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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, 2014

Month / Day / Year

I, William B. Pendleton

Reporter's Name, Street, and Mailing Address

Cornerstone Bancshares, Inc.

Name of the Holding Company Director and Official

Legal Title of Holding Company

Chairman of the Board and Director

2060 Mt Paran Rd

Title of the Holding Company Director and Official

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

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.

Atlanta

GA

30327

City

State

Zip Code

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.

Physical location (if different from mailing address)

Person to whom questions about this report should be directed:

Christine Nelson

VP/Controller

Name

Title

404-601-1262

Area Code / Phone Number / Extension

678-553-9405

Area Code / FAX Number

cnelson@cornerstonebankga.com

E-mail Address

www.cornerstonebankga.com

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

Signature of Holding Company Director and Official

3/26/2015

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 3839120-

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

N/A - we do not have any subsidiary holding companies.

For Use By Tiered Holding Companies

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

Legal Title of Subsidiary Holding Company

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

City State Zip Code

Physical location (if different from mailing address)

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City State Zip Code

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Physical location (if different from mailing address)

Form FR Y-6

Cornerstone Bancshares, Inc.

Atlanta, Georgia

For the Year Ending December 31, 2014

Report Item 1. Annual Report to Shareholders

N/A

Report Item 2a. Organization Chart

Attached.

Report Item 2b. Domestic Branch Listing

Attached. This has been verified and sent to our FRB contact as per the instructions.

Report Item 3. Securities Holders

Attached.

Report Item 4. Insiders

Attached.

CORNERSTONE BANCSHARES, INC.

2060 MOUNT PARAN ROAD, NW

ATLANTA, GA 30327

CORPORATE STRUCTURE CHART



2a.

Results: A list of branches for your holding company: CORNERSTONE BANCSHARES (3839920) of ATLANTA, GA.
The data are as of 12/31/2014. Data reflects information that was received and processed through 01/07/2015.

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)	2992501	CORNERSTONEBANK	2060 MT. PARAN ROAD	ATLANTA	GA	30327	FULTON	UNITED STATES	73851	0	CORNERSTONEBANK	2992501	
		Full Service	4165336	SANDY SPRINGS BRANCH	6344 ROSWELL ROAD NORTH EAST	ATLANTA	GA	30328	FULTON	UNITED STATES	463733	1	CORNERSTONEBANK	2992501	
		Full Service	4165354	DECATUR BRANCH	125 CLAIREMONT AVE	DECATUR	GA	30030	DEKALB	UNITED STATES	518508	2	CORNERSTONEBANK	2992501	

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Cornerstone Bancshares, Inc.

2060 Mount Paran Road, NW

Atlanta, GA 30327

Fiscal Year Ending December 31, 2014

Report Item 3: Securities Holders

Name City, State, Country	Country of Citizenship or Incorporation	Number and Percentage of Each Class of Voting Securities
NORO Financial Management Atlanta, GA USA	USA	285,715 shares (7.15%) of Common Stock.

No other securities holders had 5% or more during the year 2014.

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 Cornerstone Bancshares, Inc.
 2060 Mount Paran Road, NW
 Atlanta, GA 30327
 Fiscal Year Ending December 31, 2014

Report Item 4: Insiders

Name City, State Country	Principal Occupation if other than with holding company	Title and Position with holding company	Title and Position with subsidiaries	Title and Position with other businesses	Percentage of voting shares in holding company	Percentage of shares in subsidiaries	Names of other companies with 25% or more of voting securities
Bill Pendleton Atlanta, GA USA	Investor	Director and Chairman of the Board	Director Cornerstone Bank	N/A	3.51%	N/A	N/A
Beth Martin Brookhaven, GA USA	Corporate Secretary and Special Assets Officer Cornerstone Bank	Corporate Secretary	Corporate Secretary and Special Assets Officer Cornerstone Bank	N/A	0.00%	N/A	N/A
Frederick Clemente Alpharetta, GA USA	Managing Partner Atlanta Capital Holdings, LLC	Director	Director Cornerstone Bank	Managing Partner Atlanta Capital Holdings, LLC	1.40%	N/A	Atlanta Capital Holdings, LLC (100%) Urban Security Corporation (100%) * Urban Parking Corporation (100%) * Southeast Financial Corporation (100%) * *inactive
Dan DuPree Atlanta, GA USA	Vice Chairman & CIO Preferred Apartment Communities	Director	Director Cornerstone Bank	Vice Chairman & CIO Preferred Apartment Communities	1.92%	N/A	N/A
Hans Kempers Marietta, GA USA	Retired	Director	Director and Chairman of the Board Cornerstone Bank	President, Dutch Investment Corporation Chairman, NORO Management, Inc. Chairman, Micrex, Inc. Chairman, Floor Care for Life	0.38%	N/A	Dutch Investment Corporation (100%)
Clay Snellings Sandy Springs, GA USA	Principal, Snellings Walters Insurance Agency	Director	Director Cornerstone Bank	Principal, Snellings Walters Insurance Agency	1.49%	N/A	The John Snellings Insurance Agency, Inc. dba Snellings Walters Insurance Agency (29%)
Robert Tomain Atlanta, GA USA	Retired	Director	Director Cornerstone Bank	N/A	1.37%	N/A	N/A