November 7, 2007

NOTICE TO INTERESTED PERSONS

1. You are hereby notified that a written submission has been filed on behalf of the Kenneth W. Stumpf Profit Sharing Plan (the Keogh) with the United States Department of Labor (the Department) seeking authorization, pursuant to class exemption 96-62 (PTE 96-62), 61 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 PTE 96-62.

3. If authorized by the Department, pursuant to PTE 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 Keogh to Mr. Kenneth W. Stumpf (Mr. Stumpf), a disqualified person with respect to the Keogh, of shares of common stock (the Stock) of Columbia Bancshares, Inc. (the Company).

4. The Company is a one bank holding corporation formed in 1982 under the laws of the State of Illinois, and is situated in Columbia, Illinois. The Company currently has 30,300 shares of common stock (the Stock) issued and outstanding. In addition the Company owns 80 percent (80%) (9,600 shares) of the common stock of the Columbia National Bank (the Bank) out of the 12,000 shares which are issued and outstanding. The Bank was organized in 1976 and provides a full range of banking services to individual and corporate customers in Monroe County and southern St. Clair County, Illinois through its single location. The Bank has 17 full-time and four to five part-time employees. Mr. Stumpf's son, Kurt Stumpf, is the President of the Bank.

Mr. Stumpf is a member of the Board of Directors of the Company and of the Bank. Mr. Stumpf receives a total of from $3,080 to $3,250 in compensation for attending Board meetings and for serving on various committees. In his individual capacity, Mr. Stumpf owns 3,831 shares of the Stock of the Company or approximately 12.64 percent (12.64%) of the outstanding shares of such Stock. In addition, Mr. Stumpf owns 58 shares of stock of the Bank which constitute .48 percent (.48%) of the outstanding shares of such stock.

5. The Keogh is a defined contribution plan, qualified under the provisions of section 401(a) of the Code and is exempt from taxation under section 501(a) of the Code. Mr. Stumpf is the sole participant and beneficiary of the Keogh. The Keogh is self-directed. Mr. Stumpf has sole discretion with respect to the investment of the assets of the Keogh. As of the most recent valuation date, the fair market value of the assets of the Keogh, including the fair market value, as of October 5, 2007, of the Stock of the Company held by the Keogh totaled $983,176.87.

6. The assets of the Keogh include 1,500 shares of Stock of the Company. The Stock held by the Keogh constitutes 4.95 percent (4.95%) of the issued and outstanding shares of the Stock and 15.56 percent (15.56%) of the assets of the Keogh, based upon the fair market value of a minority holding of such Stock, as of October 5, 2007.

It is represented that the Keogh purchased the Stock for investment purposes from the Union Illinois Company (UIC) on May 22, 1987. UIC was a principal shareholder of the Stock at the time of the purchase by the Keogh. UIC is an East St. Louis, Illinois, bank that played a role in organizing and capitalizing the Bank. The purchase price paid to UIC by the Keogh for the Stock was $40.22 per share—a total of $60,330 for the 1,500 shares. The purchase price paid by the Keogh for the Stock was based on 110 percent (110%) of the book value of the Stock, as of the date of the purchase. As reflected in the stock ledger, UIC surrendered certificate numbers 29 and 30 to the Company. Stock certificate number 57, representing 1,500 shares of the Stock, was then issued by the Company to the Keogh and transferred to A.G. Edwards & Sons, as custodian for the Keogh. Subsequently, stock certificate number 57 was exchanged for certificate number 64 to correct the naming of A.G. Edwards & Sons to A.G. Edwards & Sons, Inc. (AG Edwards). On August 28, 2000, AG Edwards transferred certificate number 64 to CEDE & Co., which is a central depository for the brokerage community that holds stock certificates to clear and settle stock trades and to provide custody of securities in an automated environment.

Since May 1987, the Keogh received dividends on the Stock totaling $35,760 and incurred expenses in the form of a standard annual administrative fee charged by AG Edwards.

7. As a member of the Board of Directors of the Company and of the Bank, Mr. Stumpf may have had an interest in acquiring the Stock on behalf of the Keogh which affected his best judgment as a fiduciary of such Keogh. In such circumstances, the acquisition of the Stock by the Keogh may have violated section 4975(c)(1)(D) and (E) of the Code. Accordingly, the Department is providing no relief for the acquisition and holding of the Stock by the Keogh.

8. Effective, January 1, 2008, the Company has determined to make an election to be taxed as a sub-chapter S corporation, pursuant to section 1361 of the Code. It is represented that the Keogh is eligible to be a shareholder of a sub-chapter S corporation. However, as income, loss, or deduction from ownership of sub-chapter S corporation stock passes through to the shareholders of such stock, unrelated business taxable income (UBTI) will pass through to the Keogh, as a shareholder of the Stock of the Company after the sub-chapter S election on January 1, 2008. In addition, any gain or loss on the disposition of sub-chapter S corporation stock by a qualified profit sharing plan, such as the Keogh, would result in UBTI. In order for the Keogh to avoid incurring UBTI that would result from the holding or sale of the Stock of the Company after the sub-chapter S election, Mr. Stumpf proposes to purchase the Stock from the Keogh under the conditions described below, on or prior to December 31, 2007, but in no event prior to the granting of authorization by the Department.

9. Klaris, Thompson & Schroeder, Inc., an independent, qualified appraiser (the Appraiser), issued an appraisal report, dated October 5, 2007, of the fair market value of the Stock of the Company. In the opinion of the Appraiser, as of October 5, 2007, the aggregate fair market value of 30,300 shares of the Stock of the Company was $3,080,000 or $ 102 per share. In valuing the Stock, the Appraiser

relied on market and income approaches to value. In addition, the Appraiser discounted the value of the Stock, by 25 percent (25%) for lack of marketability and by 17 percent (17%) for minority ownership. Based on this estimate from the Appraiser, the aggregate fair market value of the Stock held by the Keogh is $153,000.

It should be noted that other shareholders of the Stock are currently purchasing shares of Stock owned by shareholders who do not wish to participate in the consolidation and sub-chapter S election at a purchase price of $120.53, the book value of the Stock, as determined at the close of the most recent quarter on September 30, 2007. Accordingly, if the Proposed Transaction is authorized, Mr. Stumpf will purchase the Stock from the Keogh for cash in the amount which is the **greater** of: (a) the aggregate fair market value of the Stock held by the Keogh, as determined by an updated appraisal prepared by the Appraiser, as of the date of the Proposed Transaction, or (b) the aggregate book value of the Stock held by the Keogh, as determined at the close of the most recent quarter.

10. It is represented that the Proposed Transaction is in the interest of the Keogh, because such transaction would provide additional liquidity to the Keogh and diversification of the Keogh's holdings. In addition, the Keogh will not pay any commissions, costs, fees, or other expenses in connection with the Proposed Transaction.

11. It is represented that the Proposed Transaction is protective of the Keogh because the fair market value of the Stock at the time such transaction is entered will be determined by the Appraiser.

12. It is represented that the Proposed Transaction is feasible in that such transaction is a one-time sale transaction for cash.

13. It is represented that the Proposed Transaction poses little, if any, risk of abuse or loss to the Keogh or to Mr. Stumpf, the sole beneficiary of such Keogh, as the Proposed Transaction will enable the Keogh to dispose of the Stock.

14. Mr. Stumpf, 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 PTE 96-62 within the past 60 months:

a. Prohibited Transaction Exemption 99-10 for the Genito-Urinary Surgeons, Inc. Profit Sharing Plan, 64 FR 11045 (March 8, 1999). This exemption permitted the one-time cash sale of certain shares of preferred stock of a closely held corporation held by the plan to the corporate issuer of such stock, and an immediate and subsequent sale by the issuer to the owners of such accounts of the same number of shares of common stock of such corporate issuer where such corporation elected sub-chapter S status.

b. The Paul W. Bridgman VIP Profit Sharing Plan and the Keogh Plan of Nicholas C. Zagotta, Final Authorization 2002-13E (October 18, 2002). These authorizations permitted the one-time cash sales by a profit sharing and a Keogh plan, respectively, of certain shares of stock of a closely held corporation to the owners of such accounts where such corporation elected sub-chapter S status.

15. If granted, the authorization will be subject to the following conditions:

a. the terms and conditions of the Proposed Transaction are at least as favorable to the Keogh as those obtainable in an arm's length transaction with an unrelated party;

b. the Proposed Transaction is a one-time transaction for cash;

c. the Keogh receives an amount which is the **greater** of: (a) the aggregate fair market value of the Stock held by the Keogh, as determined by an updated appraisal prepared by the Appraiser, as of the date of the Proposed Transaction, or (b) the aggregate book value of the Stock held by the Keogh, as determined at the close of the most recent quarter;

d. the Keogh pays no commissions, costs, or other expenses in connection with the Proposed Transaction; and

e. the Company discloses to Mr. Stumpf that shareholders of the Stock are currently purchasing shares of Stock owned by shareholders who do not wish to participate in the consolidation and sub-chapter S election at a purchase price of $120.53, the book value of the Stock, as determined at the close of the most recent quarter on September 30, 2007.

16. 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-5700
Washington, D.C. 20210
Attention Submission No. E-00572

Comments may also be submitted by facsimile to 202-219-0204, and by e-mail to leblanc.angelena@dol.gov.

17. The comment period will close on December 8, 2007. Final Authorization of the Proposed Transaction will not occur until the Department has reviewed all comments received in response to this notice.