

Capital Investment Companies Expands Community Banking Network Into Georgia and South Carolina

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RALEIGH, N.C. -- Capital Investment Companies is growing their thriving community banking program by expanding south with new relationships in Georgia and South Carolina. Most recently, Capital Investment Companies has formed community banking liaisons with BankSouth, headquartered in Greensboro, G.A. and CommunitySouth Bank & Trust, headquartered in Easley, S.C.

Capital Investment Companies' are leading this innovative combination providing full financial services within community banks. Throughout the Southeast, they are currently maintaining 11 different relationships. Capital Investment Companies offers a bank securities program through the bank providing various services including traditional brokerage, money management, investment banking, insurance and estate planning, trusts, no-load mutual fund management, retirement plans and mortgages, as well as a community foundation. This program provides participating banks with resources, knowledge and tools to enhance customer relationships, increasing revenue and expanding marketing and brand awareness programs.

"As Community Banks continue to grow in size and assets and maintain great banking services, they still need solid support for other financial needs such as ours," said Richard K. Bryant, president of Capital Investment Companies. "The geographic areas that they serve which result in pockets of wealth. This results in an inherent need for other investment tools and we and we aim to fulfill that need. Georgia and South Carolina is an untapped resource for us and we want to introduce the area to what we are all about at Capital. We will continue to expand through Georgia and South Carolina, and hopefully continue to broaden our reach beyond the Southeast."

In addition to increasing the services available to banks in these growing areas, Capital Investment Companies is educating their new partners about the 1999 Gramm-Leach-Bliley Act and resulting regulations, including Regulation R. Through this information, banks are able to comply with the new requirements, and avoid unpleasant meetings with state and federal regulators. Currently in the comment period, Regulation R will control how banks and broker-dealers correctly promote investment services. Banks must now generally deliver investment products and services to consumers through a networking arrangement with a broker-dealer such as Capital, and must make it clear to customers that the broker-dealer, not the bank, is the provider.

"Capital Investment Companies has created a cutting-edge program," said Barry P. Harris, IV, a financial institutions lawyer with Ward and Smith, P.A. "The new laws and regulations significantly increase the risks to banks in this area. Capital is diligently working with its bank partners to educate them on the new requirements, and to provide them with resources to avoid challenges by regulators and plaintiffs' lawyers."

The two newest partner banks to Capital Investment Companies, BankSouth and Community South Bank, are rich in local history. BankSouth began as a merger of The Citizens Bank and Bank of Union Point, which created Citizens Union Bank in 1977. BankSouth formally changed its name in 2004. BankSouth has grown to hold an office in Lake Oconee, Greensboro and two offices in Savannah. Still locally owned, BankSouth is heavily involved in their community actively giving to local businesses and charities and providing opportunity for college-bound students.

CommunitySouth Bank & Trust began operations two years ago with a vision of a team approach to cover upstate South Carolina. In two years CommunitySouth has acquired assets over \$270

million and operates five full-service banks in Easley, Mauldin, Spartanburg, Anderson and Greer, S.C. They are planning to open additional offices in Spartanburg and Greer this year.

Capital Investment Companies has been working with various other community banks to enhance the banking experience for all customers. They have partnered with Cornerstone Bank headquartered in Wilson, N.C., Capital Bank headquartered in Raleigh, N.C., Longleaf Bank headquartered in Rockingham, N.C., Lumbee Guaranty headquartered in Pembroke, N.C., Crescent State Bank headquartered in Cary, N.C., East Carolina Bank headquartered in Greenville, N.C., North State Bank headquartered in Raleigh, N.C., Waccamaw Bank headquartered in Whiteville, N.C., First Federal Savings Bank of Dunn, N.C., BankSouth headquartered in Greensboro, Ga. and Community South Bank headquartered in Easley, S.C. Capital Investment Companies continues to work with community banks in the Southeast in order to bridge the gap between banking and investments.

About Capital Investment Companies

Capital Investment Companies is comprised of Capital Investment Brokerage, Inc and Capital Investment Group, Inc., registered broker/dealers (Members NASD/SIPC), and their affiliates. Capital Investment Companies is one of the largest independent financial services and brokerage organizations in the Southeastern United States, headquartered in Raleigh, NC. The firm offers a wide variety of financial services including: traditional investment brokerage, money management, investment banking, trust services, no-load mutual fund management, mortgage services, estate planning, insurance services, retirement plans and a community foundation. They offer their services to individuals, corporations, and the CPA and banking community.
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