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Comptroller of the Currency  
Administrator of National Banks

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Northeastern District Office  
340 Madison Avenue, Fifth Floor  
New York, New York 10173-0002

Licensing Division  
Telephone No.: (212) 790-4055  
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**Conditional Approval #852**  
**June 2008**

April 16, 2008

Michael A. Ewing  
President and CEO  
Oak Hill National Bank (Organizing)  
Post Office Box 106  
Warrenton, Virginia 20188

Re: New Bank Charter – Oak Hill National Bank (Organizing), Warrenton, Virginia  
New Branch – Marshall, Virginia  
New Messenger Service – Warrenton, Virginia  
Control Numbers: 2007 NE 01 0019, 2007 NE 05 0254 and 0255

Dear Mr. Ewing:

I grant preliminary conditional approval to your application to establish a new national bank with the title of Oak Hill National Bank, Warrenton, Virginia (proposed Bank) based on a thorough evaluation of all information in the record and available to the Comptroller of the Currency (OCC) relevant to the applicable statutory policy factors, including the representations and commitments made in the application and by the Bank's representatives.

I also approve your requests to establish a branch at the intersection of Winchester Road (Route 17) and Route 622 Extended/Access Road, Marshall, Virginia ("Marshall Branch")<sup>1</sup> and a messenger service branch to serve the communities within Fauquier County, Virginia.

I also approve your request for an additional investment in bank premises, including leasehold improvements, resulting in a total investment in bank premises in an amount not to exceed \$3.5 million. The bank's investment in bank premises may not be increased above this specified amount without first obtaining approval from the OCC Wilkes-Barre/DC Field Office. This amount remains effective until the OCC notifies the bank otherwise.

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<sup>1</sup> The bank must submit an application to the OCC Licensing Division to establish a branch at 4174 Stockyard Road, Marshall, Virginia known as the "Marshall Temporary Branch". The Marshall Temporary Branch will operate until the Marshall Branch building is ready for occupancy and will close simultaneously with the opening of the Marshall Branch.

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Approval is not required for items that will be expensed in conjunction with the purchase of bank buildings. This specified amount approval eliminates the need to file repeated after-the-fact notices for a series of premises investments.

All bank premises and fixed assets should be depreciated annually on the bank's books in accordance with generally accepted accounting principles, and all leases should be accounted for in accordance with Financial Accounting Standards Board Statement No. 13

I made my decision to grant preliminary conditional approval to your application to establish a new national bank with the understanding that the proposed Bank will apply for Federal Reserve membership and will obtain deposit insurance from the Federal Deposit Insurance Corporation (FDIC).

The OCC has granted preliminary conditional approval only. Final approval and authorization for the Bank to open and establish the branch and messenger service branch will not be granted until all preopening requirements are met. Until final approval is granted, the OCC has the right to alter, suspend, or revoke this preliminary conditional approval should the OCC deem any interim development to warrant such action.

This preliminary conditional approval is subject to the following condition:

The Bank shall: (i) give the OCC Wilkes-Barre/DC Field Office at least sixty (60) days prior written notice of its intent to significantly deviate or change from its business plan or operations,<sup>2</sup> and (ii) obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a bank's notice. This condition shall remain in effect during the Bank's first three years of operation. For the first three years of operation, the Bank also must provide a copy of such written notice of its intent to significantly deviate or change from its business plan or operations to the FDIC's Atlanta Regional Office.

This condition of approval is a condition imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request within the meaning of 12 U.S.C. § 1818. As such, this condition is enforceable under 12 U.S.C. § 1818.

The Bank's initial paid-in capital, net of all organizational and preopening expenses, shall be no less than \$12,050,000. The manner in which capital is raised must not deviate from that described in the business plan without prior written OCC notification. If the capital for the Bank is not raised within 12 months or if the Bank is not opened for business within 18 months from the preliminary conditional approval date, this approval expires. The OCC is opposed to granting extensions, except under the most extenuating circumstances and when the OCC determines that the delay is beyond the applicant's control. The organizers are expected to proceed diligently,

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<sup>2</sup> If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

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consistent with their application, for the Bank to open for business as soon as possible.

Subsequent to the bank opening, if the branch and messenger service branch are not opened within 18 months from this approval date, the approval automatically terminates, unless the OCC grants an extension.

Within 10 days of opening, the bank must advise this office in writing of the branch and messenger service branch opening dates, so the OCC may complete its records and issue authorizations letters for the branch and messenger service branch.

If the branch is subsequently closed, a 90-day advance notice of proposed branch closing must be submitted to the OCC pursuant to 12 USC 1831r-1. Following the closing of the branch office, a final closing notice should also be submitted to this office.

The OCC poses no objection to the following persons serving as executive officers, directors, and/or organizers as proposed in the application:

<u>Name</u>	<u>Title</u>
Michael A. Ewing	Organizer/Director/President/CEO
Donald R. Yowell	Organizer/Director
Lewis S. Wiley	Organizer/Director
Randolph S. E. Carter	Organizer/Director
Alvin F. Henry	Organizer/Director
Norris A. L. Royston, Jr., M.D.	Organizer/Director
Kevin A. Lee	Organizer/Director/Chief Lending Officer
Caren M. Eastham	Organizer/Chief Administrative Officer

Background checks requested by the OCC have not been received yet. Although we have decided not to delay action pending receipt of those responses, the OCC may consider remedies available to it if adverse or previously withheld information is received.

Prior to the Bank's opening, the Bank must obtain the OCC's prior written determination of no objection for any additional organizers or executive officers, or directors appointed or elected before the person assumes the position. For a two-year period after the Bank commences business, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming such position.

The "Charters" booklet in the *Comptroller's Licensing Manual* provides guidance for organizing your bank. The booklet is located at the OCC's web site: <http://www.occ.treas.gov/corpbook/group4/public/pdf/charters.pdf>. The booklet contains all of

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the steps you must take to receive your charter.

As detailed in the booklet, you may establish the corporate existence of and begin organizing the Bank as soon as you adopt and forward Articles of Association and the Organization Certificate to Licensing Analyst Robin J. Miller in this office for our review and acceptance. As a “body corporate” or legal entity, you may begin taking those steps necessary for obtaining final approval. The Bank may not begin the business of banking until it fulfills all requirements for a bank in organization and the OCC grants final approval.

Enclosed are standard requirements and minimum policies and procedures for new national banks. The Bank must meet the standard requirements before it is allowed to commence business and the Board of Directors must ensure that the applicable policies and procedures are established and adopted before the Bank begins operation.

In addition to the standard requirements for all new national banks, the following special requirements must be satisfied prior to the Bank’s request for a preopening examination and before the OCC will grant final charter approval:

1. The Bank must hire an experienced Chief Financial Officer (“CFO”) and obtain the OCC’s written determination of no objection prior to the Chief Financial Officer assuming such position.
2. After the CFO is hired, the Bank must submit revised proforma projections reflecting the current economic conditions for review.
3. The Bank must appoint a BSA Officer and develop bank policies, including compliance/BSA program, lending policies and procedures, asset-liability management and other operating policies and obtain the OCC Wilkes-Barre/DC Field Office’s written determination of no objection.
4. The Bank must establish reasonable performance management plans that include specific performance goals and measures tied to compensation for each applicable position and the Bank and obtain the OCC Wilkes-Barre/DC Field Office’s written determination of no objection.
5. The Bank must submit to the OCC Wilkes-Barre/D.C. Field Office for review, and prior written determination of no supervisory objection, a complete description of the Bank’s final information systems and operations architecture as well as the information systems risk assessment and management plan. This should include a schematic drawing and discussion of the following items:

Vendor due diligence and contracts; electronic banking security mechanisms and policies; information systems personnel; internal controls; audit plans; and operating policies and

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procedures, including, but not limited to, vendor management, weblinking, customer authentication and verification, and business resumption contingency plans.

6. The Bank must have performed an independent security review and test of its electronic banking platform. The Bank must have this review performed regardless of whether the platform is operated in-house or by one or more third-party service providers. If the Bank outsources the technology platform, it can rely on testing performed for the service provider to the extent that it satisfies the scope and requirements listed herein. The review must be conducted by an objective, qualified independent source (Reviewer). The scope should cover:
  - All access points, including the Internet, Intranet, or remote access.
  - The adequacy of physical and logical protection against unauthorized access including individual penetration attempts, computer viruses, denial of service, and other forms of electronic access.

By written report, the Reviewer must confirm that the security measures, including the firewall, have been satisfactorily implemented and tested. For additional guidance, refer to the *FFIEC IT Examination E-Banking Handbook*, pages 26-30, Information Security Program.

The booklet is located at the FFIEC's Web site:  
[http://www.ffiec.gov/ffiecinfobase/booklets/e\\_banking/e\\_banking.pdf](http://www.ffiec.gov/ffiecinfobase/booklets/e_banking/e_banking.pdf).

7. The Bank must have a security program in place that complies with the "Interagency Guidelines Establishing Standards for Safeguarding Customer Information" specified at 12 CFR 30, Appendix B.

Under separate cover, the OCC will send to you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications. This information does not include the *Comptroller's Licensing Manual*, which is available only in electronic form at our Web site:  
<http://www.occ.treas.gov/corpapps/corpapplic.htm>.

Direct any questions concerning this preliminary conditional approval to Licensing Analyst Robin J. Miller at (212) 790-4015.

Sincerely,

/s/

J. Greg Parvin  
Director for District Licensing