

**UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION**

_____ )	
In the Matter of )	Order No.: NE-09-31
)	
)	
<b>NATHANIEL B. BAKER</b> )	Effective Date: August 28, 2009
)	
Former President, CEO and Chairman )	
of the Board and Institution Affiliated Party )	
Domestic Bank )	
Cranston, Rhode Island )	
OTS Docket No. 13964 )	
_____ )	

**ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY**

**WHEREAS**, Nathaniel B. Baker (Respondent), has executed a Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation); and

**WHEREAS**, Respondent, by executing the Stipulation, has consented and agreed to the issuance of this Order of Assessment of a Civil Money Penalty (Order) by the Office of Thrift Supervision (OTS), pursuant to 12 USC § 1818(i); and

**WHEREAS**, pursuant to delegated authority, the OTS Regional Director for the Northeast Region (Regional Director), is authorized to issue Orders of Assessment of a Civil Money Penalty where an institution-affiliated party has consented to the issuance of an order.

**NOW, THEREFORE, IT IS ORDERED that:**

**Payment of Civil Money Penalty.**

1. Effective immediately, Respondent shall pay the sum of forty thousand dollars

(\$40,000) by tendering a certified check or bank draft made payable to the order of the Treasurer of the United States.

**Indemnification Prohibited.**

2. Respondent shall pay such civil money penalty himself, and he is prohibited from seeking or accepting indemnification for such payment from any third-party, including the Association or any affiliate<sup>1</sup>

**Effective Date, Incorporation of Stipulation.**

3. This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

**IT IS SO ORDERED.**

**OFFICE OF THRIFT SUPERVISION**

By: \_\_\_\_\_/s/  
Michael E. Finn  
Regional Director, Northeast Region

Date: See Effective Date on page 1

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<sup>1</sup> "Affiliate" means any company that controls, is controlled by, or is under common control with another company.

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**STIPULATION AND CONSENT TO THE ISSUANCE OF  
AN ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY**

**WHEREAS**, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Northeast Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Nathaniel B. Baker (Respondent), an institution-affiliated party of Domestic Bank, Cranston, Rhode Island, OTS Docket No. 13964 (Association), that grounds exist to initiate a civil money penalty assessment proceeding against him pursuant to 12 USC § 1818(i); and

**WHEREAS**, the Regional Director, pursuant to delegated authority, is authorized to issue Orders of Assessment of a Civil Money Penalty where an institution-affiliated party has consented to the issuance of an order; and

**WHEREAS**, Respondent desires to cooperate with OTS to avoid the time and expense of an administrative civil money penalty proceeding by entering into this Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation) and without

admitting or denying that such grounds exist, or the findings of fact or opinions and conclusions of OTS, but only admitting the statements and conclusions in Paragraph 1 below concerning Jurisdiction, hereby stipulates and agrees as follows:

**1. Jurisdiction.**

- a. The Association is a “savings association” within the meaning of 12 USC § 1813(b) and 12 USC § 1462(4). Accordingly, the Association is an “insured depository institution” as that term is defined in 12 USC § 1813(c);
- b. Respondent was the President, CEO and Chairman of the Board of the Association and was an “institution-affiliated party” of the Association, as that term is defined in 12 USC § 1813(u); and
- c. Pursuant to 12 USC § 1813(q), the Director of OTS is the “appropriate Federal banking agency” to initiate and maintain a civil money penalty proceeding against Respondent pursuant to 12 USC § 1818(i)(2).

**2. OTS Findings of Fact.**

Respondent was employed as the President, CEO and Chairman of the Board of the Association at all times pertinent to the events described herein. Based on information obtained by OTS through the exercise of its regulatory responsibilities, including the January 3, 2007 Report of Examination (ROE), OTS finds that Respondent engaged or participated in the following violation of laws, regulations, or final order as set forth in the January 3, 2007 ROE with respect to the following:

- a. 12 CFR § 563.161(a), in connection with the Association’s Field Loan Originators (FLO) program, which was discontinued in March 2007 at the direction of OTS, with respect to prudently monitoring and overseeing activities

related to this program, and ensuring that the program complied with the regulation;

- b. Section 8 of the Real Estate Settlement Procedures Act, 12 USC § 2607, and Housing and Urban Development (HUD) regulation thereunder at 24 CFR § 3500.14 in connection with payments to persons that OTS has determined were not employees of the Association;
- c. Section 5 of the Federal Trade Commission Act, 15 USC § 45(a)(1), relating to the role of certain individuals involved in the FLO program; and
- d. OTS cease and desist order No. NE-05-01, Section 2, which restricted the Association's various activities and product-delivery mechanisms.

**3. Consent.**

Respondent consents to the issuance by OTS of the accompanying Order of Assessment of a Civil Money Penalty (Order). Respondent further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

**4. Finality.**

The Order is issued by OTS under the authority of 12 USC § 1818(i)(2) and upon the Effective Date it shall be a final order, effective and fully enforceable by OTS under the provisions of 12 USC § 1818(i)(1).

**5. Waivers.**

Respondent waives the following:

- a. The right to be served with a written notice of OTS's assessment of a civil money penalty against him as provided by 12 USC § 1818(i) and 12 CFR Part 509;

- b. The right to an administrative hearing including, without limitation, any such right provided by 12 USC §§ 1818(h) or 1818(i);
- c. The right to seek judicial review of the Order, including, without limitation, any such right provided by 12 USC §§ 1818(h) or 1818(i), or otherwise to challenge the validity of the Order;
- d. Any and all claims against OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes, or otherwise; and
- e. The right to assert this proceeding, this consent to the issuance of the Order, and/or the issuance of the Order, the payment of any monies, or the provision of any other financial relief as contemplated by the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

**6. OTS Authority Not Affected.**

Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent OTS from taking any other action affecting the Respondent if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law. OTS agrees not to institute further proceedings against the Respondent for the specific acts, omissions, or violations in the OTS Findings of Fact set forth in Paragraph 2 above to the extent known to OTS as of the Effective Date of the accompanying Order, unless such acts, omissions, or violations reoccur.

**7. Other Governmental Actions Not Affected.**

Respondent acknowledges and agrees that his consent to the issuance of the Order is

solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 6 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Respondent that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than OTS.

**8. Miscellaneous.**

- a. The laws of the United States of America shall govern the construction and validity of this Stipulation and the Order;
- b. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise;
- c. All references to OTS in this Stipulation and the Order shall also mean any of OTS's predecessors, successors, and assigns;
- d. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order; and
- e. The terms of this Stipulation and the Order represent the final agreement of the parties with respect to the subject matters hereof and constitute the sole agreement of the parties with respect to such subject matters.

**WHEREFORE**, Respondent executes this Stipulation.

**Nathaniel B. Baker**

**OFFICE OF THRIFT SUPERVISION**

\_\_\_\_\_/s/\_\_\_\_\_  
Nathaniel B. Baker

By:\_\_\_\_\_/s/\_\_\_\_\_  
Michael E. Finn  
Regional Director, Northeast Region

Date: See Effective Date on page 1