders necessary to ensure that the purposes of the Safety and Soundness Act are accomplished. *See* 12 U.S.C. 4526(a).
3. Section 1313 of the Safety and Soundness Act authorizes FHFA to exercise such incidental powers as may be necessary in the supervision and regulation of each regulated entity. *See* 12 U.S.C. 4513(a)(2).

Consistent with these authorities, FHFA has determined that any business relationship between Ross McLellan and a regulated entity would present excessive risk to the safety and soundness of the regulated entity.

This determination is based on the following findings:

1. Ross McLellan was employed as an executive vice president and global head of the Portfolio Solutions Group, a business unit of State Street Global Markets LLC, a broker-dealer registered with the U.S. Securities and Exchange Commission, and wholly-owned subsidiary of State Street Bank and Trust (“State Street” or “the Bank”).
2. State Street is a member of the Federal Home Loan Bank of Boston.
3. Ross McLellan, along with others, engaged in a scheme to defraud, and to obtain money and property of at least six of the Bank’s clients by applying hidden commissions to securities trades conducted on behalf of those clients.

4. Ross McLellan, along with others, misled clients and others about what the Bank was charging for transition management services, by: (1) secretly charging commissions on securities trades conducted as part of certain transitions over and above the agreed upon feeds for those transitions; (2) actively concealing the hidden commissions from the affected clients and from others within the Bank; and (3) taking additional steps to cover up what they had done.
5. On October 16, 2018, Ross McLellan was sentenced by the United States District Court, District of Massachusetts to eighteen (18) months imprisonment, followed by two (2) years of supervised release for Conspiracy to Commit Offenses Against the United States, Securities Fraud, and Wire Fraud.
6. The conduct underlying the conviction listed above occurred in connection with a financial transaction.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Ross McLellan for five (5) years, beginning on July 17, 2020. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Ross McLellan.

The Final Order's requirement for regulated entities to cease any business relationship with Ross McLellan does not apply to the existing or future purchase, sale, modification, foreclosure alternative transaction, or other foreclosure-related transaction of a residential mortgage loan owned by a regulated entity, if Ross McLellan is the borrower of such residential mortgage loan and the transaction is for the borrower's own personal or household residence.

This Final Order is a final action of the Federal Housing Finance Agency.

ALFRED  
POLLARD

 Digitally signed by ALFRED  
POLLARD  
Date: 2020.05.19 14:24:36 -04'00'

---

Alfred M. Pollard

May 19, 2020

---

Date: