

VACB Update-January 2007

*A monthly newsletter from the
Virginia Association of Community Banks*



Welcome to Our 30th Year!

Welcome to VACB's first newsletter for 2007. This year marks the 30th year that VACB has been serving Virginia's community banks. We look forward to continuing to serve you and provide you with the information you need to stay competitive and vital in your locale. Please don't hesitate to call on us if we can assist you this year!

Spring Bank Directors' Conference

VACB is pleased to announce that the Spring Directors' Conference will be held April 19 and 20 at The Boar's Head Inn in Charlottesville, Virginia.

Featured topics at this year's program will include Professional Ethics, Best Practices Related to Risk Management Oversight Committee, an Economic Update, and Effective Board Meetings and Committee Composition, to name just a few. The program content is suitable for new directors and seasoned bank directors as well.

In addition, VACB will offer for the first time, a limited number of first-come, first-served table top exhibits. This is an excellent chance for bank directors to see first hand what our Associate Members can do for your bank.

Full details will be mailed in late January, but mark those calendars now...VACB Spring Directors' Conference, April 19 & 20, 2007, The Boar's Head Inn. To make reservations, call Group Reservations at The Boar's Head Inn at 800-476-1988 and reference the VACB Spring Directors' Conference.

VACB CALENDAR OF EVENTS

- Jan. 18** ACH Auditing Update & Regulatory Changes for BSA & Reg E*
- Jan. 30** Contingency Planning: Pandemic & Preparedness VACB Telephone Seminar
- Feb. 6** When A Borrower Dies*
- Feb. 8** You Received a BSA Exam Request Letter? Now What?*
- Feb. 21** IRA Update & Review: Including New Pension Protection Act*
- Feb. 27** First Quarter Compliance Forum-CENTRAL
The Place at Innsbrook
- Mar. 1** First Quarter Compliance Form-SOUTHWEST
Higher Education Center
- Mar. 6** Analyzing a Guarantor*
- Mar. 8** Flood Compliance: Getting it Right!*

* Denotes Telephone Seminar or Web Cast

Legal Brief by Andy Nea

There is a one year cut-off rule for making forgery claims. The basic rule is that a check forged in the name of a bank customer is not "properly payable" from the customer's account. If the bank pays the forged check, the bank must re-credit the amount of the item to the customer's account. However, there is an absolute one year cut-off rule that applies without regard to care or lack of care by either the customer or the bank. Checks were forged over a four-year period from the account of Atlantic Coast Carriers at Altamaha Bank and Trust. In an effort to get around the effect of the one year cut-off rule, the customer argued that the rule only became operative when a bank either returned or made available to the customer the items paid or provided information on the statement of the customer's account that is sufficient to allow a customer to reasonably identify the items paid. The bank provided monthly statements but sent "only copies of the face of checks," which the customer argued did not satisfy the requirement that the bank make available the items paid. The court rejected the argument and held that in lieu of providing the customer the original paid items, a bank may satisfy the requirements by either supplying the customer with an image copy of the paid items or a statement of account which is sufficient if it describes the item number, amount, and date of payment. The court concluded that the bank acted properly and that the customer could not recover the items past the one year cut-off. Wooten v. Altamaha Bank and Trust, 58 U.C.C. Rep. Serv. 2d 632.

Fauquier Bank Hires New EVP-COO

The Fauquier Bank recently named Gregory D. Frederick its new Executive Vice President and Chief Operating Officer. In his new role at The Fauquier Bank, Frederick will oversee Retail Banking and Information Technology. He also will be directly responsible for Facilities, Human Resources, Marketing, Security, Enterprise Risk Management, and future branch expansion.

"Greg's community banking experience, extensive knowledge of the industry, and demonstrated leadership skills make him an ideal choice for The Fauquier Bank," said Randy Ferrell, President and CEO of The Fauquier Bank. "We are confident that he will play a key role in our continued success."

Banker & Associate News
Additions, Promotions and Changes

ADDITIONS & PROMOTIONS

First National Bank in Christiansburg has named **Nancy Mitchell** Senior Vice President, Director of Corporate Training, and **Karen W. Turner** has been named Senior Vice President, Commercial Banking Manager for the Roanoke Valley.

Bank of Lancaster in Kilmarnock has promoted **M. Robin Honnick** to Credit Risk Officer.

Community Bankers Bank in Midlothian has hired **Shannon D. Lewis** as Assistant Vice President and Loan Portfolio Officer.

VACB ASSOCIATE MEMBER NEWS

BSG Financial in Louisville, KY, a VACB Associate Member, is once again included in *Bank Technology News*, a leading publication which profiles individuals, institutions, trends, and innovations shaping today's banking technology landscape. VACB endorses BSG Financial's Re\$ubmittl program. For more information, contact Jeff Harper at 866-274-8900.

PWCampbell in Pittsburgh, PA, a VACB Associate Member, has hired **Bifford R. Fagan** as Regional Vice President, and **John Munizza** has joined the firm as Project Manager.

Williams Mullen, VACB Associate Member and Legal Counsel to the association, is merging with a law firm in Raleigh, NC. The firm, Maupin Taylor will help Williams Mullen extend its reach throughout the Southeast. The combined practice will have 300 attorneys.

VACB 30th Convention

Make your plans now to join VACB for its 30th Annual Convention. This year's program will be held in the beautiful, newly renovated Williamsburg Lodge and Conference Center.

The Convention will be help October 14-16, 2007. Watch your mail for additional information in the coming months.



**VACB Spring Bank
Directors' Conference**

**April 19 & 20, 2007
The Boar's Head Inn
Charlottesville, VA**

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