

## NOTICE TO INTERESTED PERSONS

1. You are hereby notified that a written submission has been filed on behalf of the Bell IRA (the IRA) with the United States Department of Labor (the Department) seeking authorization, pursuant to class exemption 96-62 (PTCE 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 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 Judy C. Bell (the IRA Owner) of shares of common stock (the Stock) of Central Alabama Bancshares, Inc. (CAB). The IRA Owner and related parties own individually a total of 10,000 shares of Stock, which constitutes 1.10% 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 National Capital LLC, the independent, qualified 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 10,000 shares of Stock, which constitutes 1.10% of the issued and outstanding shares of the Stock. The IRA acquired the Stock from CAB on 1/17/2002 for a purchase price of \$10 per share. The purchase price(s) paid by the IRA for the Stock was the amount established by CAB in its private offering of CAB stock. The payment method used by the IRA to acquire the Stock was cash. During its ownership of the Stock, the IRA received a one-time dividend on the Stock totaling \$0.25 per share (i.e., \$2,500 on all 10,000 shares held by the IRA) and it incurred no expenses attributable to the CAB Stock other than the IRA custodial fees which were not directly related to the holding of such stock. As of August 31, 2005, the aggregate fair market value of the Stock held by the IRA was \$18 per share (i.e., an aggregate of \$180,000 for all 10,000 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 \$8.25 per share (i.e., \$82,500 on all 10,000 shares held by the IRA), inclusive of dividends received but exclusive of custodial expenses incurred by the IRA. As of 7/31/2005, the fair market value of the assets of the IRA totaled \$180,003. Accordingly, the percentage of the IRA's assets represented by the Stock is 100%.

6. CAB 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 of Labor's final authorization is obtained, but before December 30, 2005, assuming that final authorization is obtained.

Further, the Proposed Transaction would provide additional liquidity to 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 CAB and/or its subsidiary, the First Community Bank of Alabama, 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-00465

Comments may also be submitted by facsimile to 202-219-0204, or by e-mail to Ekaterina Uzlyan at [Uzlyan.Katie@dol.gov](mailto:Uzlyan.Katie@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.