

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

_____)	
In the Matter of)	
)	
BILLY PROFFITT, individually)	ORDER MODIFYING
and as a former institution-)	ORDER OF PROHIBITION
affiliated party of)	FROM FURTHER PARTICIPATION
)	
)	FDIC-96-105e
TENNESSEE STATE BANK)	
PIGEON FORGE, TENNESSEE)	
)	
(INSURED STATE MEMBER BANK)	
--FORMER INSURED STATE MEMBER BANK))	
_____)	

IT IS HEREBY ORDERED that the ORDER OF PROHIBITION FROM FURTHER PARTICIPATION ("ORDER") issued against BILLY PROFFITT ("Respondent") on October 6, 1998, under section 8(e) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(e), be modified, for good cause shown, to allow Respondent to purchase shares of common stock of Tennessee State Bancshares, Inc. ("Tennessee Bancshares"), through a private placement, causing Respondent's percentage of total ownership of the stock to remain at its current level of 59.03% of the total issued and outstanding shares of Tennessee Bancshares, and to simultaneously transfer the purchased shares to Respondent's existing voting trust. All other provisions of the ORDER shall remain in full force and effect.

IT IS FURTHER ORDERED that Respondent must also obtain the approval of the Board of Governors of the Federal Reserve System, as required by section 8(e)(7)(B)(ii) of the Act, 12 U.S.C. §

1818(e)(7)(B)(ii), before he may acquire or attempt to acquire additional shares in Tennessee Bancshares as described above.

IT IS FURTHER ORDERED that Respondent shall not, directly or indirectly, borrow funds on any basis from Tennessee State Bank for use in whole or in part in connection with or relating to the purchase or holding of shares in Tennessee State Bancshares, Inc.

Dated at Washington, D.C. this 21st day of June, 2011.

/s/ _____
Serena L. Owens
Associate Director
Division of Risk Management Supervision