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Comptroller of the Currency  
Administrator of National Banks

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August 20, 2010

**Corporate Decision #2010-26**  
**September 2010**

Ronald D. Haley  
President & Chief Executive Officer  
River Community Bank, National Association  
433 E. Commonwealth Boulevard, Suite #1  
Martinsville, Virginia 24112

Re: Purchase and Assumption Application  
River Community Bank, National Association, Martinsville, Virginia to acquire  
substantially all the assets and the deposits from the FDIC as receiver for Imperial Savings  
and Loan Association, Martinsville, Virginia

OCC Control No.: 2010 NE 02 0018

Dear Mr. Haley:

The Office of the Comptroller of the Currency (“OCC”) hereby approves the application of River Community Bank, National Association (“River Community Bank”) to purchase certain assets and assume certain liabilities of Imperial Savings and Loan Association, Martinsville, Virginia (“Failed Entity”), for the reasons set below. As discussed below, the transaction may be consummated immediately upon approval. 12 U.S.C. § 1828(c)(6).

Failed Entity, a federally chartered thrift with deposits insured by the Federal Deposit Insurance Corporation (“FDIC”), was declared insolvent by the Office of Thrift Supervision on August 20, 2010, and the FDIC was appointed as receiver. The Comptroller has now been asked to grant his written approval of the proposed agreement negotiated between the FDIC and River Community Bank by which the latter would purchase certain assets and assume certain liabilities of Failed Entity.

This approval is granted based upon the information contained in the River Community Bank’s application and other information and representations made to the OCC during its processing of the application.

## **The Purchase and Assumption**

River Community Bank applied to the OCC for approval to purchase certain assets of and assume certain liabilities of Failed Entity under 12 U.S.C. §§ 24 (Seventh) and 1828(c) (the “Transaction”). A national bank may acquire all or part of a depository institution through a purchase and assumption transaction under 12 U.S.C. § 24 (Seventh). Thus, the Transaction is legally authorized.

River Community Bank also requested OCC approval to retain the main office of Failed Entity as a branch upon consummation of the Transaction. River Community Bank and Failed Entity are both located in Virginia. Failed Entity’s only location is its main office. The OCC has determined that approval is consistent with 12 U.S.C. 36(c), governing intrastate branching, and Virginia branching law incorporated therein. Consequently, River Community Bank is authorized to retain Failed Entity's main office as a branch.

## **Bank Merger Act**

The OCC reviewed the proposed purchase and assumption Transaction under the criteria of the Bank Merger Act, 12 U.S.C § 1828(c), and applicable OCC regulations and policies. The OCC considered the financial and managerial resources of the banks, their future prospects, the convenience and needs of the communities to be served. In addition, the Bank Merger Act requires the OCC to consider “the effectiveness of any insured depository institution involved in the proposed merger transaction in combatting money laundering activities, including overseas branches.” 12 U.S.C. § 1828(c)(11). We considered these factors and found them consistent with approval under the statutory provisions.

In addition, the OCC also finds, under the standards set forth in the Bank Merger Act, that it must act on the application immediately. 12 U.S.C. § 1828(c)(3), (4)(C)(i), and (6). Consequently, there is no requirement for publication of notice of the Transaction, for a request by the OCC of a competitive factors report from the Attorney General, or for a post-approval waiting period prior to consummation of the Transaction.

## **Community Reinvestment Act**

The Community Reinvestment Act (“CRA”) requires the OCC to take into account the applicants’ record of helping to meet the credit needs of the community, including low-and-moderate-income (“LMI”) neighborhoods, when evaluating certain applications, including transactions that are subject to the Bank Merger Act. 12 U.S.C. § 2903; 12 C.F.R. § 25.29. The OCC considers the CRA performance evaluation of each institution involved in the Transaction. A review of the record of these applicants and other information available to the OCC as a result of its regulatory responsibilities revealed no evidence that the applicants’ record of helping to meet the credit needs of their communities, including LMI neighborhoods, is less than satisfactory.

## Consummation Guidance

This approval is granted based on our understanding that other applicable regulatory approvals, non-objections or waivers with respect to the proposed Transaction will have been received prior to the consummation of the Transaction.

Within seven days of consummation of the Transaction, please provide the Northeastern District Office with copies of the following documents:

- An original Secretary's Certificate certifying that a majority of the board of directors approved.
- An executed purchase and assumption agreement.
- Documentation that all other conditions that the OCC imposed have been met.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other 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 bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this 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.

If you have questions regarding this letter, please contact Licensing Analyst Wai-Fan Chang at (212) 790 - 4055. Please reference the application control number in any correspondence.

Sincerely,

*Sandya Reddy*

Sandya Reddy

Acting Director for District Licensing