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FR Y-6
OMB Number 7100-0297
Approval expires December 31, 2015
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Board of Governors of the Federal Reserve System

MAR 17 2014



Annual Report of Holding Companies ~~FRB RICHMOND~~

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2013

Month / Day / Year

I, **Brad E. Schwartz**

Reporter's Name, Street, and Mailing Address

Monarch Financial Holdings, Inc.

Name of the Holding Company Director and Official

Legal Title of Holding Company

Chief Executive Officer, Director

1435 Crossways Boulevard, Suite 301

Title of the Holding Company Director and Official

(Mailing Address of the Holding Company) Street / P.O. Box

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Chesapeake **VA** **23320**
City State Zip Code

Physical location (if different from mailing address)

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Person to whom questions about this report should be directed:

Lynette P. Harris **Chief Financial Officer**

Name Title

757-389-5108

Area Code / Phone Number / Extension

757-389-5100

Area Code / FAX Number

lharris@monarchbank.com

E-mail Address

www.monarchbank.com

Address (URL) for the Holding Company's web page

Signature of Holding Company Director and Official

03/14/2014

Date of Signature

For holding companies not registered with the SEC-

Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID **3435386**
C.I. _____

Does the reporter request confidential treatment for any portion of this submission?

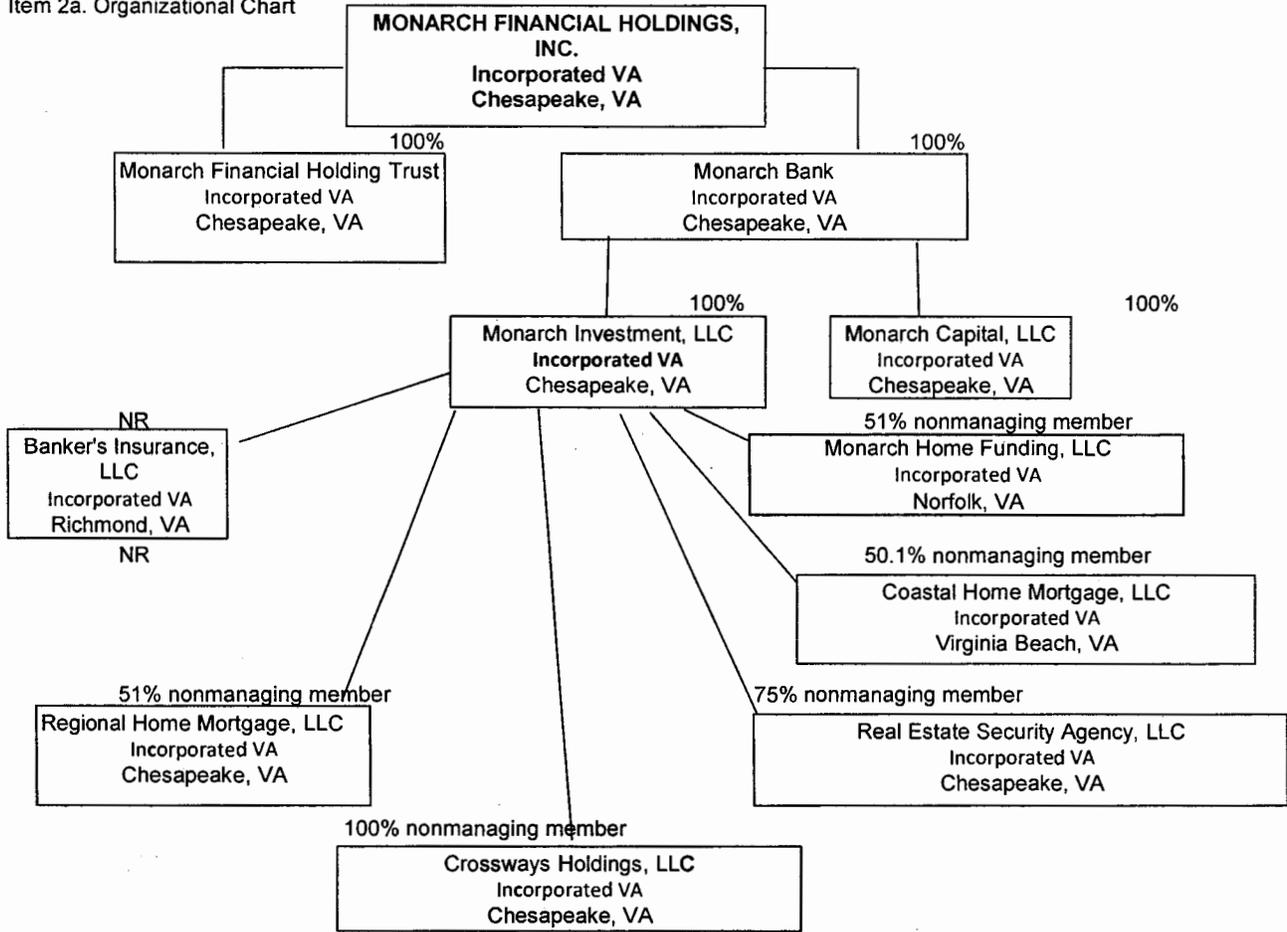
Yes Please identify the report items to which this request applies:

In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.

The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No

Item 2a. Organizational Chart



As December 31, 2013
Banker's Insurance 2%

Results: A list of branches for your depository institution: MONARCH BANK (ID_RSSD: 2718345).
 This depository institution is held by MONARCH FINANCIAL HOLDINGS, INC (3435386) of CHESAPEAKE, VA.
 The data are as of 12/31/2013. Data reflects information that was received and processed through 01/07/2014.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the **Effective Date** column.

Actions

OK: If the branch information is correct, enter 'OK' in the **Data Action** column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
 If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
 To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of Change, Close, Delete, or Add.
 The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	2718345	MONARCH BANK	750 VOLVO PARKWAY	CHESAPEAKE	VA	23320	CHESAPEAKE CITY	UNITED STATES	62119	0	MONARCH BANK	2718345	
OK		Full Service	3595646	KITTY HAWK BRANCH	4629 N. CROATAN HIGHWAY	KITTY HAWK	NC	27949	DARE	UNITED STATES	467267	8	MONARCH BANK	2718345	
OK		Full Service	4031280	NAGS HEAD BRANCH	2525 S. CROATAN HIGHWAY	NAGS HEAD	NC	27959	DARE	UNITED STATES	500305	11	MONARCH BANK	2718345	
OK		Full Service	2878810	GREAT BRIDGE BRANCH	1034 SOUTH BATTLEFIELD BLVD	CHESAPEAKE	VA	23322	CHESAPEAKE CITY	UNITED STATES	290859	1	MONARCH BANK	2718345	
OK		Full Service	3644133	GREENBRIER BRANCH	750 VOLVO PARKWAY	CHESAPEAKE	VA	23320	CHESAPEAKE CITY	UNITED STATES	468974	10	MONARCH BANK	2718345	
OK		Full Service	3262359	GHEENT BRANCH OFFICE	500 WEST 21ST ST	NORFOLK	VA	23517	NORFOLK CITY	UNITED STATES	430632	4	MONARCH BANK	2718345	
OK		Full Service	3482308	WORLD TRADE CENTER BRANCH	101 WEST MAIN STREET, SUITE 1000	NORFOLK	VA	23510	NORFOLK CITY	UNITED STATES	442217	5	MONARCH BANK	2718345	
OK		Full Service	4415116	SUFFOLK BRANCH	2999 CORPORATE LANE	SUFFOLK	VA	23434	SUFFOLK CITY	UNITED STATES	532334	13	MONARCH BANK	2718345	
OK		Full Service	4181644	HILLTOP BRANCH	1635 LASKIN ROAD	VIRGINIA BEACH	VA	23451	VIRGINIA BEACH CITY	UNITED STATES	510622	12	MONARCH BANK	2718345	
OK		Full Service	2989275	LYNNHAVEN BRANCH	100 LYNNHAVEN PARKWAY	VIRGINIA BEACH	VA	23452	VIRGINIA BEACH CITY	UNITED STATES	361527	2	MONARCH BANK	2718345	
CHANGE		Full Service	3135873	OCEANFRONT BRANCH	3701 PACIFIC AVENUE	VIRGINIA BEACH	VA	23451	VIRGINIA BEACH CITY	UNITED STATES	419500	3	MONARCH BANK	2718345	
OK		Full Service	3554513	PROVIDENCE ROAD BRANCH	5225 PROVIDENCE ROAD	VIRGINIA BEACH	VA	23464	VIRGINIA BEACH CITY	UNITED STATES	467266	7	MONARCH BANK	2718345	
OK		Full Service	3382789	TOWN CENTER BRANCH	4216 VIRGINIA BEACH BLVD	VIRGINIA BEACH	VA	23452	VIRGINIA BEACH CITY	UNITED STATES	452498	6	MONARCH BANK	2718345	
OK		Full Service	4438414	WILLIAMSBURG WEALTH MANAGEMENT BRANCH	4097 IRONBOUND ROAD, SUITE C	WILLIAMSBURG	VA	23188	JAMES CITY	UNITED STATES	Not Required	Not Required	MONARCH BANK	2718345	

OK
PS

Form FR Y-6
Monarch Financial Holdings, Inc.
Fiscal Year Ending December 31, 2013

Report Item 3: Shareholders

(1)(a)(b)(c) and (2)(a)(b)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12/31/2013			Shareholders not listed in 3(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12/31/2013		
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities
None			None		

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Monarch Financial Holdings, Inc.
Fiscal Year Ending December 31, 2013

Report Item 4: Insider

(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1)	(2)	(3)(a)	(3)(b)	(3)(c) Title & Position with Other Businesses (including names of other businesses	(4)(a) Percentage of Voting Shares In Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (Including names of Subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held
Name & (City, State)	Principal Occupation if other than with Bank Holding Company	Title & Position with Bank Holding Company	Title & Position with Subsidiaries (including names of subsidiaries)				
Jeffrey F. Benson Chesapeake, VA	Real Estate Development & Management	Chairman of Board of Directors Class II Director	None	Vice President, Overton Enterprises Partner, Benson & Associates	less than 1%	n/a	Benson Machinery 33% BSJ, LLC 25% Etheridge Const Corp 25% Etheridge Manor 25% Overyork, LLC 25% Haas Farm, LLC 25% West Neck, LLC 25%
Lawton H. Baker Portsmouth, VA	Certified Public Accountant	Vice-Chairman of Board of Directors Class II Director	None	President of Baker & McNiff, Certified Public Accountants and Business Consultants, PC Vice President of FOCUS Asset Management Company	less than 1%	n/a	Baker & McNiff, PC 50% Focus Asset Management Company 50%
Robert M. Oman Chesapeake, VA	Funeral Director	Director Class II Director	None	President of Oman Funeral Homes, Inc.	less than 1%	n/a	Oman Funeral Home 100% O&O Partnership 100% Hampton Roads Crematory, LLC 100% Oman Insurance Agency 100%
Joe P. Covington, Jr. Norfolk, VA	Contractor/Realtor	Director Class III Director	None	President, Covington Contracting, Inc. and Covington & Associates Realtors, Inc.	less than 1%	n/a	Covington & Associates Realtors, Inc. 100% Grantham Square Assoc 90% Wayne Creek Assoc 90% Herons Point Properties, LLC 37.5% J&G Greenbrier Assoc, LLC 90% Berry Building Assoc, LLC 66.66% Joe P. Covington, Jr. 100%
Virginia S. Cross Virginia Beach, VA	Realtor/Real Estate Consultant	Class II Director	None	Co-owner Surety Title	less than 1%	n/a	Surety Title, LLC 51% BDBG, LLC 62.5% VW Properties, LLC 100%
Taylor B. Grissom Chesapeake, VA	Contractor/ Developer	Director Class I Director	None	Managing Member Blue Water Pools, LLC	less than 1%	n/a	Blue Water Pools, LLC 50% Jordan Hall Investors, LLC 30% Witchduck Court 15% Davenport Land Mgmt 30%

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 Monarch Financial Holdings, Inc.
 Fiscal Year Ending December 31, 2013

Report Item 4: Insider

(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1)	(2)	(3)(a)	(3)(b)	(3)(c) Title & Position with Other Businesses (including names of other businesses	(4)(a) Percentage of Voting Shares In Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (Including names of Subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held
Name & (City, State)	Principal Occupation if other than with Bank Holding Company	Title & Position with Bank Holding Company	Title & Position with Subsidiaries (including names of subsidiaries)				
Dwight C. Schaubach Suffolk, VA	Contractor	Director Class III Director	None	President, Johns Brothers Inc., Johns Brothers Security, Inc., and Bay Disposal	1.67%	n/a	Alliance Fin. Corp 100% Bay Builders, Inc 100% Bay Disposal, Inc 41.44% Johns Bro. Security 100% Johns Bro. Inc. 100% Schaubach Co. of Va 100% Schaubach Holdings 100% Schaubach Motorsports, Inc. 99.89% Steamboat Crk Terminals, inc. 100% Centerville Investments, LLC 57% Schaubach Capital Investments, LLC 99% Schaubach Capital Investments II, LLC 76% Schaubach Management LP 38% Star Creek LLC 99% Suffolk Intl. Truck & Equip Sales, LLC 100% Pak-R Disposal Corp 40% Schaubach Star Inv, LLC 50% Ford Drive, LLC 100% Schaubach Financial, LLC 100%
Elizabeth T. Patterson Virginia Beach, VA	Wealth Management	Director Class I Director	None	Founder & President of Waypoint Advisors, LLC	less than 1%	n/a	Waypoint Advisors, LLC 94.87%
Brad E. Schwartz Virginia Beach, VA	n/a	Executive Vice President, Chief Operating Officer Class I Director	Chief Executive Officer of Monarch Bank	n/a	1.15%	n/a	n/a

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 Monarch Financial Holdings, Inc.
 Fiscal Year Ending December 31, 2013

Report Item 4: Insider

(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1)	(2)	(3)(a)	(3)(b)	(3)(c)	(4)(a)	(4)(b)	(4)(c)
Name & (City, State)	Principal Occupation if other than with Bank Holding Company	Title & Position with Bank Holding Company	Title & Position with Subsidiaries (including names of subsidiaries)	Title & Position with Other Businesses (including names of other businesses)	Percentage of Voting Shares In Bank Holding Company	Percentage of Voting Shares in Subsidiaries (Including names of Subsidiaries)	List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
E. Neal Crawford Norfolk, VA	n/a	Executive Vice-President Class III Director	President of Monarch Bank President of Monarch Capital	n/a	less than 1%	n/a	n/a
William T. Morrison Virginia Beach, VA	n/a	Executive Vice-President Class I Director	Executive Vice-President & Chief Executive Officer Monarch Mortgage	Limited Partner Heitpas Construction Inlet Builders, LLC	less than 1%	n/a	Heitpas Construction, 33.3% Inlet Builders, LLC 33.3%
Andrew N. Lock Virginia Beach, VA	n/a	Executive Vice-President	Executive Vice-President and Chief Risk Officer Monarch Bank	n/a	less than 1%	n/a	n/a
Denys D. Diaz Virginia Beach, VA	n/a	Executive Vice-President	Executive Vice-President and Chief Information Officer Monarch Bank	n/a	less than 1%	n/a	n/a
Lynette P. Harris Virginia Beach, VA	n/a	Executive Vice-President and Chief Financial Officer	Executive Vice-President and Chief Financial Officer Monarch Bank	n/a	less than 1%	n/a	n/a