

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of)

NEW MILLENNIUM BANK)
NEW BRUNSWICK, NEW JERSEY)

(INSURED STATE NONMEMBER BANK))
_____)

ORDER FOR RESTITUTION
AND
ORDER TO PAY
CIVIL MONEY PENALTY

FDIC-10-898b
FDIC-10-899k

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for New Millennium Bank, New Brunswick, New Jersey ("Respondent"), under section 3(q) of the Federal Deposit Insurance Act ("FDI Act"), 12 U.S.C. § 1813(q).

The FDIC considered the matter and determined that Respondent engaged in violations of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1) ("Section 5"), in its deceptive marketing and implementation of its consumer deposit products and consumer lending products.

Respondent, by and through its duly elected board of directors, has executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER FOR RESTITUTION AND ORDER TO PAY CIVIL MONEY PENALTY ("CONSENT AGREEMENT") dated November 20, 2012. Through the CONSENT AGREEMENT, Respondent has consented, solely for the purpose of this proceeding and without admitting or denying any violations of law, rule, or regulation, to the issuance of this ORDER FOR RESTITUTION AND ORDER TO PAY CIVIL MONEY PENALTY ("ORDER") by the FDIC.

Having determined that the requirements for issuance of an order under sections 8(b) and 8(i) of the FDI Act, 12 U.S.C. §§ 1818(b) and 1818(i), have been satisfied, the FDIC accepts the CONSENT AGREEMENT and issues the following ORDER:

IT IS HEREBY ORDERED, that Respondent, its institution-affiliated parties, as that term is defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), and its successors and assigns, cease and desist from operating in violation of Section 5.

IT IS FURTHER ORDERED that Respondent, its institution-affiliated parties, and its successors and assigns, take the following affirmative action:

ORDER FOR RESTITUTION AND OTHER RELIEF

1. Within thirty (30) days from the effective date of this ORDER, Respondent shall eliminate or correct all violations of Section 5, and other federal consumer protection laws and regulations cited in the FDIC's Compliance Report of Examination dated as of July 10, 2009 ("Compliance ROE"). In addition, Respondent shall take the necessary steps to ensure future compliance with Section 5 and all other applicable federal consumer protection laws, implementing rules and regulations, regulatory guidance, and statements of policy.

2. Within forty-five (45) days from the effective date of this ORDER, Respondent shall prepare a comprehensive restitution plan ("Restitution Plan") for all consumers adversely affected by the violations of Section 5 cited in the Compliance ROE ("Eligible Consumers"). The Restitution Plan shall identify Eligible Consumers, specify the methodology for calculating the amount of restitution for each Eligible Consumer, describe the process for restitution in sufficient detail, and provide for payment to all Eligible Consumers within ninety (90) days of receipt of non-objection to the plan from the Regional Director of the FDIC's New York

Regional Office (“FDIC Regional Director”). Respondent shall submit the Restitution Plan to the FDIC Regional Director for his review, comment, and non-objection prior to implementation.

3. Within thirty (30) days from the effective date of this ORDER, Respondent shall establish and maintain an account in the amount set forth in the Restitution Plan to ensure the availability of funds for restitution to Eligible Consumers.

4. Respondent shall submit to the FDIC Regional Director for his review, comment, and non-objection prior to dissemination to consumers a sample of any documents that Respondent proposes to send to Eligible Consumers or that it proposes to make available to Eligible Consumers pertaining to the Restitution Plan – including notices, disclosures (including website or electronic disclosures), agreements, and letters to consumers.

5. Respondent shall fully implement the Restitution Plan, including making payment to all Eligible Consumers, within ninety (90) days of receipt of non-objection from the FDIC Regional Director. Any required cash restitution amount shall be provided to each Eligible Consumer in the form of a certified or bank check. Restitution provided by Respondent shall not limit consumers’ rights in any way.

INDEPENDENT AUDITOR

6. Within forty-five (45) days from the effective date of this ORDER, Respondent shall hire an independent auditor that has not previously provided any services for Respondent or its affiliates, and who is acceptable to the FDIC Regional Director, to verify that:

(i) Respondent accurately identified all Eligible Consumers entitled to restitution pursuant to the Restitution Plan required by this ORDER;

(ii) Respondent accurately calculated the restitution amount for each Eligible Consumer pursuant to the Restitution Plan required by this ORDER; and

(iii) Respondent made the appropriate restitution payments to each Eligible Consumer.

7. The independent auditor shall prepare a detailed written report describing the status of Respondent's Restitution Plan and payment distribution and submit it to the FDIC Regional Director for review, comment and non-objection every thirty (30) days thereafter until completion of the restitution required by this ORDER.

MAILING REFUNDS

8. When Respondent makes cash restitution by certified or bank check made payable to an Eligible Consumer, it shall send the certified or bank check by United States Postal Service, first-class mail, address correction service requested, to the Eligible Consumer's last address as maintained by Respondent's records. Respondent shall make reasonable attempts to obtain a current address for any Eligible Consumer whose notification letter and/or restitution check is returned for any reason, using standard address search methodologies, and shall promptly re-mail all returned letters and/or restitution checks to current addresses, if any. If the certified or bank check for an Eligible Consumer is returned to Respondent after such second mailing by Respondent, or if a current mailing address cannot be identified using standard address search methodologies, Respondent shall retain the restitution amount of such Eligible Consumer for a period of three-hundred sixty (360) days from the date the restitution check was originally mailed, during which period such amount may be claimed by such Eligible Consumer upon appropriate proof of identity. After such time, such monies shall be disposed of in accordance with applicable state law.

RECORDKEEPING

9. For six (6) years from the effective date of this ORDER, Respondent shall retain all records pertaining to the restitution required by this ORDER, including, but not limited to: documentation of the processes and procedures used to identify Eligible Consumers, the names, contact and account information of Eligible Consumers, mailing records, and any other documentation confirming that the restitution required by this ORDER was made.

PROGRESS REPORTS AND SHAREHOLDER NOTIFICATION

10. On or before the 30th day after the end of the first calendar quarter following the effective date of this ORDER, and on or before the 30th day after the end of every calendar quarter thereafter, Respondent shall furnish written progress reports to the FDIC Regional Director, detailing the form and manner of any actions taken to secure compliance with this ORDER and the results thereof.

11. Following the effective date of this ORDER, Respondent shall send to its shareholder(s) a copy of this ORDER or a description of this ORDER in conjunction both with Respondent's next shareholder communication and with its notice and/or proxy statement preceding Respondent's next shareholder meeting. If Respondent sends its shareholders a description of this ORDER rather than a copy of it, the description shall fully describe this ORDER in all respects. The description and any accompanying communication, statement, or notice shall be sent to the FDIC, Accounting and Securities Section, Washington, D.C. 20429, at least fifteen (15) days prior to dissemination to shareholders. Any changes requested to be made by the FDIC shall be made prior to dissemination of the description, communication, notice, or statement.

ORDER TO PAY CIVIL MONEY PENALTY

IT IS FURTHER ORDERED that, by reason of the violations set forth in the CONSENT AGREEMENT, and after taking into account the CONSENT AGREEMENT, the appropriateness of the penalty with respect to the financial resources and good faith of Respondent, the gravity of the violations by Respondent, the history of previous violations by Respondent, and such other matters as justice may require, a civil money penalty in the amount of \$50,000.00 is assessed against Respondent. Respondent shall pay such amount to the Treasury of the United States. Respondent shall pay such amount to the Treasury of the United States, and is prohibited from seeking or accepting indemnification from such payment from any third party.

MISCELLANEOUS

The provisions of this ORDER shall not bar, estop or otherwise prevent the FDIC or any other federal or state agency or department from taking any other action against Respondent, or any of Respondent's current or former institution-affiliated parties, and their respective successors and assigns.

This ORDER shall become effective upon its issuance by the FDIC.

The provisions of this ORDER shall be binding upon Respondent, its institution-affiliated parties, and their successors and assigns.

The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside in writing by the FDIC.

Issued pursuant to delegated authority.

Dated at Washington, D.C. this 28th day of November, 2012

/s/

Sylvia H. Plunkett
Senior Deputy Director
Division of Depositor and Consumer Protection
Federal Deposit Insurance Corporation