

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

In the Matter of

VASKEN PAPAZIAN, a former institution-affiliated party of

EAST CAMBRIDGE SAVINGS BANK,
Cambridge, Massachusetts, a state-member
bank

Docket No. 18-019-E-I

Order of Prohibition Issued Upon Consent
Pursuant to Section 8(e) of the
Federal Deposit Insurance Act, as
Amended

WHEREAS, the Board of Governors of the Federal Reserve System (the “Board of Governors”), pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. § 1818(e), issues this Order of Prohibition (this “Order”) upon the consent of Respondent Vasken Papazian (“Papazian”), a former employee and institution-affiliated party, as defined in sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), of East Cambridge Savings Bank, a state member bank (the “Bank”);

WHEREAS, between December 19, 2016 and March 30, 2017 (the “Relevant Period”), while employed as a branch manager at the Bank, Papazian withdrew money from a Bank customer’s account without the customer’s permission on six occasions, in an amount totaling \$38,800;

WHEREAS, Papazian’s above-noted conduct during the Relevant Period constituted an unsafe or unsound practice, or a breach of his fiduciary duties to the Bank;

WHEREAS, by affixing his signature hereunder, Papazian has consented to the issuance of this Order by the Board of Governors and has agreed to comply with each and every provision

of this Order, and has waived any and all rights he might have pursuant to 12 U.S.C. § 1818, 12 C.F.R. Part 263, or otherwise: (a) to the issuance of a notice of intent to prohibit on any other matter implied or set forth in this Order; (b) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) to obtain judicial review of this Order or any provision hereof; and (d) to challenge or contest in any manner the basis, issuance, terms, validity, effectiveness, or enforceability of this Order or any provision hereof.

NOW THEREFORE, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issue of fact or law implied or set forth herein, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted or extended litigation,

IT IS HEREBY ORDERED that:

1. Papazian, without the prior written approval of the Board of Governors and, where necessary pursuant to section 8(e)(7)(B) of the FDI Act, 12 U.S.C. § 1818(e)(7)(B), another Federal financial institutions regulatory agency, is hereby and henceforth prohibited from:

- a. participating in any manner in the conduct of the affairs of any institution or agency specified in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A), including, but not limited to, any insured depository institution or any holding company of an insured depository institution, or any subsidiary of such holding company, or any foreign bank or company to which subsection (a) of 12 U.S.C. § 3106 applies and any subsidiary of such foreign bank or company;

- b. soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A);
- c. violating any voting agreement previously approved by any Federal banking agency; or
- d. voting for a director, or serving or acting as an institution-affiliated party, as defined in sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), such as an officer, director or employee, in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A).

2. All communications regarding this Order shall be addressed to:

- a. Richard M. Ashton, Esq.
Deputy General Counsel
Patrick M. Bryan, Esq.
Assistant General Counsel
Board of Governors of the Federal Reserve System
20th & C Streets, N.W.
Washington, D.C. 20551
- b. Vasken Papazian

with a copy to:

James S. Murphy, Esq.
23 North Pearl Street
Brockton, MA 02301

3. Any violation of this Order shall separately subject Papazian to appropriate civil or criminal penalties, or both, under sections 8(i) and (j) of the FDI Act, 12 U.S.C §§ 1818(i) and (j).

4. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, or any other Federal or state agency or department, from taking any other action affecting Papazian; provided, however, that the Board of Governors shall not take any further action against Papazian on any matters concerning or arising from the matters addressed by this Order based upon facts presently known by the Board of Governors.

5. Each provision of this Order shall remain fully effective and enforceable until expressly stayed, modified, terminated, or suspended in writing by the Board of Governors.

By order of the Board of Governors of the Federal Reserve System, effective this 25th day of June, 2018.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

/s/
Vasken Papazian

By: /s/
Ann E. Misback
Secretary of the Board