

RECEIVED

Board of Governors of the Federal Reserve System

APR 9 2012



Annual Report of Bank Holding Companies—FR Y-6

3681277

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):

December 31, 2011

Month / Day / Year

Robert W. Kuhn, Jr.

Reporter's Name, Street, and Mailing Address

Capstone Bancshares, Inc.

Name of the Bank Holding Company Director and Official

Secretary

Legal Title of Bank Holding Company

2301 University Blvd.

Title of the Bank Holding Company Director and Official

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

Tuscaloosa Alabama 35401

City State Zip Code

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.

Physical location (if different from mailing address)

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:

Robert W. Kuhn, Jr. Secretary

Name Title

205-469-2302

Area Code / Phone Number / Extension

205-469-2330

Area Code / FAX Number

robert.kuhn@capstonebanka1.com

E-mail Address

www.capstonebanka1.com

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

Signature of Bank Holding Company Director and Official

Robert W. Kuhn, Jr.

Date of Signature

April 2, 2012

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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City State Zip Code

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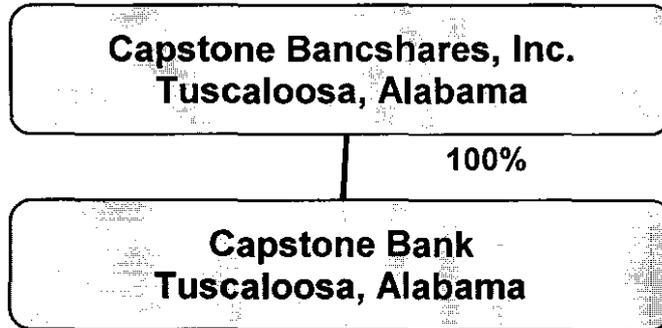
Legal Title of Subsidiary Bank Holding Company

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

City State Zip Code

Physical location (if different from mailing address)

**Capstone Bancshares, Inc.  
Report Item #2a - Organization Chart  
Fiscal Year Ended December 31, 2011**



**Capstone Bancshares, Inc.**  
**Report Item #3 - Securities Holders**  
**Fiscal Year Ended December 31, 2011**

- Report Item 3.1** As of fiscal year end 2011, Capstone Bancshares, Inc. had no security holder of record that directly or indirectly owned, controlled or held power to vote 5 percent or more of any class of voting securities of the bank holding company.
- Report Item 3.2** During fiscal year 2011, Capstone Bancshares, Inc. had no security holder that owned or controlled 5 percent or more of any class of voting securities of the bank holding company.

Form FR Y-6  
 CAPSTONE BANCSHARES, INC  
 3681277  
 12/31/2011

Report Item 4: Directors/Executive Officers/Principal Shareholders  
 [1; 2; 3.a; 3.b; 3.c; 4.a; 4.b; 4.c]

1. Name & Address	2. Principal Occupation if Other than with Bank Holding Co.	3.a Title & Position with Bank Holding Company	3.b Title & Position with Subsidiaries (include name(s))	3.c Title & Position with Other Businesses (include name(s) of other businesses)	4.a Percentage of Voting Shares in Bank Holding Co.	4.b Percentage of Voting Shares in Subsidiaries (include name(s) of	4.c List Names of Other Companies (include partnerships) if 25% or More of Voting Securities are Held (list names of companies & percentage of voting securities held)
1) William D. Moody Elberta, AL USA	Private Investor	Director	N/A	Alpha Development Group, Inc. Managing Member, Beta Development Group Managing Partner, Wolf Bay Associates Limited Partner, Best Storage Kingsville, LP Member, B&R Associates, LLC Member, River Village Associates, LLC General Partner, M&M Investment Co.	1.15%	N/A	Alpha Development Group, Inc. - 100% Beta Development Group - 100% Wolf Bay Associates - 100% Best Storage Kingsville, LP - 24.5% B&R Associates, LLC - 50% River Village Associates, LLC - 50% M&M Investment Co. - 50%
2) Sue Robertson Tuscaloosa, AL USA	Retired	Director	N/A	N/A	1.15%	N/A	L&S Mini Storage, LLC - 50% Ledbetter Farms, Inc. - 50% Billy Beef, Inc. - 50%
3) Julian B. Brackin (1) Foley, AL USA	Attorney	Director (see footnote)	N/A	President, Brackin, McGriff & Johnson, P.C.	1.15%	N/A	N/A
4) Robert C. Thurber Magnolia Springs, AL USA	Retired	Director	N/A	Retired	1.15%	N/A	Retired
5) Jerry Swindle Tuscaloosa, AL USA	Contractor	Director	N/A	President, Tuscaloosa Acoustical Systems President, JLS Sales, Inc Manager, Prospera, LLC	1.15%	N/A	Tuscaloosa Acoustical Systems - 75% JLS Sales, Inc. - 75% Prospera, LLC - 100%
6) Brent Reilly Tuscaloosa, AL USA	Publishing	Director	Director Capstone Bank	Executive Vice President, Randall-Reilly Publishing	1.15%	N/A	N/A
7) Gray Skipper Grove Hill, AL USA	Forest Products	Director	N/A	VP, Scotch Plywood Co., Inc Managing Partner, Skipper Holdings, LLC Managing Partner, KEJ, LLC	1.13%	N/A	Skipper Holdings, LLC - 25% KEJ, LLC - 50%
8) Donald W. Peak Tuscaloosa, AL USA	Health Administrator	Director	N/A	President, Forest Manor, Inc Managing Partner, Peak Properties, LLC. Managing Partner, W.D., LLC	2.31%	N/A	Forest Manor, Inc. - 70% Peak Properties, LLC - 70% W.D., LLC - 50%
9) Robert Prince Tuscaloosa, AL USA	Attorney-at-law	Director	N/A	CEO/President, Prince-Glover Law Manager & Partner, Cypress Point, LLC	0.69%	N/A	Prince-Glover Law - 100% Cypress Point, LLC - 50%
10) Randall Billingsley Mobile, AL USA	Contractor	Director	N/A	President, R.J. Billingsley, Inc. Owner, Mobile Asphalt Co., LLC President, Black Bayou, Inc. Member, BR549, LLC Member, R&J, LLC Member, South Malbis, LLC Member, South Highland Development Partners, LLC Member, J&M Properties, LLC Member, Billingsley & Merritt, LLC Member, Boe Road Property, LLC Member, Mobile Bay Air, LLC Member, Green Roof Recycling, LLC	1.73%	N/A	R.J. Billingsley, Inc. - 67% Mobile Asphalt Co., LLC - 67% Black Bayou, Inc. - 50% BR549, LLC - 50% R&J, LLC - 100% South Malbis, LLC - 25% South Highland Development Partners, LLC - 50% J&M Properties, LLC - 50% Billingsley & Merritt, LLC - 50% Boe Road Property, LLC - 33% Mobile Bay Air, LLC - 67% Green Roof Recycling, LLC 33.3%

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1. Name & Address	2. Principal Occupation if Other than with Bank Holding Co.	3.a Title & Position with Bank Holding Company	3.b Title & Position with Subsidiaries (include name(s))	3.c Title & Position with Other Businesses (include name(s) of other businesses)	4.a Percentage of Voting Shares in Bank Holding Co.	4.b Percentage of Voting Shares in Subsidiaries (include name(s) of)	4.c List Names of Other Companies (include partnerships) if 25% or More of Voting Securities are Held (list names of companies & percentage of voting securities held)
11. George W. Skipper, III Jackson, AL USA	Insurance Agent	Director	Director Capstone Bank	President, Skipper Insurance Agencies Shareholder, Palomar Insurance Corporation President, Skipper & Associates, Inc. Member, Insurance Center, LLC President, Southwest Alabama Construction, Inc President, Griffin Glass Co. President, Hemingways Restaurant Managing Partner, Health Options, LLC (Inactive) President, Cotton Bayou Marina dba Tacky Jacks Managing Partner, SFP, LLC Partner, SFN, LLC Partner, Neverve, LLC Partner, Gulf Coast Finance Co. Member, NUCO Holdings, LLC Member, Fun Concepts, LLC Member, Booty, LLC Member, Beach Condos, LLC Member, NUCO Investments, LLC Member, Tacky Jack's Battleship Parkway, LLC Member, T & S Insulation Member, Tacky Jack's Panama City, LLC	2.89%	N/A	Skipper Insurance Agencies - 50% Palomar Insurance Corporation - 31.10% Skipper & Associates, Inc. - 48% Insurance Center, LLC - 68% Southwest Alabama Construction, Inc - 100% Griffin Glass Co. - 51% Hemingways - 100% Health Options, LLC (Inactive) - 99% Cotton Bayou Marina dba Tacky Jacks - 100% SFP, LLC - 52% SFN, LLC - 50% Neverve, LLC - 50% Gulf Coast Finance Co. - 50% NUCO Holdings, LLC - 100% Fun Concepts, LLC - 50% Booty, LLC - 50% Beach Condos, LLC - 50% NUCO Investments, LLC - 80% Tacky Jack's Battleship Pkwy, LLC - 100% T & S Insulation - 48% Tacky Jack's Panama City, LLC - 100%
12. Lewis F. Fitts (2) Tuscaloosa, AL. USA	Retired	Director (see footnote)	Director Capstone Bank	Manager, Compliant Systems and Design Manager - Trust, L.F. Fitts, LLC Partner, FW Tacoma, LLC Partner, L&F, LLC Partner, Fordland, LLC Manager, Misfitts, LLC	3.34%	N/A	Compliant Systems and Design - 100% L.F. Fitts, LLC - 100% FW Tacoma, LLC - 50% L&F, LLC - 50% Fordland, LLC - 50% Misfitts, LLC - 100%
13. Joe Campbell Albertville, AL. USA	Insurance Agent	Director	N/A	Manager, Cotton States Insurance Co.	2.31%	N/A	N/A
14. Borden Ray, Jr. (3) Tuscaloosa, AL USA	Attorney	Director (see footnote)	N/A	Managing Member, Ray Oliver Ward & McGee, LLC Owner, North River Surgical Center, Inc. Owner, Ray Aircraft Leasing, LLC Managing Member, Julie, LLC Owner, Druid Title Company, Inc.	0.58%	N/A	Ray Oliver Ward & McGee, LLC - 50% North River Surgical Center, Inc. - 100% Ray Aircraft Leasing, LLC - 100% Julie, LLC - 50% Druid Title Company, Inc. - 100%
15. Adishesha B. Reddy Tuscaloosa, AL USA	Physician	Director	N/A	President, Gastrocare P.C. President, Gastroenterology Consultants, Inc. President, APNA Foundation (non-profit) Partner, CDT, LLC	1.15%	N/A	Gastrocare, PC - 100% Gastroenterology Consultants, Inc. - 100% Reddy's & Induru, LLC - 33% CDT, LLC - 30%
16. Richard H. Robinson Tuscaloosa, AL. USA	Insurance Agent	Director	N/A	Vice President, The Insurance Center of Tuscaloosa, Inc. Member, WRJ, LLC Member, Druid City Investments, LLC	1.15%	N/A	WRJ, LLC - 33% Druid City Investments, LLC - 50%
17. Steven B. Tucker Tuscaloosa, AL. USA	Trucking	Director	Director Capstone Bank	President, Barnett Transportation, Inc. Member, BTI Investments, LLC Member, Trico Resources Co. LLC Member, BTI LLC Member, BTI Real Estate, LLC	1.26%	N/A	Barnett Transportation, Inc. - 45.5% BTI Investments, LLC - 50% Trico Resources Co. LLC - 40% BTI, LLC - 40% BTI Real Estate, LLC - 50%
18. J. Daniel Sizemore (4) Tuscaloosa, AL. USA	Banker (see footnote)	Chairman, CEO, President & Director	Chairman, CEO & Director Capstone Bank	N/A	2.31%	N/A	N/A
19. Robert W. Kuhn (5) Tuscaloosa, AL. USA	Banker (see footnote)	Assistant Secretary & Director	President & Director Capstone Bank	N/A	0.01%	N/A	N/A
20. William E. Blackmon (6) Tuscaloosa, AL. USA	Banker	Secretary (see footnote)	CFO & Director Capstone Bank	N/A	0.58%	N/A	N/A

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(1) Julian Brackin became Chairman of Capstone Bancshares, Inc. and a Director of Capstone Bank in October 2011

(2) Lewis Fitts became Vice Chairman of Capstone Bancshares, Inc. in October 2011

(3) Borden Ray, Jr. was not re-elected as a Director of Capstone Bancshares, Inc. at it's Annual Meeting in June 2011

(4) J. Daniel Sizemore was removed from his position as Chairman, CEO and President of Capstone Bancshares, Inc. and his employment contract with Capstone Bank was terminated in October 2011.

(5) Robert W. Kuhn was appointed Secretary of Capstone Bancshares, Inc. and CEO/President of Capstone Bank in October 2011.

(6) William E. Blackmon was removed as Secretary of Capstone Bancshares, Inc. and terminated from Capstone Bank in October 2011.

RSSD Tiering for:  
**CAPSTONE BANCSHARES, INC.**  
 Structure as of 20111219 and going downward

Seq Num	ID RSSD	Legal Name	AddL	City	State/ Country	Dist FR	Ent Type	Actv Code	Basis of Relatnshp	PCT
0001	3681277	CAPSTONE BANCSHARES, INC.		TUSCALOOSA	ALABAMA	6	BHC	551111		
0002	450034	CAPSTONE BANK		TUSCALOOSA	ALABAMA	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	3681277 CAPSTONE BANCSHARES, INC.
As of Date	20111219
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.

# Item 2b

**Results:** A list of branches for your depository institution: CAPSTONE BANK (ID\_RSSD: 450034).  
 This depository institution is held by CAPSTONE BANCSHARES, INC. (3681277) of TUSCALOOSA, AL.  
 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		Full Service (Head Office)	450034	CAPSTONE BANK	2301 UNIVERSITY BOULEVARD	TUSCALOOSA	AL	35401	TUSCALOOSA	UNITED STATES	15898	0	CAPSTONE BANK	450034	
OK		Full Service	481832	CHATOM BRANCH	16780 JORDON STREET	CHATOM	AL	36518	WASHINGTON	UNITED STATES	255230	2	CAPSTONE BANK	450034	
OK		Full Service	2533632	JACKSON BRANCH	1600 COLLEGE AVENUE	JACKSON	AL	36545	CLARKE	UNITED STATES	272255	3	CAPSTONE BANK	450034	
OK		Full Service	480639	LEROY BRANCH	27188 HIGHWAY 43	LEROY	AL	36548	WASHINGTON	UNITED STATES	255229	1	CAPSTONE BANK	450034	
OK		Full Service	3794887	MCINTOSH BRANCH	158 COMMERCE STREET	MCINTOSH	AL	36553	WASHINGTON	UNITED STATES	480604	4	CAPSTONE BANK	450034	
OK		Full Service	4106188	NORTHPORT BRANCH	2000 LURLEEN WALLACE BOULEVARD	NORTHPORT	AL	35476	TUSCALOOSA	UNITED STATES	506571	8	CAPSTONE BANK	450034	
OK		Full Service	3812389	THOMASVILLE BRANCH	33009 HIGHWAY 43	THOMASVILLE	AL	36784	CLARKE	UNITED STATES	486603	7	CAPSTONE BANK	450034	
OK		Full Service	3832051	INDIAN HILLS BRANCH	230 MCFARLAND CIRCLE NORTH	TUSCALOOSA	AL	35406	TUSCALOOSA	UNITED STATES	359256	6	CAPSTONE BANK	450034	