

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	Order No.: SE-10-051
)	
)	
TRUST COMPANY OF VIRGINIA)	Effective Date: November 12, 2010
)	
Richmond, Virginia)	
OTS Docket No. 18054)	
_____)	

ORDER TO CEASE AND DESIST

WHEREAS, Trust Company of Virginia, Richmond, Virginia, OTS Docket No. 18054 (Association), by and through its Board of Directors (Board), has executed a Stipulation and Consent to the Issuance of an Order to Cease and Desist (Stipulation); and

WHEREAS, the Association, by executing the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (Order) by the Office of Thrift Supervision (OTS) pursuant to 12 U.S.C. § 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Southeast Region (Regional Director) is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

Cease and Desist.

1. The Association, its institution-affiliated parties,¹ and its successors and assigns, shall cease and desist from any action (alone or with others) for or toward causing, bringing about, participating in, counseling, or the aiding and abetting the unsafe or unsound banking practices that resulted in:

- (a) operating the Association with an ineffective Bank Secrecy Act/Anti-Money Laundering compliance program; and
- (b) operating in contravention of supervisory policy statements and other regulatory guidance, including, but not limited to:
 - (i) Interagency Guidelines Establishing Standards for Safety and Soundness;
 - (ii) Federal Financial Institutions Examination Council (FFIEC) *Bank Secrecy Act/Anti-Money Laundering Examination Manual*.

2. The Association, its institution-affiliated parties, and its successors and assigns, shall also cease and desist from any action (alone or with others) for or toward causing, bringing about, participating in, counseling, or the aiding and abetting violations of the following laws and regulations:

- (a) 12 C.F.R. § 563.177(c)(1) (regarding Bank Secrecy Act compliance); and
- (b) 31 C.F.R. § 103.100 (relating to information sharing with law enforcement).

¹ The term “institution-affiliated party” is defined at 12 U.S.C. § 1813(u).

BSA/AML Compliance Program.

3. Within sixty (60) days, the Association shall revise its policies, procedures and systems related to the Bank Secrecy Act/Anti-Money Laundering (BSA/AML) regulations (BSA/AML Compliance Program) to comply with all applicable BSA/AML Laws and Regulations² and regulatory guidance. The Association's BSA/AML Compliance Program shall address all corrective actions set forth in the April 5, 2010 report of examination (2010 ROE) and provide for:

- (a) (Annual Review) - a review of the Association's BSA/AML Compliance Program on an annual basis to determine whether changes in such program may be necessary to adjust to changes in: (i) the BSA/AML Laws and Regulations; and (ii) the Association's operations that may impact its compliance with the BSA/AML Laws and Regulations. Within sixty (60) days after completing its annual review of the BSA/AML Compliance Program, the Association shall update its BSA/AML Compliance Program and send a copy of its updated BSA/AML Compliance Program to the Regional Director;
- (b) (BSA/AML Compliance Officer) a full-time officer or employee who shall be: (i) designated as the Association's BSA/AML Compliance Officer; and (ii) actively managing, coordinating and monitoring the Association's day-to-day compliance with the BSA/AML Laws and Regulations and the Association's BSA/AML Compliance Program. The BSA/AML Compliance Officer shall have sufficient authority, expertise, and resources to perform his or her assigned BSA/AML responsibilities;

² The term BSA/AML Laws and Regulations includes, but is not limited to, the Currency and Foreign Transactions Reporting Act, as amended by the USA PATRIOT Act and other laws (the Bank Secrecy Act or BSA), 31 USC §§ 5311 *et seq.*, and the related regulations issued and/or administered by the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN), 31 CFR §§ 103.11 *et seq.*, the related BSA regulations issued by OTS, 12 CFR §§ 563.177 and 563.180 (collectively the BSA Laws and Regulations), and the Office of Foreign Assets Control (OFAC) regulations set forth at 31 CFR Part 500 (the OFAC Regulations).

(c) (Training) annual BSA/AML training for all Association personnel. The Association shall provide BSA/AML training for the Board that, at a minimum, covers the importance of the BSA/AML Laws and Regulations, the ramifications of noncompliance with such laws and regulations, and the risks posed to the Association by noncompliance. The Association shall maintain documentation of all BSA/AML training, including but not limited to, materials sufficient to identify the dates the training was conducted, the topics covered and the attendees;

(d) (Currency Transaction Reports) implementation of a system that allows for the effective daily aggregation of multiple transactions and the proper filing of Currency Transaction Reports (CTR) pursuant to 31 C.F.R. § 103.22(c)(2) and 12 C.F.R. § 563.177(c)(1);

(e) (Customer Due Diligence) a Customer Identification Policy (CIP Policy) that has adequate customer due diligence (CDD) policies, procedures and processes to identify customers with heightened BSA/AML risk, including, but not limited to, non-U.S. resident accounts, commercial and business accounts, customers with significant wire transfer activity, and customers generating Currency Transaction Reports within any 12-month period (Higher Risk Customers). The Association shall maintain current customer profiles for Higher Risk Customers and engage in enhanced due diligence and monitoring of Higher Risk Customer accounts and transactions;

(f) (Customer Identification Policy) customer identification policies, procedures and processes (CIP Policy) that comply with all applicable laws, regulations, and regulatory guidance including, but not limited to, 31 C.F.R. § 103.121 and 12 C.F.R. 563.177(b).

The Association shall timely obtain and maintain appropriate customer documentation as required by all applicable laws, regulations and regulatory guidance;

(g) (Independent Testing) an annual independent test of its BSA/AML Compliance Program by a qualified independent employee or independent third party to ensure the Association's compliance with all applicable BSA/AML Laws and Regulations and OFAC Regulations (BSA Independent Testing). BSA Independent Testing must be: (i) fully documented; and (ii) conducted with an appropriate segregation of duties;

(h) (Internal Controls) a system of internal controls to comply with the BSA/AML Laws and Regulations, the SAR Regulations, and the OFAC Regulations. Such internal controls must include written policies, procedures, and processes to monitor all transactions: (i) for full compliance with all applicable laws and regulations; and (ii) timely reporting of any suspicious transactions and activity;

(i) (OFAC/314(a) Policies) formal policies and processes to ensure that OFAC checks and 314(a) searches are timely conducted and fully documented and that suspicious activity reports are appropriately and timely filed. The OFAC/314(a) Policies shall: (i) detail the types of transactions covered by OFAC for existing and new customers, as well as non-customers who are transacting business with the Association; (ii) address account management and maintenance, including new customer checks, periodically re-checking the customer database, and procedures for handling blocked account hits or 314(a) matches; and (iii) detailed reporting and recordkeeping requirements.

(j) (BSA/AML Risk Assessment) a thorough annual assessment of the Association's BSA/AML risk exposure (the BSA/AML Risk Assessment), based upon the specific

products, services, customers, entities, and geographic locations of the Association that may expose it to money laundering, terrorism financing, or other illegal activities, taking into consideration information collected from the Association's customer identification policies, procedures and processes (CIP Policy) and customer due diligence process (CDD) consistent with the BSA/AML matrix set forth in Appendix J of the FinCEN BSA/AML Examination Manual. The BSA/AML Assessment shall identify the number of accounts that are potentially medium or high risk, and describe the basis for such determination; and

(k) (SARs) a system to ensure that transactions are monitored and that all suspicious transactions and activity are reported to FinCEN consistent with 31 C.F.R. § 103.18 and 12 C.F.R. § 563.180(d). The Association shall monitor, assess, and review the effectiveness of its monitoring system, its investigative procedures related to suspicious transactions and activity, and its rationale to file, or not file, a Suspicious Activity Report (SAR). The Association shall maintain documentation for all filed SARs and decisions made to not file a SAR.

4. Within sixty (60) days, the Board shall provide the revised BSA/AML Compliance Program to the Regional Director for review. Within thirty (30) days of receipt of any comments from the Regional Director, the Board shall incorporate the comments into and implement the revised BSA/AML Compliance Program. The Association shall provide a copy of the adopted BSA/AML Compliance Program to the Regional Director within ten (10) days after adoption by the Board.

Effective Date, Incorporation of Stipulation.

5. This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

Duration.

6. This Order shall remain in effect until terminated, modified, or suspended by written notice of such action by the OTS, acting by and through its authorized representatives.

Time Calculations.

7. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be based on calendar days, unless otherwise noted.

8. The Regional Director, or an OTS authorized representative, may extend any of the deadlines set forth in the provisions of this Order upon written request by the Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

Submissions and Notices.

9. All submissions, including any reports, to the OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

10. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

- (a) To the OTS:
Regional Director
Office of Thrift Supervision
1475 Peachtree St., N.E.
Atlanta, Georgia 30309
404.897.1861 (Fax)

- (b) To the Association:
Board of Directors
c/o Thomas W. Boswell, Chairman
The Trust Company of Virginia
9030 Stony Point Parkway, Suite 300
Richmond, VA 23235

No Violations Authorized.

11. Nothing in this Order or the Stipulation shall be construed as allowing the Association, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____/s/_____
James G. Price
Regional Director, Southeast Region

Date: See Effective Date on page 1

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)	Order No.: SE-10-051
)	
TRUST COMPANY OF VIRGINIA)	Effective Date: November 12, 2010
)	
Richmond, Virginia)	
OTS Docket No. 18054)	

STIPULATION AND CONSENT TO ISSUANCE OF ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Southeast Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Trust Company of Virginia, Richmond, Virginia, OTS Docket No. 18054 (Association), that the OTS is of the opinion that grounds exist to initiate an administrative proceeding against the Association pursuant to 12 U.S.C. § 1818(b);

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order; and

WHEREAS, the Association desires to cooperate with the OTS to avoid the time and expense of such administrative cease and desist proceeding by entering into this Stipulation and Consent to the Issuance of Order to Cease and Desist (Stipulation) and, without admitting or

denying that such grounds exist, but only admitting the statements and conclusions in Paragraphs 1 and 2 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

Jurisdiction.

1. The Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, the Association is “an insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).

2. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, the Association is subject to the authority of the OTS to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

OTS Findings of Fact.

3. Based on its April 5, 2010 examination of the Association (2010 ROE), the OTS finds that the Association has engaged in unsafe or unsound banking practices and has other deficiencies in its management and in its operations related to Bank Secrecy Act and Anti-Money Laundering compliance, including:

(a) operating the Association with an ineffective Bank Secrecy Act/Anti-Money Laundering compliance program; and

(b) operating in contravention of supervisory policy statements and other regulatory guidance, including, but not limited to:

(i) Interagency Guidelines Establishing Standards for Safety and Soundness;

(ii) Federal Financial Institutions Examination Council (FFIEC) *Bank Secrecy*

Act/Anti-Money Laundering Examination Manual.

4. Based on its 2010 ROE of the Association, the OTS finds that the Association has engaged in violations of law and regulation, including:

- (a) 12 C.F.R. § 563.177(c)(1) (regarding Bank Secrecy Act compliance); and
- (b) 31 C.F.R. § 103.100 (relating to information sharing with law enforcement).

Consent.

5. The Association consents to the issuance by the OTS of the accompanying Order to Cease and Desist (Order). The Association further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

Finality.

6. The Order is issued by the OTS under 12 U.S.C. § 1818(b). Upon the Effective Date, the Order shall be a final order, effective, and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

Waivers.

7. The Association waives the following:

- (a) the right to be served with a written notice of the OTS's charges against it as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (b) the right to an administrative hearing of the OTS's charges as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the

Order; and

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes, or otherwise.

OTS Authority Not Affected.

8. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting the Association if at any time the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law.

Other Governmental Actions Not Affected.

9. The Association acknowledges and agrees that its consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 8 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Miscellaneous.

10. The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

11. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired

thereby, unless the Regional Director in his or her sole discretion determines otherwise.

12. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

13. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order.

14. The terms of this Stipulation and of the Order represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

15. The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Regional Director or other authorized representative.

Signature of Directors/Board Resolution.

16. Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the Association to the issuance of the Order and the execution of the Stipulation. This Stipulation may be executed in counterparts by the directors after approval of execution of the Stipulation at a duly called board meeting.

[Remainder of Page Intentionally Left Blank]

