**IBSC Calendar**

Thursday, December 7, @ 10:30 am
 IBSC Young Community Bankers Board Meeting
 Association Office, Columbia, SC

July 26-28, 2007
 IBSC Annual Convention
 The Westin Savannah Harbor Golf Resort & Spa
 Savannah, GA

Watch Your Liability

It is always important for the bank to limit its legal liability whenever possible. There is no reason for any bank to obligate itself for anything which can and should be avoided. One way to eliminate legal liability is for the bank to use PERSONAL Money Orders rather than Bank Money Orders. There is a need for the bank to have the ability to issue Cashier's Checks. But banks should never issue Bank Money Orders or Cashier's Checks when they could just as well issue PERSONAL Money Orders. A Bank Money Order is legally the same as a Cashier's Check. That is, it is a bill of exchange or draft drawn by the bank on the bank and is legally accepted by the act of issuance.

PERSONAL Money orders are entirely different legal instruments. A PERSONAL Money Order is not signed by or on behalf of the bank. It is similar to an ordinary check in that the PERSONAL Money Order is issued with unfilled blanks for the name of the payee, the date and the signature of the purchaser. Only the amount is filled out at the time of issue and is usually done by a checkwriter impression. A PERSONAL Money Order is a one-time, one-check checking account. A customer may stop payment on a PERSONAL Money Order. It is safe and convenient means of remitting funds by a person who does not have a checking account.

The real advantage to the bank is that a PERSONAL Money Order is not an obligation of the bank. The bank may refuse payment for the proper reasons. The bank's only obligation is to pay the PERSONAL Money Order if payment has not been stopped and if it was purchased with honest and valid funds.

We recommend that banks use PERSONAL Money Orders in all cases in which a Cashier's check is not required to fulfill the customer's needs. All tellers can issue PERSONAL Money Orders. All Cashier's Checks should require two authorized signatures and the number of bank officers and employees who are authorized to sign Cashier's Checks should be strictly limited.

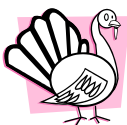
Submitted by Robert P. Freeman, VP Exchange Bank

Public confidence in S.C. schools improving

A new study commissioned by the South Carolina Education Oversight Committee (EOC) shows that South Carolinians have more confidence in public schools than they've had in the past. In a telephone poll conducted this summer, South Carolinians were asked to evaluate the state's public school system with a report-card style letter grade. Overall, responses were more positive than those from a similar 1998 study; South Carolina schools received more A and B grades than in 1998, and they received fewer grades of D and F. The percentage of A grades given increased from 3 percent to 4 percent. B grades given increased from 15 percent to 24 percent. Grades of D decreased from 26 to 21 percent, and F grades decreased from 16 to 12 percent. Grades of C remained at 38 percent.

In line with historic trends, the parents of children attending public schools rated their own children's schools with a higher letter grade than they rated schools in general. More parents responding this year gave their children's schools a grade of A; that number was up to 31 percent from 25 percent in 1998. There was a positive shift of opinion when respondents were asked to choose a statement that best described how they felt about the current state of schools. Five percent of respondents said the system "works pretty well now," up slightly from 4 percent. Respondents who thought "some changes are needed, but it should basically be kept the same," increased from 29 to 43 percent. Thirty-one percent thought "major changes" were needed in the system, a decrease from 45 percent. Only 21 percent of respondents thought the system needed a "complete overhaul," just a slight increase from 20 percent in 1998.

EOC Chairman Harold Stowe said the study's results play a helpful role in assessing the overall performance of South Carolina's schools. Stowe also said it's rewarding to know that attitudes among parents of children who attend public schools also have continued to improve. MarketSearch, an independent, Columbia-based research firm, conducted the study on behalf of the EOC. "We set out to monitor changes in opinions of public schools in South Carolina over time," MarketSearch President Frank Brown said. "This study shows that South Carolinians have a more positive view of public schools than in the past. We asked many of the same questions in a 1998 study conducted for the EOC. Although there is certainly still room for improvement, the recent findings show a significant positive shift of opinion." Full results of the study are available at www.sceoc.org.



HAPPY THANKSGIVING-IBSC!

IBSC News

Community South Bank & Trust officially has opened its new Greer branch at 530 West Wade Hampton Boulevard. The facility is Community South's fifth full-service office in the Upstate and third to open this year, according to a statement from the bank. The new branch will be staffed by Greer native Wayne McKinney, Senior Vice President and City Executive for Greer and Spartanburg markets. Greer native April Bridwell will serve as Vice President and Branch Manager of the new office.

Greenville News, November 22, 2006

Greenville First Bancshares is expanding from its Upstate base into the Midlands market and has tapped a Columbia banker as leader. Justin Strickland, who was head of the Midlands market for Carolina First Bank, has been named president. And the bank holding company is changing the name of **Greenville First Bank to Southern First Bank**. Greenville First's chief executive, R. Arthur Seaver Jr., said expanding into the Midlands is something he has wanted since he started the business in 1999, but needed to find the person to lead the effort. Greenville First has more than \$500 million in assets and three branches in the Upstate. A location has not been finalized for a loan production office in Columbia, but it is expected to start operation in early 2007. After that, a full-service branch will open as soon as possible.

Seaver and Strickland have known each other for more than 20 years. Both entered the management training program at the old C&S Bank in 1985 and led parallel careers. Strickland is not just in charge of expanding the Southern First Bank's presence in the Midlands. As president of the bank, he is also looking for lenders who can be hired to open offices in other markets such as Charleston and Myrtle Beach. Ultimately Seaver's and Strickland's goal is to make Southern First a statewide bank. This is why Strickland said they decided to change the bank's name.

The State, November 9, 2006.



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Startup bank hits \$100 million in assets

In a little more than six months, BankMeridian has passed a benchmark a third of South Carolina's banks have yet to reach, acquiring more than \$100 million in assets. South Carolina is home to 109 banks, and nearly all are older, in many cases, decades older, than Columbia-based BankMeridian, which opened for business in April. For a new startup bank, passing this threshold is important for several reasons, bank officials said. Earlier in the year, shareholders paid, on average, at least \$100,000 to invest in the bank to raise \$35 million, giving the bank a tremendous head start in reaching \$100 million in assets. Also, the large investment base helps the bank avoid the risk of outgrowing its cash, a common hazard for startup banks.

When BankMeridian started out, it opened branches in Columbia and Hilton Head simultaneously. BankMeridian has opened a new loan production office in Spartanburg, but it wants to grow statewide eventually.

The State, November 10, 2006.

A.M. Best Company

A.M. Best is excited to extend its bank rating services to **BancInsure's** clients, by providing a unique opportunity for its clients to receive both an Issuer Credit Rating and a Bank Deposit Rating from A.M. Best to be utilized in lieu of its usual Bond and D&O applications. Unlike a public-data or model-driven rating, an interactive bank rating is more accurate and is based on a full analysis of detailed information provided by an applicant to A.M. Best. Besides facilitating a streamlined renewal process with BancInsure, the best bank rating will serve other financial purposes of the bank, such as a deposit gathering program or other situations where a public data-driven rating was previously used for underwriting or pricing guidelines. It is important that the bank is prepared and committed to completing the credit rating process by A.M. Best as part of BancInsure's streamlined renewal process. For more information please contact the IBSC Association Office.

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