

UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D.C.

_____)	
In the Matter of)	Docket No. 05-018-E-I
FRANK G. CATON)	Order of Prohibition
A Former Institution-Affiliated)	Issued Upon Consent
Party of)	Pursuant to the Federal
FARMERS BANK OF MARYLAND,)	Deposit Insurance Act, as
Annapolis, Maryland)	Amended
_____)	

WHEREAS, pursuant to sections 8(e) and (i)(3) of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. 1818(e) and (i)(3)), the Board of Governors of the Federal Reserve System (the "Board of Governors") issues this consent Order of Prohibition (the "Order") against Frank G. Caton ("Caton"), a former branch manager and institution-affiliated party, as defined in section 3(u) of the FDI Act (12 U.S.C. 1813(u)), of the former Farmers Bank of Maryland, Annapolis, Maryland (the "Bank"), relating to Caton's alleged participation in violations of law and breaches of fiduciary duty to the Bank and its customers in connection with embezzlement of funds and falsification of the Bank's books and records; and

WHEREAS, the Bank was a state member bank at the time of the events that gave rise to the issuance of this Order and at the time of Caton's termination of employment with the Bank; and

WHEREAS, Caton has previously consented to entry of a judgment requiring him to make restitution to the Bank in the amount of \$33,683; and

WHEREAS, by affixing his signature hereunder, Caton has consented to the issuance of this Order by the Board of Governors, and has: (a) agreed to comply with each and every provision of this Order; (b) waived a hearing for the purpose of taking evidence on any matter set forth in this Order; (c) waived any and all rights to contest the issuance of a prohibition order by the Board of Governors pursuant to 12 U.S.C. 1818 or 12 C.F.R. Part 263; and (d) waived any and all rights to challenge or contest the validity of the provisions of this Order.

NOW THEREFORE, prior to the taking of any testimony or adjudication of or finding on any issue of fact or law implied or set forth herein, and without this Order constituting an admission by Caton of any allegation made or implied by the Board of Governors in connection with this proceeding, and solely for the purpose of settlement of this proceeding without protracted or extended hearings or testimony:

IT IS HERBY ORDERED, pursuant to section 8(e) of the FDI Act (12 U.S.C. 1818(e)), that:

1. Caton, 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)),

the appropriate Federal financial institutions regulatory agency, is hereby and henceforth prohibited:

(a) From 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 depository institution or any depository institution holding company;

(b) from 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;

(c) from violating any voting agreement previously approved by any Federal banking agency; or

(d) from voting for a director, or serving or acting as an institution-affiliated party, such as an officer, director or employee in any institution described in section 8(e)(7)(A) of the FDI Act.

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

(a) Ms. Lauren Ware
Assistant Vice President
Department of Banking Supervision and Regulation
Federal Reserve Bank of Richmond
P.O. Box 85029
Richmond, VA 23261

(b) Mr. Frank Caton
137 E. 2d Street
Girard, OH 44420

3. Any violation of this Order shall separately subject Caton 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 federal or state agency or department from taking any other action affecting Caton; provided, however, that the Board of Governors shall not take any further action against Caton based upon information presently known by the Board of Governors relating to the matters addressed by this Order.

5. 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 17th day of June, 2005.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM


Frank G. Caton

By: 
Jennifer J. Johnson
Secretary of the Board