

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies — FR Y-6

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, John R. Milleson

Name of the Holding Company Director and Official

President and CEO

Title of the Holding Company Director and Official

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.

Reporter's Name, Street, and Mailing Address

Eagle Financial Services, Inc.

Legal Title of Holding Company

P.O. Box 391

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

Berryville VA 22611

City State Zip Code

2 East Main Street

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:

Kathleen J. Chappell CFO

Name Title

540-955-5226

Area Code / Phone Number / Extension

540-955-5233

Area Code / FAX Number

kchappell@bankofclarke.com

E-mail Address

N/A

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

Signature of Holding Company Director and Official

Date of Signature

March 26, 2014

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 \_\_\_\_\_  
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

**ANNUAL REPORT OF HOLDING COMPANIES - FR Y-6**

**EAGLE FINANCIAL SERVICES, INC.  
Berryville, Virginia  
Fiscal Year Ending December 31, 2013**

**Report Item 1: Annual reports to shareholders**

The holding company is registered with the Securities and Exchange Commission.

**Report Item 2a: Organization Chart**

Please find attached an organization chart for the Holding Company which includes the supplemental information required by this item.

**Report Item 2b: Domestic Branch Listing**

Please find attached a report of domestic branches.

**Report Item 3: Shareholders**

- a. The following shareholder(s) owned or controlled 5% or more of the Company's common stock outstanding at December 31, 2013:

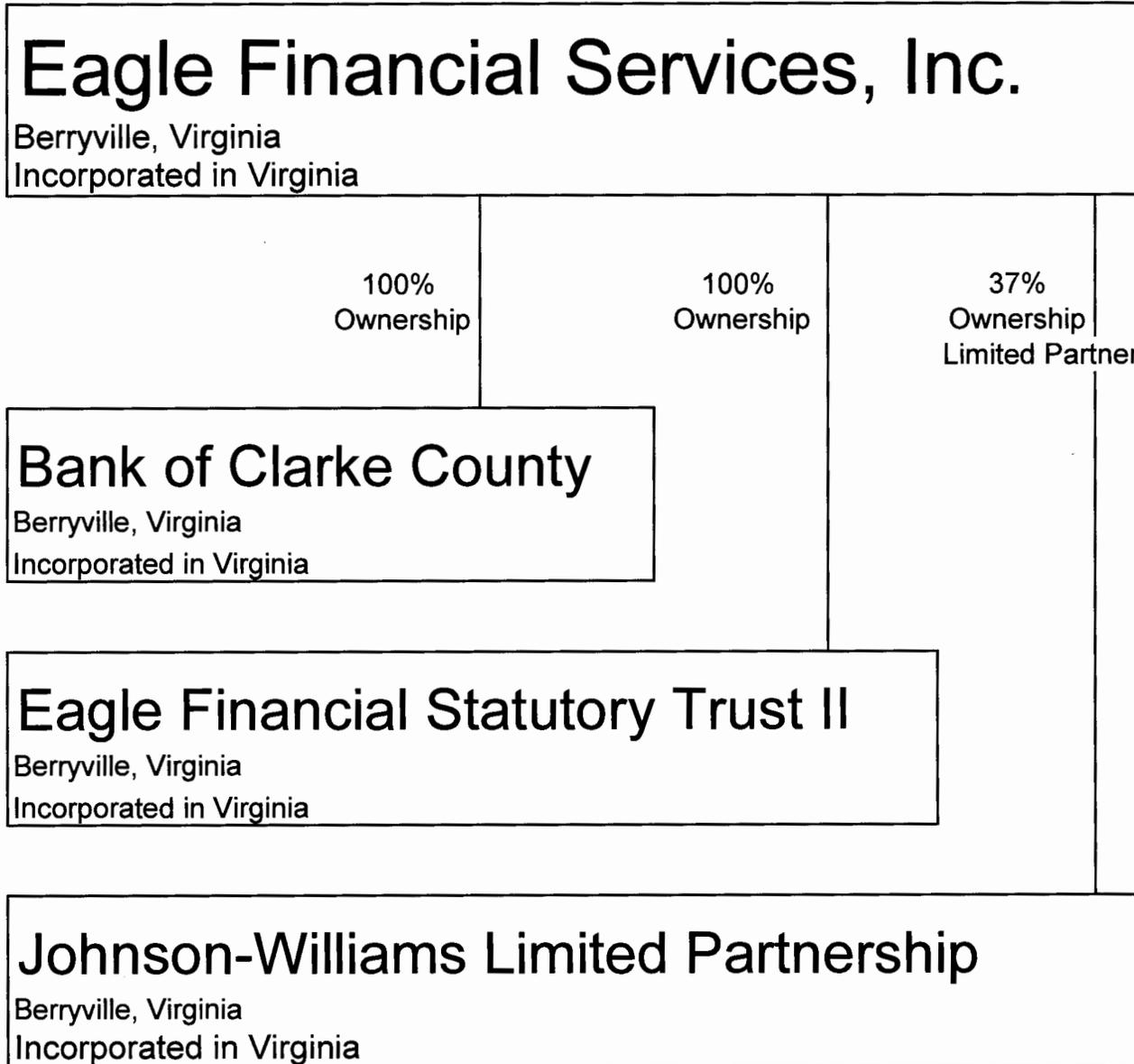
<u>Name and Address</u>	<u>Country of Citizenship</u>	<u>Number of Common Shares</u>	<u>Percentage of Common Shares Outstanding</u>
James R. Wilkins, Jr. Winchester, Virginia	USA	250,087	7.33%

- b. No other shareholder(s) owned or controlled 5% or more of the Company's common stock outstanding during the fiscal year ended December 31, 2013.

**Report Item 4: Insiders**

Please find attached a section of the Company's definitive proxy statement which contains some of the required information for Report Item 4. Also, please find attached a listing containing insider ownership at December 31, 2013. Finally, please find attached a listing containing additional information, which is not included in the definitive proxy statement, about insiders.

## Report Item 2a: Organizational Chart



**Results:** A list of branches for your holding company: EAGLE FINANCIAL SERVICES, INC. (1951770) of BERRYVILLE, 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 **E**

**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.

<b>Data Action</b>	<b>Effective Date</b>	<b>Branch Service Type</b>	<b>Branch ID_RSSD*</b>	<b>Popular Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>
OK		Full Service (Head Office)	753324	BANK OF CLARKE COUNTY	2 EAST MAIN STREET	BERRYVILLE	VA
OK		Full Service	853121	BOYCE BRANCH	108 WEST MAIN STREET	BOYCE	VA
OK		Full Service	4541088	PURCELLVILLE BRANCH	203 HIRST ROAD	PURCELLVILLE	VA
OK		Full Service	4263531	ROUND HILL BRANCH	21 MAIN STREET	ROUND HILL	VA
OK		Full Service	1436530	STEPHENS CITY OFFICE	382 FAIRFAX PIKE	STEPHENS CITY	VA
OK		Full Service	3439263	50 WEST BRANCH	110 CROCK WELLS MILL DRIVE	WINCHESTER	VA
OK		Full Service	3164051	KERNSTOWN BRANCH	3360 VALLEY PIKE	WINCHESTER	VA
OK		Full Service	3229512	MILLBROOK BRANCH	1879 BERRYVILLE PIKE	WINCHESTER	VA
OK		Full Service	2685410	OLD TOWN CENTER BRANCH	202 NORTH LOUDOUN STREET	WINCHESTER	VA
OK		Full Service	1991075	PLEASANT VALLEY ROAD BRANCH	2555 S PLEASANT VALLEY ROAD	WINCHESTER	VA
OK		Full Service	2354408	SENSENY ROAD BRANCH	1058 SENSERY ROAD	WINCHESTER	VA
OK		Full Service	3107731	SUNNYSIDE BRANCH	1460 NORTH FREDERICK PIKE	WINCHESTER	VA

Effective Date column.

Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
22611	CLARKE	UNITED STATES	4135	0	BANK OF CLARKE COUNTY	753324	
22620	CLARKE	UNITED STATES	208786	1	BANK OF CLARKE COUNTY	753324	
20132	LOUDOUN	UNITED STATES	Not Required	Not Required	BANK OF CLARKE COUNTY	753324	
20142	LOUDOUN	UNITED STATES	521818	11	BANK OF CLARKE COUNTY	753324	
22655	FREDERICK	UNITED STATES	246930	4	BANK OF CLARKE COUNTY	753324	
22603	FREDERICK	UNITED STATES	452576	10	BANK OF CLARKE COUNTY	753324	
22602	FREDERICK	UNITED STATES	366293	8	BANK OF CLARKE COUNTY	753324	
22603	FREDERICK	UNITED STATES	430450	9	BANK OF CLARKE COUNTY	753324	
22601	WINCHESTER CITY	UNITED STATES	208789	5	BANK OF CLARKE COUNTY	753324	
22601	WINCHESTER CITY	UNITED STATES	208787	2	BANK OF CLARKE COUNTY	753324	
22602	FREDERICK	UNITED STATES	208788	3	BANK OF CLARKE COUNTY	753324	
22603	FREDERICK	UNITED STATES	363491	7	BANK OF CLARKE COUNTY	753324	

**Report Item 4: Insiders**

- Additional Information: (1) Names and Addresses  
 (2) Ownership in any Company Subsidiaries  
 (3) Ownership of 25% or more in any other entities  
 (4) Position with any other company as director, trustee, partner, or executive officer

Name	Address	Ownership of Company Subsidiaries	Reportable Entities			Reportable Ownership Percentage
			Entity	Position		
Thomas T. Byrd	Berryville, Virginia	None	Page-Shenandoah Newspaper Corporation, Inc.	President/Chairman	100%	
			Winchester Evening Star, Inc.	President/CEO/Chairman	33%	
			Winchester Cold Storage, Inc.	Treasurer	N/A	
Kathleen J. Chappell	Winchester, Virginia	None	None		N/A	
Kaley P. Crosen	Winchester, Virginia	None	None		N/A	
Thomas T. Gilpin	Millwood, Virginia	None	Mountaineer Properties II, LLC	Member	50%	
James W. McCarty, Jr.	Winchester, Virginia	None	None		N/A	
John R. Milleson	Berryville, Virginia	None	None		N/A	
Douglas C. Rinker	Winchester, Virginia	None	K.D. LLC	Partner	50%	
			Winchester Equipment Company, Inc.	Chairman/President/Director	N/A	
			Virginia Storage Services, Inc.	Director	N/A	
Robert E. Sevilla	Leesburg, Virginia	None	None		N/A	
Robert W. Smalley, Jr.	Berryville, Virginia	None	Cabin Properties, Inc.	Treasurer	25%	
			Smalley Package Co., Inc.	President	N/A	
			Loudoun Mutual Insurance Company	Director	N/A	
John D. Stokely, Jr.	Oakton, Virginia	None	Cavalier Land Development Corporation	President	100%	
			Great Oak Center, LLC	Manager	75%	
			JDS, Inc.	President	100%	
			Jimi Thang, LLC	Manager	40%	
			Home Builders Association of Virginia	Director	N/A	
			National Association of Home Builders	Director	N/A	
			Shenandoah University Board of Trustees	Trustee	N/A	
James T. Vickers	Winchester, Virginia	None	Crystal Hill, LLC	Member	37.5%	
			Crystal Investors, LLC	Member	37.5%	
			ERA Oakcrest Realty, Inc.	CEO	100%	
			Greystone Properties LLC	Member	50%	
			Greystone Developers, Inc.	Secretary/Treasurer	50%	
			Horizon Investors, LLC	Member	50%	
			Lake Holiday, LLC	Member	25%	
			Lake Holiday Land, Inc.	Shareholder	25%	
			Meridian Properties, LLC	Member	100%	
			Oakcrest Builders, Inc.	Vice President/Secretary	100%	
			Oakcrest Commercial, LLC	Member	100%	
			Oakcrest Companies, Inc.	President	100%	
			Oakcrest Properties, LLC	Member	100%	
			Oakcrest Referral Company, LLC	Member	100%	
			OC Lake Holiday Investors, LLC	Member	100%	
			OC Lovett, LLC	Member	100%	
			Ridge Crest Development Co., Inc.	President	25%	
			Ridge Crest Land Company, LLC	Member	25%	
			Rocktown Developments, Inc.	President/Secretary	100%	
			Rocktown Land Company, LLC	Member	100%	
Valley Development Group, Inc.	Vice President	50%				
York Avenue, LLC	Member	100%				
			Shenandoah University Board of Trustees	Trustee	N/A	
Randall G. Vinson	Berryville, Virginia	None	None		N/A	
James R. Wilkins, Jr.	Winchester, Virginia	None	JRW Properties and Rentals, Inc.	Vice President	35%	
			Silver Lake Properties, Inc.	Vice President	50%	
			Silver Lake LLC	Vice President	25%	
			Wilkins Shoe Center Profit Sharing Trust	Trustee	35%	
			Wilkins Enterprises LP	Partner	27%	
			Wilkins Investments LP	Partner	N/A	
			Winchester Equipment Company, Inc.	Director	N/A	
			Shenandoah University Board of Trustees	Trustee	N/A	
			The Gobbler Land Holding Company, LLC	Member	100%	

## PROPOSAL ONE - ELECTION OF DIRECTORS

The Board of Directors of the Company is structured into three classes (I, II, and III) with one class elected each year to serve a three-year term. The term of Class II Directors will expire at the Annual Meeting. The persons named below, all of whom are currently members of the Board, will be nominated to serve as Class II Directors. If elected, the Class II nominees will serve until the 2017 Annual Meeting of Shareholders. All nominees have consented to be named and have indicated their intent to serve if elected. Those nominees receiving the greatest number of votes shall be deemed elected even though they may not receive a majority. Abstentions and broker non-votes will not be considered a vote for, or a vote against, a Director.

Certain information concerning the nominees for election at the Annual Meeting as Class II Directors is set forth below, as well as certain information about the Class I and III Directors, who will continue in office until the 2015 and 2016 Annual Meetings of Shareholders, respectively. The following biographical information discloses each Director's age, principal occupation during the last five years and the year that each individual was first elected to the Board of Directors of the Company or previously to the Board of Directors of Bank of Clarke County (the "Bank"), the predecessor to and now a wholly owned subsidiary of the Company. In addition, the following information includes the particular experiences, qualifications, attributes and skills that lead the Board to conclude that each person should serve as a Director.

**The Board of Directors recommends a vote FOR the Directors nominated to serve as Class II Directors.**

### **Class II (Nominees to be elected to serve until the 2017 Annual Meeting):**

**Thomas T. Byrd**, 68, has been a Director since 1995.

Mr. Byrd is the President and Publisher of Winchester Evening Star, Inc., a newspaper publishing company headquartered in Winchester, Virginia. Through his experiences, Mr. Byrd has developed relevant financial, accounting and compliance knowledge.

**Douglas C. Rinker**, 54, has been a Director since 2006.

Mr. Rinker is the Chairman of the Board and President of Winchester Equipment Company, an equipment sales and service company in Winchester, Virginia. As the chief executive officer of a successful company, Mr. Rinker provides the Board with valuable insight and guidance on the issues of corporate strategy, business community growth and risk management. Additionally, Mr. Rinker has demonstrated his commitment to the community by assisting several community and civic organizations.

**John D. Stokely, Jr.**, 61, has been a Director since 2006.

Mr. Stokely is the President and owner of Cavalier Land Development Corp., a real estate development company in Oakton, Virginia. His broad experience and perspective as an entrepreneur brings to the Board a substantial resource with respect to finance, strategic planning and corporate governance.

### **Class I (Incumbent directors to serve until the 2016 Annual Meeting):**

**Thomas T. Gilpin**, 61, has been a Director since 1986.

Mr. Gilpin is the Chairman of the Board of both the Company and the Bank. He is the President of Lenoir City Company, a real estate investment company in Winchester, Virginia. He is also President of Clarco Corporation, which operates as Northside Lanes, a bowling center in Winchester, Virginia. He is also a Board member for Winchester Medical Center Board of Trustees. Mr. Gilpin's broad experience provides the Company leadership and consensus-building skills to guide the Board through critical discussions regarding its current challenges and future strategic initiatives.

**John R. Milleson**, 57, has been a Director since 1999.

Mr. Milleson has been the President and Chief Executive Officer of both the Company and the Bank since 1999. From 1997 to 1999, he was Executive Vice President and Secretary-Treasurer of the Company and Executive Vice President and Chief Administrative Officer of the Bank. He brings operational risk management and financial accounting knowledge.

**Robert E. Sevilla**, 70, has been a Director since December 2012.

Mr. Sevilla is a principal with Sevilla, Saunders, Huddleston and White, P.C. in Leesburg, VA. Mr. Sevilla joined the firm in 1974 and his practice emphasizes land use and administrative and municipal law, civil litigation, real estate and commercial law. Having served in local government elected positions, his knowledge of the Loudoun County market is valuable for the Company's future growth opportunities.

**Robert W. Smalley, Jr.**, 62, has been a Director since 1989.

Mr. Smalley is the President of Smalley Package Co., Inc., a company focused on real estate management in Berryville, Virginia. He is also the Vice Chairman of Loudoun Mutual Insurance Company, a property and casualty insurance provider in the State of Virginia. Mr. Smalley's institutional knowledge and longstanding board service make him a distinctively qualified member of the board.

**James T. Vickers**, 61, has been a Director since 2001.

Mr. Vickers is the Chief Executive Officer of Oakcrest Companies, a family of real estate-related companies in Winchester, Virginia. Mr. Vickers has gained practical business experience during the course of his successful career in the real estate industry. His first-hand knowledge of real estate development and the real estate markets in which the Company operates proves valuable as the Company works through the current economic challenges.

### **Class III (Incumbent directors to serve until the 2015 Annual Meeting):**

**Mary Bruce Glaize**, 58, has been a Director since 1998.

Mrs. Glaize is a former educator and local volunteer at the Shenandoah Valley Discovery Museum. Her involvement in the communities in which the Company operates allows her to identify the needs of the Bank's customers and potential customers.

**Randall G. Vinson**, 67, has been a Director since 1985.

Mr. Vinson is a retired Pharmacist and previous Owner of Berryville Pharmacy in Berryville, Virginia. Mr. Vinson brings an entrepreneurial perspective as well as an understanding of the importance of oversight and risk management.

**James R. Wilkins, Jr.**, 68, has been a Director since 1998.

Mr. Wilkins is the Vice President of Silver Lake Properties, Inc. and JRW Properties and Rentals, Inc. and a member of Silver Lake, LLC, Wilkins Investments, L.P. and Wilkins Enterprises, L.P. These entities are real estate development and management companies in Winchester, Virginia. He is also a Board member for Winchester Medical Center Board of Trustees. Until May 2005, Mr. Wilkins was President of Wilkins ShoeCenter, Inc., a footwear retailer in Winchester, Virginia. As a former board member of a public financial institution, Mr. Wilkins brings significant expertise in the areas of management, strategic planning and business development.

### **Executive Officers Who Are Not Directors**

**Robert C. Boyd**, 60, has served as Senior Vice President and Senior Credit Officer of the Bank since December 2010. Prior to joining the Company, Mr. Boyd served as Commercial Relationship Manager with StellarOne from June 2009 to November 2010. From February 2009 to July 2009, Mr. Boyd served as a Loan Review consultant with Thurmond Clower & Associate. From July 2007 to January 2009 Mr. Boyd served as Executive Vice President and Market Manager with United Bank and from December 2005 to June 2007 as Senior Lender and Credit Officer with The Marathon Bank.

**Kathleen J. Chappell**, 47, has served as Vice President and Chief Financial Officer of the Company and Senior Vice President and CFO of the Bank since January 2009. From 2005 to 2008 she served as Senior Vice President and Chief Financial Officer of Middleburg Financial Corporation.

**Kaley P. Crosen**, 48, has served as Senior Vice President and Human Resources Director since 2008. Ms. Crosen served as Vice President of Human Resources from 1999 to 2008.

**Dale L. Fritts**, 64, has served as Senior Vice President and Senior Loan Officer of the Bank since 2008. Mr. Fritts served as Senior Vice President and Associate Senior Lender from 2004 to 2008.

**John E. Hudson**, 56, has served as Senior Vice President and Marketing Director of the Bank since 2003. Mr. Hudson served as Vice President and Marketing Director of the Bank from 1994 to 2003.

**James W. McCarty, Jr.**, 44, has served as Vice President and Secretary-Treasurer of the Company and Executive Vice President and Chief Administrative Officer of the Bank since 2008. Mr. McCarty served as Vice President and Chief Financial Officer of the Company from 1997 to 2008. Mr. McCarty served as Senior Vice President and Chief Financial Officer of the Bank since 2000.

**Elizabeth M. Pendleton**, 65, has served as Senior Vice President and Senior Trust Officer of the Bank since 2000. Mrs. Pendleton served as Vice President and Trust Officer of the Bank from 1998 until 2000.

**Eagle Financial Services, Inc.**  
**Aggregate Market Value of Stock Held by Non-Affiliates**  
**December 31, 2013**

Name	Number of Shares	Percent of Class
Thomas T. Byrd	50,266	1.47%
Robert C. Boyd	3,030	0.09%
Kathleen J. Chappell	4,368	0.13%
Kaley P. Crosen	8,340	0.24%
Dale L. Fritts	12,691	0.37%
Thomas T. Gilpin	140,712	4.13%
Mary Bruce Glaize	6,373	0.19%
John E. Hudson	11,772	0.35%
James W. McCarty, Jr.	28,914	0.85%
John R. Milleson	83,934	2.46%
Elizabeth M. Pendleton	22,148	0.65%
Douglas C. Rinker	7,447	0.22%
Robert E. Sevilla	705	0.02%
Robert W. Smalley, Jr.	18,637	0.55%
John D. Stokely, Jr.	9,690	0.28%
James T. Vickers	23,240	0.68%
Randall G. Vinson	40,511	1.19%
James R. Wilkins, Jr.	250,087	7.33%
	722,867	21.20%