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Board of Governors of the Federal Reserve System



Annual Report of Bank Holding Companies—FR Y-6

37196 11

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)). 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 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). 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 Bank Holding Companies must be signed by one director of the top-tier bank holding company. This individual should also be a senior official of the top-tier bank holding company. In the event that the top-tier bank 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 bank holding company's fiscal year-end):  
12/31/2011  
Month / Day / Year

1. Steven S. Smith  
Name of the Bank Holding Company Director and Official  
EVP  
Title of the Bank Holding Company Director and Official

Reporter's Name, Street, and Mailing Address  
Verity Capital Group, Inc.  
Legal Title of Bank Holding Company  
PO Box 647  
(Mailing Address of the Bank Holding Company) Street / P.O. Box  
Winder GA 30681  
City State Zip Code  
94 W. Athens St.  
Physical location (if different from mailing address)

attest that the Annual Report of Bank Holding Companies (including the supporting attachments) for this report date have 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.

Person to whom questions about this report should be directed:  
BRIAN HAWKINS CFO  
Name Title  
678-425-6381  
Area Code / Phone Number / Extension  
678-425-6397  
Area Code / FAX Number  
bhawkins@veritybank.net  
E-mail Address  
www.veritybank.net  
Address (URL) for the Bank Holding Company's web page

SSS  
Signature of Bank Holding Company Director and Official

Date of Signature  
For bank 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

## For Use By Tiered Bank Holding Companies

Top-tiered bank holding companies must list the names, mailing address, and physical locations of each of their subsidiary bank holding companies below.

Legal Title of Subsidiary Bank Holding Company

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

City State Zip Code

Physical location (if different from mailing address)

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**VERITY CAPITAL GROUP, INC.**

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Annual Report of Bank Holding Companies**

**12/31/2011**

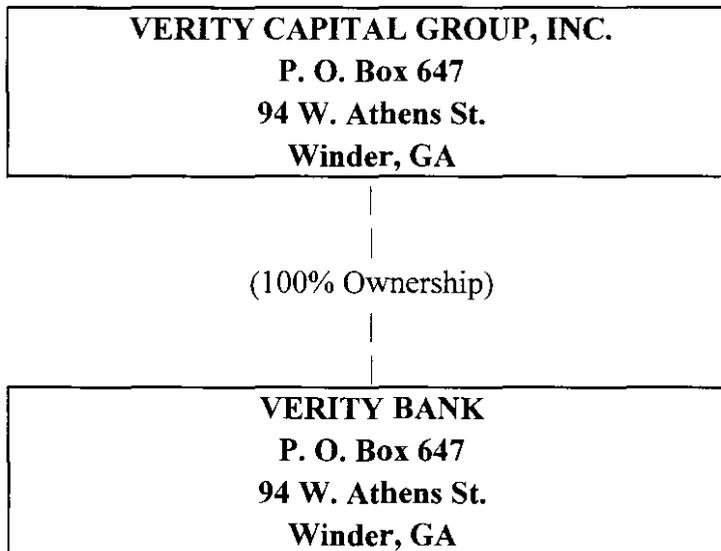
<b><u>Report Item</u></b>	<b><u>Description</u></b>	<b><u>Location</u></b>
1(a)	10-K	Not applicable
1(b)	Annual Report	Audited financials are attached
2(a)	Organization Chart	Included
2(b)	Domestic Branch Listing	Emailed 3/1/2011
3	Shareholders	Included
4	Directors and Officers	Included

**VERITY CAPITAL GROUP, INC.**

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**Annual Report of Bank Holding Companies  
Report Item 2a: Organization Chart**

**12/31/2011**



**VERITY CAPITAL GROUP, INC.**

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**Annual Report of Bank Holding Companies**

**Report Item 3(1): Shareholders Controlling 5% or More of Voting Securities**

**12/31/2011**

<u>Name &amp; Address</u>	<u>Country of Citizenship</u>	<u># of Shares</u>	<u>% Owned</u>	
Richard F. and Colleen Combs Braselton, GA	USA	378,665	14.2%	stock
		<u>37,822</u>	<u>1.4%</u>	options/warrants
		416,487	15.6%	Total
John F. Conway Cumming, GA	USA	150,000	5.6%	stock
		<u>45,568</u>	<u>1.7%</u>	options/warrants
		195,568	7.3%	Total
John L. Lewis Dawsonville, GA	USA	88,290	3.3%	stock
		<u>66,976</u>	<u>2.5%</u>	options/warrants
		155,266	5.8%	Total
Ryker Lowe Jasper, GA	USA	327,500	12.3%	stock
		<u>81,416</u>	<u>3.0%</u>	options/warrants
		408,916	15.3%	Total
Dr. J. J. Shah Duluth, GA	USA	225,000	8.4%	stock
		<u>54,987</u>	<u>2.1%</u>	options/warrants
		279,987	10.5%	Total
Dr. Kirti Shah Lawrenceville, GA	USA	154,000	5.8%	stock
		<u>40,708</u>	<u>1.5%</u>	options/warrants
		194,708	7.3%	Total

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**Annual Report of Bank Holding Companies**

**Report Item 3(2): Shareholders Controlling 5% or More of Voting Securities**

**During the Year, Not Included in Report Item 3(1)**

**12/31/2011**

<u>Name &amp; Address</u>	<u>Country of Citizenship</u>	<u># of Shares</u>	<u>% Owned</u>	
None				

VERITY CAPITAL GROUP, INC.

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Annual Report of Bank Holding Companies

Report Item 4: Principal Shareholders, Directors, and Executive Officers

12/31/2011

<u>Name &amp; Address</u>	<u>Principal Occupation</u>	<u>Title or Position with Holding Co. &amp; Subsidiaries</u>	<u>Holding Company Shares Owned</u>	<u>Holding Company %</u>	<u>Subsidiary Shares</u>	<u>Other Companies</u>	<u>Title</u>	<u>Other Company %</u>
William G. Brantley Winder, GA	Home Builder	Director Verity Capital Group, Inc.	28,758	1.1%	-	Colonial Development, LLC	Member	100%
		Director Verity Bank						
Richard F. Combs Braselton, GA	Business owner	Chairman & Director Verity Capital Group, Inc.	416,487	15.6%	-	Excella International Corp Combs & Bartlett, LLC Combs & Bartlett 2, LLC Combs & Bartlett 3, LLC AMBC, LLC	CEO Managing Member Managing Member Managing Member	0% 50% 50% 50%
		Director Verity Bank						
		Vice-Chairman, Director Verity Capital Group, Inc.	195,568	7.3%	-	Atlanta Gearworks, Inc Crownway Properties, LLC 433 Hightower, LLC Massaway Properties, LLC	President Member Member Member	75% 50% 75% 50%
		Vice-Chairman, Director Verity Bank						
Randy Dobbs Greenville, SC	Former Corporate Executive	Director Verity Capital Group, Inc.	50,000	1.9%	-	Agency Savvis	Director Director	N/A N/A
		Director Verity Bank						
Brian D. Hawkins Bishop, GA	Banker	CFO, EVP, & Secretary Verity Capital Group, Inc.	17,859	0.7%	-	None	N/A	N/A
		CFO, EVP, & Secretary Verity Bank						
J. Bronson Lavender Gainesville, GA	Banker	EVP Verity Capital Group, Inc.	27,578	1.0%	-	None	N/A	N/A
		SLO & EVP Verity Bank						
John L. Lewis Dawsonville, GA	Banker	CEO & President Verity Capital Group, Inc.	155,266	5.8%	-	Performance Resource, LLC Lewis Capital Management, LLC White Bay Capital, LLC White Bay Holdings, LLC Lewis Financial Group, Inc.	Managing Member Managing Member Managing Member Managing Member CEO	100% 100% 100% 100% 100%
		CEO Verity Bank						

<u>Name &amp; Address</u>	<u>Principal Occupation</u>	<u>Title or Position with Holding Co. &amp; Subsidiaries</u>	<u>Holding Company Shares Owned</u>	<u>Holding Company %</u>	<u>Subsidiary Shares</u>	<u>Other Companies</u>	<u>Title</u>	<u>Other Company %</u>
Ryker J. Lowe Jasper, GA	Owner of a car dealership	Director Verity Capital Group, Inc.	408,916	15.3%	-	Jasper Jeep Mountain Properties II, LLC First Citizens Bank	President President Director	N/A N/A N/A
		Director Verity Bank						
Dr. J. J. Shah Duluth, GA	Orthopedic Surgeon	Director Verity Capital Group, Inc.	279,987	10.5%	-	Gwinnett Clinic, LTD Touchmark Bancshares, Inc	President Organizer, Chairman	42.2% N/A
		Director Verity Bank						
Dr. Kirti Shah Lawrenceville	Doctor	Director Verity Capital Group, Inc.	194,708	7.3%	-	Nephron Corporation Kikashah Properties, LLC Kidney-hypertension Clinic, PC Gwinnett Supply Company, LLC	Director Director Director Director	50.0% 50.0% 100.0% 100.0%
		Director Verity Bank						
Steven F. Smith Winder, GA	Banker	Director & EVP Verity Capital Group, Inc.	51,289	1.9%	-	None	N/A	N/A
		Director, President, & COO Verity Bank						
Anna B. Williams Dawsonville, GA	CPA	Director Verity Capital Group, Inc.	25,000	0.9%	-	The Maverick Group, LLC Anna B. Williams PC Equine Partners America, LLC	Member Director/Shareholder Member	50.0% 100.0% 25.0%
		Director Verity Bank						

RSSD Tiering for:  
**VERITY CAPITAL GROUP, INC.**  
 Structure as of 20111216 and going downward

Seq Num	ID RSSD	Legal Name	AddL	City	State/ Country	Dist FR	Ent Type	Actv Code	Basis of Relatnshp	PCT
0001	3719611	VERITY CAPITAL GROUP, INC.		WINDER	GEORGIA	6	BHC	551111		
0002	3719620	VERITY BANK		WINDER	GEORGIA	6	NMB	52211	Vtg Eqty	100

**Total Number of Entities in the tree**                    2

**Total Number of Unique Entities in the tree**            2

**Tier Selection Criteria**

RSSD Tiering for	3719611 VERITY CAPITAL GROUP, INC.
As of Date	20111216
Direction	Down
Selection Rule	All Entities
Branches - Domestic Institutions	No Branches
Branches - Foreign Institutions	No Branches

**Explanatory Notes**

<b>Entity Type</b>	<b>Description</b>
BHC	BANK HOLDING COMPANY
NMB	NON-MEMBER BANK
<b>Primary Activity Code</b>	<b>Description</b>
52211	COMMERCIAL BANKING
551111	OFFICES OF BANK HOLDING COMPANIES
<b>Basis of Relationship</b>	<b>Description</b>
Vtg Eqty	Voting Equity

Two asterisks (\*\*) next to the Seq Num indicates that confidentiality is pending or granted.  
 An asterisk (\*) next to the Addl Line Num denotes the Seq Num at which the offspring of this entity are listed.  
 A dot dot dot notation (...) next to Legal Name denotes a circular relationship.

**Results:** A list of branches for your depository institution: VERITY BANK (ID\_RSSD: 3719620).  
 This depository institution is held by VERITY CAPITAL GROUP, INC. (3719611) of WINDER, GA.  
 The data are as of 12/31/2011. Data reflects information that was received and processed through 01/05/2012.

**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	3/9/2012	Full Service (Head Office)	3719620	VERITY BANK	94 WEST ATHENS STREET	WINDER	GA	30680	BARROW	UNITED STATES	463471	0	VERITY BANK	3719620	