



Williams Mullen Counsels Monarch Financial, Inc. with Public Offering

11.30.2009

Monarch Financial Holdings Increases Capital Offering and Raises \$17.5 Million

Monarch Financial Holdings Press Release:

CHESAPEAKE, Va., Nov. 30 -- Monarch Financial Holdings, Inc. (Nasdaq: MNRK) announced today that its public offering of 700,000 shares of noncumulative convertible perpetual preferred stock was priced to the public at \$25.00 per share for total gross proceeds of \$17,500,000. Monarch had initially filed to offer 650,000 shares of preferred stock, but decided to increase the offering to 700,000 shares of preferred stock due to strong demand. The annual dividend rate was set at 7.80% and each share may be converted into 3.125 shares of common stock, which equates to an \$8.00 per share conversion price. The preferred shares have been approved for quotation on the Nasdaq Capital Market under the symbol "MNRKP."

Scott & Stringfellow, LLC served as the sole underwriter for this offering and Williams Mullen served as the Company's counsel. Scott & Stringfellow also has the option to purchase up to an additional 100,000 shares of the preferred stock at the public offering price, less the underwriting discount and commission, within 30 days.

"Because we had strong demand for this offering we increased the number of shares offered from the 650,000 shares originally planned to 700,000 shares," stated Brad E. Schwartz, CEO of Monarch Bank. "Our ability to raise capital quickly and increase the size of the offering is a testament to our company's fundamental strength. We are ready to use this capital to support loan demand in our markets as well as fund our overall growth."

The net proceeds from this offering will be used for general corporate purposes, including the possible redemption of the Company's Series A preferred stock and warrant issued to the U.S. Treasury as part of the Capital Purchase Program.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. A registration statement relating to these securities

has been filed with the Securities and Exchange Commission and is effective. A copy of the prospectus may be obtained by contacting James A. Tyler at Scott & Stringfellow, LLC at (804) 780-3267.

Monarch Financial Holdings, Inc. is the one-bank holding company for Monarch Bank. Monarch Bank is a community bank with two offices in Chesapeake, four offices in Virginia Beach, and two offices in Norfolk, Virginia. OBX Bank, a division of Monarch Bank, operates one office in Kitty Hawk, North Carolina. Services are also provided through over fifty ATMs located in the South Hampton Roads area and the Outer Banks of North Carolina, and "Monarch Online" consumer and business internet banking (monarchbank.com and OBXBank.com). Monarch Mortgage and our affiliated mortgage companies have eighteen offices with locations in Chesapeake, Norfolk, Virginia Beach (2), Fredericksburg, Suffolk, and Richmond, Virginia as well as Rockville (2), Bowie, Waldorf, Crofton, Gaithersburg and Greenbelt, Maryland, and Kitty Hawk, Charlotte, and Wilmington, North Carolina and Greenwood, South Carolina. Our subsidiaries/divisions include Monarch Bank, OBX Bank, Monarch Mortgage (secondary mortgage origination), Coastal Home Mortgage, LLC (secondary mortgage origination), Home Mortgage Solutions, LLC (secondary mortgage origination), Monarch Investments (investment and insurance solutions), Real Estate Security Agency, LLC (title agency) and Monarch Capital, LLC (commercial mortgage brokerage). The shares of common stock of Monarch Financial Holdings, Inc. are publicly traded on the Nasdaq Capital Market under the symbol "MNRK."

Williams Mullen attorneys John M. Paris, Jr., Monroe "Mike" Kelly, III, R. Willson Hulcher, John S. Mitchell, Jr., Lee G. Lester, Charles W. Kemp, L. Christopher Noland, Joseph A. Krawczel, J. Conrad Garcia, Jenny L. Connors served as legal counsel for Monarch Financial Holdings, Inc.

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