

IRA EXPRO PROJECT III

NOTICE TO INTERESTED PERSONS

1. You are hereby notified that a written submission has been filed on behalf of the W. Mitchell Barber SEP (the IRA) with the United States Department of Labor (the Department) seeking authorization, pursuant to class exemption 96-661 FR 39988, July 31, 1996, as amended by 67 FR 44622, July 3, 2002, for an exemption from the sanctions resulting from the application of section 4975 of the Internal Revenue Code of 1986, as amended (the Code) to the proposed transaction (the Proposed Transaction), as described below.
2. The submission has met the requirements for tentative authorization under PTCE 96-62.
3. If the transaction is authorized by the Department, pursuant to PTCE 96-62, the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) through (E) of the Code, shall not apply to the cash sale, by the IRA to Willis M. Barber, Sr. (the IRA Owner), of shares of common stock (the Stock) of Travelers Rest Bancshares, Inc. The IRA Owner and the related parties own individually a total of 353 shares of Stock, which constitutes 0.11% of the outstanding Stock.
4. The authorization is subject to the following conditions:
 - The terms and conditions of the Proposed Transaction are at least as favorable to the IRA as those obtainable in an arm's length transaction with an unrelated party.
 - The Proposed Transaction is a one-time transaction for cash.
 - The IRA receives the fair market value of such Stock, on the date of such Proposed Transaction, as determined by Mauldin & Jenkins, the qualified, independent appraiser (the Appraiser).
 - The IRA pays no commissions, costs, or other expenses in connection with the Proposed Transaction.
 - The IRA meets the requirements of section 408(a) of the Code.
5. The Stock held by the IRA is described below. The IRA currently owns 353 shares of Stock, which constitutes 0.11% of the issued and outstanding shares of the Stock. The IRA acquired the Stock in January 1996 from TRBI for a total purchase price of \$10,100 (or \$28.61 per share rounded to the closest penny). The purchase price paid by the IRA for the Stock was determined by means of the price set by TRBI in a private placement. The payment method used by the IRA to acquire the Stock was cash. During the holding of the Stock, the IRA received dividends totaling \$4,372.20 and it incurred no expenses, other than custodial fees, which were not directly related to the holding of such Stock. As of September 29, 2005, the aggregate fair market value of the Stock held by the IRA was \$110 per share (i.e., an aggregate of \$38,830 for all 353 shares

held by the IRA) based on the Appraiser's estimate of the per share value. As a result of the acquisition, holding and proposed sale of the Stock, the IRA will experience a net gain in the amount of \$93.77 (rounded to the closest penny) per share (i.e., \$33,102.20 on all 353 shares held by the IRA), inclusive of dividends received but exclusive of custodial expenses incurred by the IRA. As of August 31, 2005, the fair market value of the assets of the IRA totaled \$331,832. Accordingly, the percentage of the IRA's assets represented by the Stock is 11.70%.

6. Travelers Rest Bancshares, Inc. desires to make an election to be taxed as a sub-chapter S corporation, pursuant to section 1361 of the Code. Although the IRA meets the requirements of section 408(a) of the Code, it is represented that the IRA is not an eligible shareholder for Code purposes. Therefore, it is necessary that the shares of Stock held by such IRA be sold. The IRA Owner proposes to enter into the Proposed Transaction under the conditions described above, as soon as feasible after the Department's final authorization is obtained, but before December 31, 2005, assuming that final authorization is obtained.

Further, the Proposed Transaction would provide additional liquidity the IRA and diversification of the IRA's holdings. In addition, in the event that the IRA Owner is an officer and/or director of Travelers Rest Bancshares, Inc. and/or its subsidiary, Bank of Travelers Rest, such IRA Owner may have had an interest in acquiring the Stock on behalf of the IRA, which affected his or her best judgment as a fiduciary of such IRA. In such circumstances, the acquisition of the Stock by the IRA may have violated section 4975(c)(1)(D) and (E) of the Code. Accordingly, the Department is providing no relief, herein, for the acquisition and holding of the Stock by the IRA.

7. It is represented that the Proposed Transaction poses little, if any, risk of abuse or loss to the IRA Owner or to any beneficiaries of the IRA, as the Proposed Transaction will enable the IRA to dispose of the Stock at a price which equals the fair market value at the time of the transaction, as determined by an independent, qualified appraiser.

8. The Applicant has identified as substantially similar to the Proposed Transaction the following individual exemption granted by the Department within the past 120 months and the following transaction, which received final authorization from the Department under PTCE 96-62 within the past 60 months:

- Prohibited Transaction Exemption 98-38 for the Individual Retirement Accounts of Roark Young, Russell Rice, Mary J. Rice, Bruce Lamchick, Steven McKean, and David McKean, and Burton Young, 63 FR 42079 (August 6, 1998). This exemption permits the one-time cash sale by individual retirement accounts of certain stock of a closely held corporation to the owners of such accounts where such corporation elected sub-chapter S status.
- Final Authorization 2004-57E involving the Harold J. Brewer Individual Retirement Account and the Alan D. Douglas Individual Retirement Account (the IRAs) (December

31, 2004). This authorization permits the cash sale by the IRAs of certain shares of bank holding company stock to their respective IRA Owners, who are disqualified persons with respect to their IRAs.

9. As a person who may be affected by the Proposed Transaction, you have the right to comment on the Proposed Transaction. Written comments should be addressed to:

Office of Exemption Determinations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Ave, NW
Room N-5649
Washington, D.C. 20210
Attention: Submission No. E-00482

Comments may also be submitted by facsimile to 202-219-0204, by e-mail to Arjumand Ansari at Ansari.Arjumand@DOL.gov.

10. The comment period will close on _____, 2005. Final Authorization of the Proposed Transaction will not occur until the Department reviews all comments received in response to this notice.

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