

**BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM
Washington, DC 20551**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **November 20, 2007**

MAINSTREET BANK

(Exact name of registrant as specified in its charter)

VIRGINIA (State or other jurisdiction of incorporation)	N/A (Commission File Number)	47-0914596 (IRS Employer Identification No.)
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727 ELDEN STREET HERNDON, VIRGINIA (Address of principal executive offices)	20170 (Zip Code)
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Registrant's telephone number, including area code **(703) 481-4567**

NOT APPLICABLE

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

At a meeting of its Board of Directors held on November 20, 2007, MainStreet Bank (the “Bank”) granted 62,500 shares of restricted stock to President and Chief Executive Officer, Jeff W. Dick, and 50,000 shares of restricted stock to Chief Financial Officer, Thomas J. Chmelik in connection with employment agreements expected to be entered into with these executives during November. The restricted stock awards were made outside of the Bank’s 2006 Incentive Stock Plan and are governed by restricted stock agreements entered into by the Bank and each of Mr. Dick and Mr. Chmelik, dated November 20, 2007. The restricted stock vests in 5%, 10% or 15% increments over a period of 10 years if certain annual budget or earnings per share performance criteria are satisfied, subject to earlier vesting in the event of certain termination events or a change of control of the Bank.

A copy of the form of restricted stock agreement for these November 20, 2007 awards is attached to this report on Form 8-K as Exhibit 10.8 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.8 Form of Restricted Stock Agreement for Executive Officer, dated November 20, 2007

MAINSTREET BANK

RESTRICTED STOCK AGREEMENT
FOR
EXECUTIVE OFFICER

Granted November 20, 2007

This Restricted Stock Agreement (the “Agreement”) is entered into as of November 20, 2007, in connection with an Employment Agreement to be entered into between the Company and the Participant (the “Employment Agreement”), and has been authorized by the Board of Directors (the “Board”) of MainStreet Bank (the “Company”). This Agreement evidences the grant, and the terms, conditions and restrictions pertaining thereto, of shares of the common stock of the Company (“Stock” or “Shares”) which are subject to a substantial risk of forfeiture and transferability restrictions (“Restricted Stock”) awarded to {NAME} (the “Participant”). This Agreement and the award of Restricted Stock are not made pursuant to the Company’s 2006 Incentive Stock Plan (the “2006 Plan”); however, certain definitions are incorporated by reference from the 2006 Plan and made applicable for purposes of this Agreement.

1. Award of Shares. In consideration of the services rendered to the Company by the Participant as an employee of the Company, and in connection with the Employment Agreement, the Board hereby grants to the Participant a Restricted Stock award (the “Award”) as of November 20, 2007 (“Award Date”), covering {NUMBER} Shares of the Company’s Stock (the “Award Shares”) subject to the terms, conditions, and restrictions set forth in this Agreement. As used in this Agreement, the term “Award Shares” is intended to include only those Shares awarded under this Agreement that have not been forfeited and are still subject to restrictions.
2. Period of Restriction.
 - (a) Subject to earlier vesting or forfeiture as hereinafter provided, vesting of the Award Shares shall occur and the period of restriction (the “Period of Restriction”) applicable to the Award Shares shall lapse as follows based on the applicable budget or EPS goal on the January 1 following the Performance Year for which the applicable goal is met:

Vesting Schedule		
Performance Year	Budget / EPS Goal*	Award Shares Vesting Opportunity for Performance Year
2007	Meet budget	{5% }
2008	\$0.03	{5% }
2009	\$0.04	{15% }
2010	\$0.05	{15% }
2011	\$0.06	{10% }
2012	\$0.07	{10% }
2013	\$0.08	{10% }
2014	\$0.10	{10% }
2015	\$0.12	{10% }
2016	\$0.14	{10% }
*Adjusted for changes in capital structure		

“EPS” means the earning per share for the Company’s Stock as determined in accordance with generally accepted accounting principles applied in the United States of America, as reported in the Company’s annual report to shareholders and as the same may be adjusted for any earnings restatement, for the Performance Year in question. The 2007 target is not tied to EPS. The 2007 target is tied to meeting the Company’s budgeted net income for 2007 (as approved by the Board of Directors of the Company). If the budget or EPS goal, as applicable, for any Performance Year is not met for that Performance Year, then the opportunity to vest in the Award Shares reflected in the above table for that Performance Year (or rolled over from a prior Performance Year to that Performance Year) shall roll over to the following Performance Year (provided such following Performance Year is not beyond 2016) and shall be added to the vesting opportunity for that following Performance Year (but shall not affect the EPS goal for such following Performance Year). The EPS goal shall be adjusted as provided by the Compensation Committee of the Board (or any other committee of the Board appointed by the Board for the purpose of administering this award) (the “Committee”) for changes in the Company’s capital structure. Satisfaction of the budget or EPS goal for any Performance Year will be determined by the Committee, in its sole discretion, within the first two and one-half months of the year immediately following the Performance Year for which achievement of such goal is being measured.

- (b) Notwithstanding any other provision of this Agreement to the contrary, if a “Change of Control” (as defined in the Employment Agreement, or any amendment to or replacement thereof, if and when executed, but if no such Employment Agreement is in effect, then as defined in Appendix A hereto) occurs after the Award Date and during the continuation of the Participant’s Company Service (as defined in Paragraph 7) during the Period of Restriction, the Period of Restriction shall end and any remaining restrictions applicable to any of the Award Shares shall automatically terminate and the Award Shares shall be free of restrictions and freely transferable.
- (c) Except as otherwise provided pursuant to Paragraph 2(b) or 6, the applicable portion of the Award Shares shall vest and thereby become free of the restrictions imposed herein and freely transferable by the Participant as of January 1 of the year immediately following any Performance Year for which the budget or EPS goal, as applicable, is met.

3. Stock Certificates. The stock certificate(s) for the Award Shares shall be registered on the Company’s stock transfer books in the name of the Participant in book entry or electronic form or in certificated form as determined by the Committee. If issued in certificated form, physical possession of the stock certificate(s) shall be retained by the Company until such time as the Period of Restriction lapses.

Any Award Shares issued in book entry or electronic form shall be subject to the following legend, and any certificate(s) evidencing the Award Shares shall bear the following legend, during the Period of Restriction:

The sale or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary, or by operation of law, is subject to certain restrictions on transfer set forth in a certain Restricted Stock Agreement dated November 20, 2007. A copy of such Restricted Stock Agreement may be obtained from the Secretary of MainStreet Bank.

4. Voting Rights. During the Period of Restriction, the Participant may exercise full voting rights with respect to the Award Shares.
5. Dividends and Other Distributions. During the Period of Restriction, the Participant shall be entitled to receive currently all dividends and other distributions paid with respect to the Award Shares (other than dividends or distributions which are paid in Shares of Stock). If, during the Period of Restriction, any such dividends or distributions are paid in Shares of Stock, such Shares shall be registered in the name of the Participant and, if issued in certificate form, deposited with the Company as provided in Paragraph 3, and such Shares shall be

subject to the same vesting conditions and restrictions on transferability as the Award Shares with respect to which they were paid.

6. Cessation of Company Service and Forfeiture.

- (a) Any remaining Period of Restriction applicable to the Award Shares shall automatically terminate and the Award Shares shall vest and be free of restrictions and freely transferable if any of the following occur during the Period of Restriction:
 - (i) The Participant's Company Service (as defined in Paragraph 7) ceases due to the Participant's death or permanent and total disability (within the meaning of Section 22(e)(3) of the Internal Revenue Code).
 - (ii) The Participant's Company Service (as defined in Paragraph 7) is terminated by the Company or a Subsidiary (as defined in the 2006 Plan) without "Cause" (as defined in the Employment Agreement, or any amendment to or replacement thereof, if and when executed, but if no such Employment Agreement is in effect, then as defined in Appendix A hereto).
 - (iii) The Participant's Company Service (as defined in Paragraph 7) is terminated by the Participant "For Good Reason" (as defined in the Employment Agreement, or any amendment to or replacement thereof, if and when executed, but if no such Employment Agreement is in effect, then as defined in Appendix A hereto).
 - (iv) The Participant's Company Service (as defined in Paragraph 7) ceases due to the Participant's normal or early retirement at or after age 65 from employment with the Company or one of its Subsidiaries (as defined in the 2006 Plan) and the Committee agrees to terminate the Period of Restriction in connection therewith.
- (b) If the Participant's Company Service (as defined in Paragraph 7) ceases for any reason other than those set forth in Paragraph 6(a) above during the Period of Restriction, any Award Shares at the date of such cessation of Company Service shall be automatically forfeited to the Company.
- (c) If any Award Shares have not vested by or as of January 1, 2017, all such unvested Award Shares shall be automatically forfeited to the Company.

7. Company Service.

- (a) For purposes hereof, "Company Service" means service as a common law employee and includes subsequent service as a member of the Board of Directors of the Company or a Subsidiary (as defined in the 2006 Plan), if any, as provided in this paragraph. Notwithstanding any contrary provision or implication herein, in determining cessation of Company Service for purposes hereof, transfers between the Company and/or any Subsidiary shall be disregarded and shall not be considered a cessation of Company Service, and changes in status between that of a common law employee and a non-employee member of the Board of Directors of the Company or a Subsidiary shall be disregarded and shall not be considered a cessation of Company Service.
- (b) Nothing under the 2006 Plan or in this Agreement shall confer upon the Participant any right to continue Company Service or in any way affect any right of the Company to terminate the Participant's Company Service without prior notice at any time for any or no reason.

8. Withholding Taxes. The Company shall have the right to retain and withhold the amount of taxes required by any government to be withheld or otherwise deducted and paid with respect to the Award Shares. At its discretion, the Committee may require the Participant to reimburse the Company for any such taxes required to be withheld

by the Company and may withhold any distribution in whole or in part until the Company is so reimbursed. In lieu thereof, the Company shall have the right to withhold from any other cash amounts due to or to become due from the Company to the Participant an amount equal to such taxes required to be withheld by the Company to reimburse the Company for any such taxes; or to retain and withhold a number of Shares of Stock having a "Fair Market Value" (as defined in the 2006 Plan) not less than the amount of such taxes, and cancel any such Shares so withheld, in order to reimburse the Company for any such taxes.

9. Compliance with Securities Laws. The Stock of the Company is exempt from the registration requirements of the Securities Act of 1933, as amended, (the "Securities Act") as of the Award Date. The Company covenants that it will attempt to file and maintain an effective registration statement under the Securities Act covering the Shares of Stock of the Company which are the subject of and may be issued pursuant to this Agreement, at all times during which this Award is outstanding and there is no applicable exemption under the Securities Act from registration of such Shares.
10. Administration. The Committee has the authority to construe and interpret this Agreement, to make rules of general application relating to this Agreement, to amend this Agreement (provided that no modification shall, without the consent of the Participant, adversely affect the rights or obligations of the Participant), and to require of any person receiving Stock pursuant to this Agreement, at the time of such receipt, the execution of any paper or the making of any representation or the giving of any commitment that the Committee shall, in its discretion, deem necessary or advisable by reason of the securities laws of the United States or any state, or the execution of any paper or the payment of any sum of money in respect of taxes or the undertaking to pay or have paid any such sum that the Committee shall, in its discretion, deem necessary by reason of the Internal Revenue Code or any rule or regulation thereunder or by reason of the tax laws of any state. All such Committee determinations shall be final, conclusive, and binding upon the Company and the Participant. The Company and the Participant hereby acknowledge, confirm and agree that the Award is not granted under or pursuant to the 2006 Plan and the terms of the 2006 Plan incorporated by reference herein shall govern the Award as provided herein solely as a contractual convenience.
11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia.
12. Successors. This Agreement shall be binding upon and inure to the benefit of the successors, assigns, heirs, and legal representatives of the respective parties.
13. Prohibition Against Pledge, Attachment, etc. Except as otherwise provided herein, during the Period of Restriction, the Award Shares, and the rights and privileges conferred hereby, shall not be transferred, assigned, pledged or hypothecated in any way and shall not be subject to execution, attachment or similar process.
14. Creditors. The interests of any Participant under this Agreement are not subject to the claims of creditors and may not, in any way, be assigned, alienated or encumbered.
15. Severability. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Agreement, and this Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.
16. Transferability. Neither the Award granted under this Agreement, nor any interest in the Award Shares, may be sold, assigned, conveyed, gifted, pledged, hypothecated or otherwise transferred in any manner, other than by will or the laws of descent and distribution, prior to the vesting or lapse of any and all restrictions applicable to any Award Shares issued under the Award.
17. Banking Regulatory Provision. The Award is subject to a direction by the Company's state or primary federal banking regulator which requires the Participant to forfeit the stock rights contained in the Award if the

Company's capital falls below the minimum requirements, as determined by the Company's state or primary federal banking regulator.

To evidence their agreement to these terms, conditions, and restrictions, the Company and the Participant have signed this Agreement as of the date first above written.

MAINSTREET BANK:

By: _____

Its: _____

PARTICIPANT:

{NAME}

“Cause” shall mean the following:

- (1) Gross incompetence, gross negligence, willful misconduct, or breach of a material fiduciary duty owed to the Company;
- (2) Conviction of a felony, a crime of moral turpitude, commission of an act of embezzlement or fraud against the Company or any subsidiary or affiliate thereof, the commission of repeated misdemeanors, or other willful misconduct that materially adversely affects the business or reputation of the Company;
- (3) Failure to cure a material breach by the Participant of a material term of the Employment Agreement after 10 days written notice of the breach;
- (4) Deliberate dishonesty of the Participant with respect to the Company or any subsidiary or affiliate thereof;
- (5) Permanent disbarment or suspension of the Participant by any regulatory body or agency lasting more than 60 days.

A “**Change of Control**” shall be deemed to occur when a majority of the members of the Company’s Board of Directors are changed within 6 months after a “Control Group Acquisition” or a “Reorganization” as hereinafter defined. Provided, however, that in determining whether there has been a change in a majority of Directors, a Director whose election or nomination was approved by 2/3 of the Directors in office prior to the Control Group Acquisition or Reorganization shall not be deemed a new Director.

(1) A “**Control Group Acquisition**” shall mean the acquisition by an individual, entity or group of beneficial ownership of the then outstanding shares of common stock of the Company having the power to elect a majority of the Board of Directors, but excluding (i) acquisitions directly from the Company (except by conversion privilege), and (ii) acquisitions by an employee benefit plan or trust sponsored or maintained by the Company. A “group” shall have the same meaning as under Section 13(d)(3) or 14(d) of the Securities Exchange Act of 1934 and “beneficial ownership” shall have the same meaning as under Rule 13d-3 promulgated pursuant to said act.

(2) A “**Reorganization**” shall mean approval by the Company’s shareholders of either a reorganization, merger, share exchange or consolidation of the Company by, with, or into another corporation; or the sale, assignment or other disposition of all or substantially all of the assets of the Company. Provided, however, that a Reorganization shall not include a transaction that would otherwise be a Reorganization if upon consummation of the transaction more than 60% of the outstanding shares of common stock of the corporation resulting from the reorganization are then owned (directly or indirectly) by all or substantially all the shareholders who were owners of the Company prior to the reorganization.

For purposes of this Agreement, a Change of Control occurs on the date on which a Control Group Acquisition or Reorganization occurs. If a Change of Control occurs on account of a series of transactions or events, then the Change of Control occurs on the date of the last of such transactions or events.

“For Good Reason” shall mean:

- (1) Except as provided herein, the assignment of duties and responsibilities to the Participant by the Company which are inconsistent with the position referred to in Section 1(a) above or which result in the Participant’s having significantly less authority or responsibility than he has on the date hereof, without his advance and express written consent;
- (2) The removal of the Participant from or any failure to re-elect him to the positions of {TITLE} of the Company other than for Cause;
- (3) The removal of the Participant from, or any failure of the Participant to be endorsed and recommended by the Company for election to the Company’s Board of Directors;
- (4) The Company’s moving its principal office outside of Fairfax County, Virginia;
- (5) A reduction by the Company of the Participant’s annual base salary unless salaries for all employees are reduced, and the Participant’s salary is reduced proportionately;
- (6) The failure of the Company to provide the Participant with substantially the same fringe benefits that are provided the Participant at the inception of his employment; except as a result of severe financial distress that leads to a general decrease in the level of benefits of all or substantially all of the Company’s employees;
- (7) Failure to cure a material breach by the Company of a material term of the Employment Agreement after 30 days written notice of the breach;
- (8) Failure by any successor entity (an entity that assumes the assets or business of the Company pursuant to an acquisition of any kind including, without limitation, acquisition of assets or merger) to assume and agree to perform the Employment Agreement in its entirety; or
- (9) The occurrence of a Change of Control.