



**Conditional Approval #1079  
October 2013**

September 24, 2013

Mr. Charles V. Darnell  
President and Chief Executive Officer  
Old Dominion National Bank  
4916 Plank Road – P.O. Box 299  
North Garden, VA 22959-0299

Dear Mr. Darnell:

The Office of the Comptroller of Currency (“OCC”) hereby conditionally approves the application by Old Dominion National Bank, North Garden, Virginia (the “Bank”), for an increase in permanent capital. This approval is granted after a thorough review of the application, other materials you have supplied, and other information available to the OCC, including commitments and representations made during the application process. This approval is also subject to the conditions set out herein.

National banks are required to obtain OCC approval for increases in permanent capital. In its regulations, the OCC has established a notice process for certain approvals of increases in capital that involve only common stock and cash consideration. Under that process, the bank submits a notice of the increase in capital, and the proposed increase is deemed approved by the OCC and certified seven days after the date on which the OCC received the notice. 12 C.F.R. § 5.46(i)(3). However, the regulation also provides that a national bank may not use this process but must follow the full application process and obtain prior OCC approval to increase its permanent capital if the bank is “[r]equired to receive OCC approval pursuant to letter, order, directive, written agreement or otherwise.” 12 C.F.R. § 5.46(g)(1)(i)(A).

The Bank entered into a Stock Purchase Agreement with Mr. Wesley Yuan on December 3, 2012, in which the Bank approved and authorized a private placement offering to increase its equity capital by a minimum of \$7 million and up to \$10 million, and to which Mr. Yuan agreed to subscribe to at least \$3 million of common and/or preferred stock. Mr. Yuan submitted a change in bank control notice on January 3, 2013, and on June 26, 2013, the OCC issued its determination not to disapprove Mr. Yuan’s notice to acquire control of the Bank. Based on information provided in the change in control notice as well as the Bank’s private placement memorandum, after the capital increase the Bank’s plans involve significant loan growth, the implementation of new products and services and the entry into a new market. As such, in order to assist in the OCC’s oversight of these efforts, the OCC determined to require the Bank to file

an application and obtain prior OCC approval for the capital increase. The OCC notified the Bank of the requirement to file an application by letter dated June 27, 2013.

Pursuant to the OCC's June 27, 2013, letter and the requirements of 12 C.F.R. § 5.46, the Bank applied to the OCC for prior approval for an increase in its capital surplus that would result from a capital injection by Mr. Yuan and other private investors. The OCC hereby approves the increase in capital, subject to the following conditions:

1. Immediately after completion of the change in control and the capital increase, the Bank shall adopt, implement, and thereafter adhere to the Bank's three year Business Plan, dated September 23, 2013, that the Bank previously submitted to the OCC and received written determination of no supervisory objection from the OCC on September 24, 2013.
2. The Bank shall update the Business Plan annually, no later than the end of the month of December each year, to cover the next three year period.
3. Once the Business Plan is adopted, the Bank shall not make a material change to or significantly deviate<sup>1</sup> from the Business Plan unless the Bank has first given the assigned OCC Supervisory Office at least sixty (60) days prior written notice of its intent to do so, and obtained the OCC's prior written determination of no supervisory objection to such action. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to the Bank's request. The Bank's request for prior written determination of no supervisory objection to a material change or significant deviation shall include, at a minimum, (a) an assessment of the adequacy of the Bank's management, staffing levels, organizational structure, financial condition, capital adequacy, funding sources, management information systems, internal controls, and written policies and procedures with respect to the proposed significant deviation and (b) the Bank's evaluation of its capability to identify, measure, monitor, and control the risks associated with the proposed significant deviation.

These conditions of approval are conditions "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, the conditions are enforceable under 12 U.S.C. § 1818.

This letter and these conditions do not amend, suspend, waive or terminate any provisions of the Formal Agreement dated June 28, 2010.

This conditional approval, and the activities and communications by OCC employees in connection with the filings, do not constitute a contract, express or implied, or any other

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<sup>1</sup> For purposes of this condition, significant deviations or changes that may have a material impact on the Business Plan include, but are not limited to, any significant deviations from or material changes consistent with the description provided in Appendix G (Significant Deviations After Opening) of the "Charters" booklet of the *Comptroller's Licensing Manual* (February 2009). Deviations in the Bank's financial performance are not, by themselves, significant deviations.

obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. Our approval is based on the representations made in the applications, other submissions, and other information available to the OCC as of this date. The OCC may modify, suspend, or rescind this conditional approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Following completion of the capital injection, the Bank must file the required notice with the Northeastern District Licensing Office, New York, NY. If you have any questions concerning this letter or the application process under 12 C.F.R. § 5.46, please contact Licensing Analyst David R. Rochefort at (212) 790-4000, Extension 3417, or at [david.rochefort@occ.treas.gov](mailto:david.rochefort@occ.treas.gov).

Sincerely,

*Stephen A. Lybarger*

Stephen A. Lybarger  
Deputy Comptroller for Licensing