



Board of Governors of the Federal Reserve System



# Annual Report of Bank 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)). 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

I, Steven W Ledbetter

Reporter's Name, Street, and Mailing Address

Southern Heritage Bancshares Inc

Name of the Bank Holding Company Director and Official

Legal Title of Bank Holding Company

CFO

P O Box 4730

Title of the Bank Holding Company Director and Official

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

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.

Cleveland TN 37320

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.

3020 Keith Street NW Cleveland TN 37312

Physical location (if different from mailing address)

Person to whom questions about this report should be directed:

Cheryl Bailey Controller

Signature of Bank Holding Company Director and Official

Name Title

03/05/2012

423-303-1766

Area Code / Phone Number / Extension

Date of Signature

Area Code / FAX Number

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

cbailey@southernheritagebank.com

E-mail Address

www.southernheritagebank.com

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

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

## 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.

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

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)

Southern Heritage Bank  
 Legal Title of Subsidiary Bank Holding Company  
 P O Box 4730  
 (Mailing Address of the Subsidiary Bank Holding Company) Street / P.O. Box  
 Cleveland TN 37312  
 City State Zip Code  
 3020 Keith St NW Cleveland TN 37312  
 Physical location (if different from mailing address)

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)

Southern Heritage Bank - Georgetown Office  
 Legal Title of Subsidiary Bank Holding Company  
 P O Box 4730  
 (Mailing Address of the Subsidiary Bank Holding Company) Street / P.O. Box  
 Cleveland TN 37320  
 City State Zip Code  
 3795 Georgetown Rd Cleveland TN 37312  
 Physical location (if different from mailing address)

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)

Southern Heritage Bank - Waterville Springs  
 Legal Title of Subsidiary Bank Holding Company  
 P O Box 4730  
 (Mailing Address of the Subsidiary Bank Holding Company) Street / P.O. Box  
 Cleveland TN 37320  
 City State Zip Code  
 2530 Dalton Pike Cleveland TN 37323  
 Physical location (if different from mailing address)

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)

**Form FR Y-6**

**Southern Heritage Bancshares, Inc.  
Cleveland, Tennessee  
Fiscal Year Ending December 31, 2011**

**Report Item 1: The bank holding company is required to file with the Security Exchange Commission (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**

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

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

**Results:** A list of branches for your BHC: **SOUTHERN HERITAGE BANCSHARES, INC. (3262779)** of **CLEVELAND, TN**.

The data are as of **06/30/2012**. Data reflects information that was received and processed through 07/05/2012.

**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
		Full Service (Head Office)	2798897	SOUTHERN HERITAGE BANK	3020 KEITH STREET	CLEVELAND	TN	37312	BRADLEY	UNITED STATES	74671	0	SOUTHERN HERITAGE BANK	2798897	
		Full Service	3017296	GEORGETOWN OFFICE	3795 GEORGETOWN ROAD	CLEVELAND	TN	37312	BRADLEY	UNITED STATES	360771	2	SOUTHERN HERITAGE BANK	2798897	
		Full Service	2909563	WATERVILLE SPRING OFFICE	2530 DALTON PIKE	CLEVELAND	TN	37323	BRADLEY	UNITED STATES	340776	1	SOUTHERN HERITAGE BANK	2798897	

FR 1-0  
**Southern Heritage Bancshares, Inc.**  
**Fiscal Year Ending December 31, 2011**

**Report Item 4: Insiders**

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

(1)	(2)	(3) (a)	(3) (b)	(3) (c)	(4) (a)	(4) (b)	(4) (c)
Names & Addresses (City, State, Country)	Principal Occupation if other than with Bank Holding Company	Title & Position with Bank Holding Company	Title & Position with Other Subsidiaries (include names of Subsidiaries)	Title & Position with Other Businesses (include names of other businesses)	Percentage of Voting Shares in Bank Holding Company	Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	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
✓ Len D Graham Cleveland, Tennessee, USA	Retired - Insurance	Director	Chairman Southern Heritage Bank	N/A	2.04%	None	Granam Brothers Real Estate - 50%
✓ R Danny Hays, MD Cleveland, Tennessee, USA	Retired - Radiologist	Director	Director Southern Heritage Bank	N/A	0.96%	None	Sweetwater Radiology - 100%
✓ Roger E Jenne, Esq Cleveland, Tennessee, USA	Attorney	Director & Secretary	Director & Secretary Southern Heritage Bank	Partner Jenne, Scott & Jenne PLLC	2.01%	None	Jenne Scott Jenne PLLC - 50%
✓ Steven W Ledbetter Cleveland, Tennessee, USA	N/A	Director & Chief Financial Officer	Director EVP & COO Southern Heritage Bank	N/A	2.08%	None	Perimeter Development - 50%
✓ Larry S McDaniel Cleveland, Tennessee, USA	Retail Clothing	Director	Director Southern Heritage Bank	Owner & Manager Town Squire	3.41%	None	Town Squire - 50% McDaniel Jobe 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%

FR 1-0  
**Southern Heritage Bancshares, Inc.**  
**Fiscal Year Ending December 31, 2011**

**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	3.36%	None	N/A
 James F. Williams Jr. Cleveland, Tennessee, USA	Construction	Director	Director Southern Heritage Bank	Owner B&W Contractors	2.55%	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	1.06%	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	0.81%	None	Burns & Henry PC - 50% Ocoee Properties - 50% Burns Properties - 50% BMW Properties - 33 1/3%
 Virginia B. Kibbie Cleveland, Tennessee, USA	N/A	EVP/Operations	EVP/Operations Southern Heritage Bank	N/A	0.97%	None	

**Southern Heritage Bancshares, Inc.  
Fiscal Year Ending December 31, 2011**

**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