

Board of Governors of the Federal Reserve System

APR 10 2019



Annual Report of Holding Companies—FR Y-6

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)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). 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, top-tier savings and loan holding companies, and U.S. intermediate 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. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Jim Engel

Name of the Holding Company Director and Official

President/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.

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.

Jim Engel

2019-04-02

Signature of Holding Company Director and Official

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
C.I.

4566232

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

December 31, 2018

Month / Day / Year

NA

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Aquesta Financial Holdings, Inc.

Legal Title of Holding Company

PO Box 700

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

Cornelius NC 28031

City State Zip Code

19510 Jetton Road, Cornelius, NC 28031

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed

Emily Smith VP/Assistant Controller

Name Title

704-439-1419

Area Code / Phone Number / Extension

704-439-1401

Area Code / FAX Number

esmith@aquestabank.com

E-mail Address

www.aquesta.com

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

Is confidential treatment requested for any portion of this report submission?

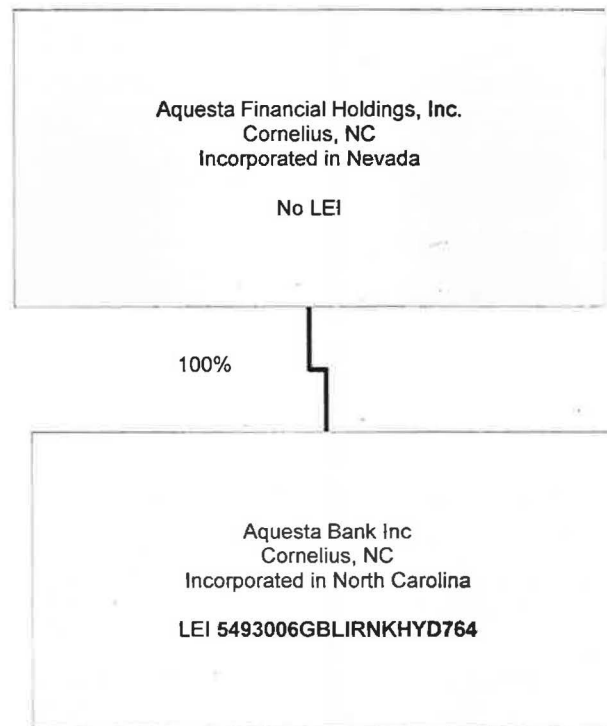
0=No
1=Yes 0

In accordance with the General Instructions for this report (check only one),

1. a letter justifying this request is being provided along with the report ☐
2. a letter justifying this request has been provided separately ☐

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

Aquesta Financial Holdings, Inc.



Report Item 2b: Domestic Branch Listing

Aquesta Bank (Main Office)

Opened August 1, 2006
19510 Jetton Road
Cornelius, North Carolina 28031
Full Service Branch

Aquesta Bank (Davidson Branch)

Opened December 3, 2007
568 Jetton Street Suite 100
Davidson, North Carolina 28036
Full Service Branch

Aquesta Bank (Williamson Branch)

Opened December 21, 2009
837 Williamson Road
Mooresville, North Carolina 28117
Full Service Branch

Aquesta Bank (Brawley Branch)

Opened May 25, 2011
1078 Brawley School Road
Mooresville, North Carolina 28117
Full Service Branch

Aquesta Bank (Downtown Cornelius Branch)

Opened June 19, 2014/Closed November 15, 2016
20121-A North Main Street
Cornelius, North Carolina 28031
Full Service Branch

Aquesta Bank (Northcross Branch)

Opened September 24, 2014
9906 Knockando Lane
Huntersville, North Carolina 28078
Full Service Branch

Aquesta Bank (South Park Branch)

Opened July 13, 2015
4519 Sharon Road
Charlotte, North Carolina 28211
Full Service Branch

Aquesta Bank (Wilmington Branch)

Opened June 13, 2016
901 Military Cutoff Rd
Wilmington, North Carolina 28405
Full Service Branch

Results: A list of branches for your depository institution: AQUESTA BANK (ID_RSSD: 3446636).
This depository institution is held by AQUESTA FINANCIAL HOLDINGS, INC. (4566232) of CORNELIUS, NC.
The data are as of 12/31/2017. Data reflects information that was received and processed through 01/04/2018.

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
		Full Service (Head Office)	3446636	AQUESTA BANK	19510 JETTON ROAD	CORNELIUS	NC	28031	MECKLENBURG	UNITED STATES	Not Required	Not Required	AQUESTA BANK	3446636	
		Full Service	4446857	SHARON ROAD BRANCH	4519 SHARON ROAD	CHARLOTTE	NC	28211	MECKLENBURG	UNITED STATES	Not Required	Not Required	AQUESTA BANK	3446636	
		Full Service	4392507	DAVIDSON BRANCH	568 JETTON STREET, SUITE 100	DAVIDSON	NC	28036	MECKLENBURG	UNITED STATES	Not Required	Not Required	AQUESTA BANK	3446636	
		Full Service	4760263	NORTHCROSS BRANCH	9906 KNOCKANDO LANE	HUNTERSVILLE	NC	28078	MECKLENBURG	UNITED STATES	Not Required	Not Required	AQUESTA BANK	3446636	
		Full Service	4392525	BRAWLEY SCHOOL ROAD BRANCH	1078 BRAWLEY SCHOOL ROAD	MOORESVILLE	NC	28117	IREDELL	UNITED STATES	Not Required	Not Required	AQUESTA BANK	3446636	
		Full Service	4392516	WILLIAMSON ROAD BRANCH	837 WILLIAMSON ROAD	MOORESVILLE	NC	28117	IREDELL	UNITED STATES	Not Required	Not Required	AQUESTA BANK	3446636	
		Full Service	5013706	WILMINGTON BRANCH	901 MILITARY CUTOFF ROAD	WILMINGTON	NC	28405	NEW HANOVER	UNITED STATES	Not Required	Not Required	AQUESTA BANK	3446636	

FRY-6**Report Item 3: Security Holders****(1)(a)(b)(c) and (2)(a)(b)©**

Certain security holdings with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending December 31, 2018:

(1)(a) Name City, State, Country	(1)(b) County of Citizenship or Incorporation	Number of Each Class of Voting	(1)© Percentage of Each Class of Voting
Jim Engel Cornelius, NC USA	USA	340,708	8.39% of Common Stock

Security holders not listed in 3(1)(a) through 3 (1)© that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ended December 31, 2018:

None

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Report Item 4: Insiders
(1) (2) (3)(a)(b)© and (4) (a)(b)©

(1) Name City, State Country	(2) Principal Occupation if Other than Holding Co	(3)(a) Title & Position with Holding Company	(3)(b) Title & Position with subsidiaries (include name of subsidiaries)	(3)© Title & Position with other businesses (include name of other businesses)	(4) (a) Percentage of Voting Shares in Holding Company	(4) (b) Percentage of Voting Shares in Subsidiaries (incl names of subs)	(4)© List of names of other companies if 25% or more of voting securities are held (list names of cos and % of voting securities held)
Jim Engel Cornelius, NC USA	n/a	Director & President & CEO	Director - Aquesta Bank President & CEO - Aquesta Bank	n/a	8.39%	none	none
Paul Dougovito Chattanooga, TN USA	Bank Consultant	Director	Director - Aquesta Bank	Home Loan Investment Bank - Director	2.37%	none	none
Charles Knox Cornelius, NC USA	Commercial Real Estate Broker & Developer	Director	Director - Aquesta Bank	Knox Group, Inc. - President Knox Group Industrial #2, LLC - Member/Manager A.I. Industrial Properties, LLC - Member/Manager KCK South Main, LLC - Member/Manager KM-PPK, LLC - Member/Manager Fox Partners, LLC - Member/Manager	0.43%	none	Knox Group, Inc. - 100% CASPRE, LLC. - 25% KM-PPK, LLC -30% North Meck/North 77, LLC. - 25%
Ginger Griffin Cornelius, NC USA	Marketing Firm Owner	Director	Director - Aquesta Bank	Ginger Griffin Marketing & Design - Owner	1.54%	none	Ginger Griffin Marketing & Design - 100% Royal Bliss Brewing Co. - 50%
Craig Larsen Mooresville, NC USA	Owner Anti-Aging Center	Director	Director - Aquesta Bank	Revita Holdings LLC - CEO	0.85%	none	Revita Holdings LLC - 100% Omni Med Spa Holdings 50 8133 Audrey Kell, LLC. - 50% Male Excel, Inc. - 33.33% Make Excel, LLC. - 50%
James R. Borders, Jr. Cornelius, NC USA	President, AC Controls Co.	Director (Chairman)	Director - Aquesta Bank	AC Controls Co. - President JB Associates - Partner JBSB Holding - Partner Borders Real Propoerties - Partner JQF Properties - Partner	0.86%	none	AC Controls Co. - 100% JB Associates - 50% JBSB Holding - 100% Borders Real Properties - 100% JQF Properties - 100%
Kristin Couch Mooresville, NC USA	n/a	Vice President & Secretary	CFO and Director of HR - Aquesta Bank	n/a	0.61%	none	KC2 Renovations, LLC - 100%
Paul Jazsewski Cornelius, NC USA	Anesthesiologist	Director	Director - Aquesta Bank	Southeast Anesthesiologist Consultants	0.37%	none	PB&J, LLC - 50% PB&J of SC, LLC. - 50% Sanjazco - 50% PB Badger - 100% JAGCO - 25%
Alison Smith Charlotte, NC USA	Owner, Smith Capital, Inc.	Director	Director - Aquesta Bank	Owner, Smith Capital, Inc.	0.66%	none	

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Report Item 4: Insiders

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

(1) Name City, State Country	(2) Principal Occupation if Other than Holding Co	(3)(a) Title & Position with Holding Company	(3)(b) Title & Position with subsidiaries (include name of subsidiaries)	(3)(c) Title & Position with other businesses (include name of other businesses)	(4) (a) Percentage of Voting Shares in Holding Company	(4) (b) Percentage of Voting Shares in Subsidiaries (incl names of subs)	(4)(d) List of names of other companies if 25% or more of voting securities are held (list names of cos and % of voting securities held)
David Goodrum Cornelius, NC USA	President/General Manager, JD Goodrum Co. Inc.	Director	Director - Aquesta Bank	President/General Manager, JD Goodrum Co. Inc.	0.66%	none	JD co inc 45 Longcreek/JDG, LLC.- 90% Northline/JDG, LLC. - 90% JDG Holdings, LLC - 90% GGG & B, LLC. - 36% Condo F/ LLC. - 90% St. Francis/JDG, LLC. - 90%
Jon Dressler Charlotte, NC USA	Proprietor, Rare Roots Hospitality Group	Director	Director - Aquesta Bank	Proprietor, Rare Roots Hospitality Group	0.79%	none	Dressler's Restaurant, LLC., - 57.5% Dressler's Three, LLC. - 47.1% Dressler's Four, LLC. - 50.25% Dressler's Five, LLC. - 35% Dressler's Six, LLC. - 46.5%
Carol Houle Cornelius, NC USA	Vice President of Consulting, Cognizant	Director	Director - Aquesta Bank	Vice President of Consulting, Cognizant	0.03%	none	none