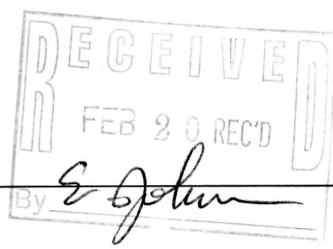


REVISED

FR Y-6
OMB Number 7100-0297
Approval expires December 31, 2015
Page 1 of 2



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, 2012
Month / Day / Year

I, **Steven W. Ledbetter**
Name of the Holding Company Director and Official
CFO
Title of the Holding Company Director and Official

Reporter's Name, Street, and Mailing Address
Southern Heritage Bancshares, Inc.
Legal Title of Holding Company
P O Box 4730
(Mailing Address of the Holding Company) Street / P.O. Box
Cleveland TN 37320
City State Zip Code
3020 Keith Street NW Cleveland TN 37312
Physical location (if different from mailing address)

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.

Person to whom questions about this report should be directed:
Cheryl Bailey **Controller**
Name Title
423-303-1766
Area Code / Phone Number / Extension
Area Code / FAX Number
cbailey@southernheritagebank.com
E-mail Address
www.southernheritagebank.com
Address (URL) for the Holding Company's web page

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.

Signature of Holding Company Director and Official
02/12/2013
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 **3262779**
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

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.25 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

REVISED

Form FR Y-6

Southern Heritage Bancshares, Inc.
Cleveland, Tennessee
Fiscal Year Ending December 31, 2012

Report Item 1: The bank holding company has deregulated and therefore is not required to file with the SEC.

Report Item: 2: Organization Chart

Southern Heritage Bancshares, Inc. (One-bank holding company) 100%
3020 Keith Street, NW
P O Box 4730
Cleveland, TN 37320
Incorporated - Cleveland (Bradley County), Tennessee

Southern Heritage Bank
Main Office
3020 Keith Street, NW
P O Box 4730
Cleveland, Tennessee 37320
Bradley County, TN

Southern Heritage Bancshares, Inc. Statutory Trust I
3020 Keith Street NW
P O Box 4730
Cleveland, Tennessee 37320
Bradley County, TN

Form FR Y-6

Southern Heritage Bancshares, Inc.
Fiscal Year Ending December 31, 2012

Report Item 3(1)(a)(b)(c): Shareholders that directly or indirectly owns, controls, or holds with power to vote 5% or more of any class of voting securities of the bank holding company *as of year end.*

a) Name, City, State, Country

b) Country of Citizenship or Incorporation

c) Number & Percentage of Each class of Voting Securities

N/A

Report Item 3(2)(a)(b)(c): Shareholders that directly or indirectly owns, controls, or holds with power to vote 5% or more of any class of voting securities of the bank holding company *during the year, but not at year end.*

N/A

REVISED

FR Y-6
 Southern Heritage Bancshares, Inc.
 Fiscal Year Ending December 31, 2012

Report Item 4: Insiders
 (1) (2) (3) (a)(b)(c) and (4) (a)(b)(c)

(1) Names & Addresses (City, State, Country)	(2) Principal Occupation if other than with Bank <u>Holding Company</u>	(3) (a) Title & Position with Bank Holding <u>Company</u>	(3) (b) Title & Position with Other Subsidiaries (include names of <u>Subsidiaries</u>)	(3) (c) Title & Position with Other Businesses (include names of <u>other businesses</u>)	(4) (a) Percentage of Voting Shares in Bank Holding <u>Company</u>	(4) (b) Percentage of Voting Shares in Subsidiaries (include names <u>of subsidiaries</u>)	(4) (c) List names of other companies (includes partnerships) If 25% or more of voting securities are held (List names of companies and percentage of voting securities <u>held</u>)
Len D Graham Cleveland, Tennessee, USA	Retired - Insurance	Director	Chairman Southern Heritage Bank	N/A	2.04%	None	Graham Brothers Real Estate - 50%
Roger E Jenne Esq Cleveland, Tennessee, USA	Retired - Attorney	Director & Secretary	Director & Secretary Southern Heritage Bank	N/A	2.01%	None	N/A
Steven W Ledbetter Cleveland, Tennessee, USA	N/A	Director & Chief Financial Officer	Director EVP & COO Southern Heritage Bank	N/A	2.13%	None	Perimeter Development - 50%
Larry S McDaniel Cleveland, Tennessee, USA	Retail Clothing	Director	Director Southern Heritage Bank	Owner & Manager Town Squire	3.42%	None	Town Squire - 100% McDaniel/McDaniel Investments - 50% McDaniel Keck Investments - 50% BMW Properties - 33 1/3%
Lester T Simerville, Sr Cleveland, Tennessee, USA	Real Estate Leasing	Director	Director Southern Heritage Bank	Owner Specialty Enterprises	2.11%	None	Specialty Enterprises - 100% Simerville Properties - 33 1/3%

REVISED

FR Y-6
 Southern Heritage Bancshares, Inc.
 Fiscal Year Ending December 31, 2012

Report Item 4: Insiders

(1) (2) (3) (a)(b)(c) and (4) (a)(b)(c)

(1) Names & Addresses (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3) (a) Title & Position with Bank Holding Company	(3) (b) Title & Position with Other Subsidiaries (include names of Subsidiaries)	(3) (c) Title & Position with Other Businesses (include names of other businesses)	(4) (a) Percentage of Voting Shares in Bank Holding Company	(4) (b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4) (c) List names of other companies (includes partnerships) If 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
J Lee Stewart Cleveland, Tennessee, USA	N/A	Director/President & CEO President	Director & President Southern Heritage Bank	N/A	3.28%	None	N/A
James F Williams Jr Cleveland, Tennessee, USA	Construction	Director	Director Southern Heritage Bank	Owner B&W Contractors	2.22%	None	B & W Contractors - 100% Williams Family Properties - 4% Earthworks - 74% Property Investment Real Estate - 37 1/2% GSW Properties - 100% Huntington Court - 50%
Jim A Workman Cleveland, Tennessee, USA	Real Estate Broker	Director	Director Southern Heritage Bank	Owner Bender Realty	1.04%	None	Bender Realty - 95% Ocoee Properties - 50% Convenient Properties - 50% Ocoee Town & Country - 50% Community Lifestyles - 33 1/3% Gibson & Associates - 33 1/3% Candies Creek Properties - 25% BMW Properties - 33% Bradley Investment Assoc - 11.21%
Charles Burns, Jr Cleveland, Tennessee, USA	Attorney	Director	Director Southern Heritage Bank	Partner Burns & Henry PC	0.79%	None	Burns & Henry PC - 50% Ocoee Properties - 50% Burns Properties - 50% BMW Properties - 33 1/3%
Virginia B Kibble Cleveland, Tennessee, USA	N/A	EVP/Operations	EVP/Operations Southern Heritage Bank	N/A	0.82%	None	