

**SOUTHEASTERN BANKING CORPORATION**  
**STOCK DEREGISTRATION**  
**SHAREHOLDER FREQUENTLY ASKED QUESTIONS**

The following is provided for informational purposes to Southeastern Banking Corporation (“SEBC” or the “Company”) shareholders in conjunction with the deregistration of SEBC common stock. You should consult with your financial advisor or a registered broker-dealer to determine how your investment in SEBC stock might be impacted by our deregistration.

**1. What does “deregistration” of the stock mean?**

Because we had over 300 shareholders, we were required to have our stock registered with the Securities and Exchange Commission (the “SEC”) and file periodic reports under the Securities Exchange Act of 1934 (the “Exchange Act”). On April 5, 2012, the Jumpstart Our Business Startups Act (the “JOBS Act”) was signed into law. The JOBS Act amends the Exchange Act to increase the number of shareholders threshold for SEC deregistration from 300 shareholders to 1,200 shareholders. We currently have approximately 411 shareholders.

On April 20, 2012, we filed to terminate the registration of our common stock with the SEC. In filing to deregister the stock, our obligation to file periodic reports with the SEC will cease on July 29, 2012 (90 days). After July 29, 2012, we will not file another Exchange Act form, including Forms 10-K, 10-Q, and 8-K, and our directors, executive officers and other large shareholders will not file change in ownership reports with the SEC.

**2. Why deregister?**

As an Exchange Act filer, the regulatory burden is extensive. For a small reporting company like SEBC, the cost of compliance with these regulations, in terms of management time, legal and accounting fees and other costs, is significant. We estimate this compliance cost to be approximately \$120,000 per year. We believe deregistration will benefit our shareholders by allowing us to eliminate costs incurred to satisfy the disclosure, reporting and compliance requirements of an SEC registrant.

In light of the limited market for our common stock, we believe the termination of our status as an SEC registrant will not have a significant impact on any future efforts by us to raise additional capital or acquire other business entities. To the contrary, the amendments to the Exchange Act offered by the JOBS Act may help facilitate a capital raise if needed.

Moreover, we believe that our limited trading market and the resulting inability of our shareholders to realize the full value of their investment in our common stock through an efficient market has resulted in little relative benefit for our shareholders as compared to the costs of maintaining our registration.

This deregistration was a voluntary action taken by the Company. Deregistration was not in response to any governmental or regulatory action against the Company or its subsidiary Southeastern Bank (the “Bank”).

**3. Will SEBC stock continue to use the ticker symbol “SEBC” and on what exchange will SEBC stock be traded?**

Our stock is not listed with a stock exchange (i.e. NASDAQ). Rather, it is traded through a network of broker-dealer firms “over-the-counter” (“OTC”) as an OTC stock. Although the stock has been deregistered with the SEC, it will continue to trade over-the-counter through firms called market makers. It is yet to be determined if all existing financial media sources will continue to report information under our stock symbol. However, you will be able to look up trade information on our stock using our “SEBC” stock symbol on the OTC Bulletin Board website at [www.otcbb.com](http://www.otcbb.com).

#### 4. What is a "market maker"?

A "market maker" is a firm that stands ready to buy and sell a particular stock on a regular and continuous basis at a publicly quoted price. Many OTC stocks have more than one market maker. Market makers generally must be ready to buy and sell at least 100 shares of a stock in which they make a market. As a result, a large order from an investor may have to be filled by a number of market makers at potentially different prices.

We have established relationships with several registered broker-dealer firms who have agreed to continue trading stock for our shareholders. The following is a contact list (in alpha-order) of broker-dealer firms that currently make a market in our stock.

##### **Raymond James Financial**

Contact: Dudley Stephens  
Address: Raymond James Financial  
3414 Peachtree Road, NE  
Suite 500  
Atlanta, GA 30326  
Phone: 404.442.5828  
E-mail: dudley.stephens@raymondjames.com  
Alternate  
Contact: Dan Coughlin 312.655.2875

##### **RBC Wealth Management**

Contacts: Joy Cole or Raymond McIntyre  
Address: RBC Wealth Management  
One Buckhead Plaza  
3060 Peachtree Road, NW  
Suite 750  
Atlanta, GA 30305  
Phone: 404.260.8783 or 404.260.8782  
Toll-Free: 866.887.2187  
Fax: 404.260.8819  
E-mails: joy.cole@rbc.com or raymond.mcintyre@rbc.com

The contacts above are provided for informational purposes only. Shareholders are not required to use one of these firms. In fact, other firms may, and do, make a market in our stock without our knowledge. Our permission or approval is not required for a firm to make a market in our stock. Other brokers may also transact SEBC stock through a market maker or an electronic exchange. Firms that make a market in an OTC security occasionally change. You may contact us if you have any questions about one of our market makers or to obtain an updated contact list.

#### 5. How do I sell shares of SEBC stock?

##### **If your stock is held in a brokerage account:**

To sell shares in our stock, you would place an order with your brokerage firm who in turn would either contact a market maker to facilitate the trade or make the trade themselves.

(response continued on next page)

5. **How do I sell shares of SEBC stock?** (continued from previous page)

**If your stock is in physical certificate form:**

To sell shares in our stock, you should contact your broker or a market maker directly to place your order. You can choose from either a discount broker or a full-service broker. However, you should be aware that not all brokers trade in OTC securities. You may be required by the broker to open a brokerage account and have the certificates delivered to that account prior to initiating a trade.

Here is an example of steps that are taken when an investor places a sell order for an OTC stock: After the investor places the order with his or her broker, the broker will contact the security's respective market maker. The market maker then will quote the broker the bid price at which the market maker is willing to buy the security. Bid and ask quotes can be monitored by an investor through the OTC Bulletin Board website at [www.otcbb.com](http://www.otcbb.com).

If the sell order was a "market order," the broker must accept the price quoted by the market maker. The broker then will transfer the respective securities to the market maker's account and the investor's brokerage account is credited with the sales proceeds. The investor can place a "limit order" or a "stop order" for OTC securities in order to implement price limits on the trade. A similar process occurs when an investor decides to buy an OTC security.

6. **How do I purchase shares of SEBC stock?**

**If you have an existing brokerage account:**

To purchase shares in our stock, you would place an order with your brokerage firm who in turn would either contact a market maker to facilitate the trade or make the trade themselves.

**If you do not have a brokerage account:**

The first step you must make before you can trade in OTC securities is to open an account with a brokerage firm. You can choose from either a discount broker or a full-service broker to invest. However, you should be aware that not all brokers trade in OTC securities. Your broker will work with the applicable market maker to ensure that your transaction is completed successfully.

Here is an example of steps that are taken when an investor places a buy order for an OTC stock: After the investor places the order with his or her broker, the broker will contact the security's respective market maker. The market maker then will quote the broker the ask price at which the market maker is willing to sell the security. Bid and ask quotes can be monitored by an investor through the OTC Bulletin Board website at [www.otcbb.com](http://www.otcbb.com).

If the order was a "market order," the broker must accept the price quoted by the market maker. The broker then will transfer the necessary funds to the market maker's account and the investor's brokerage account is credited with the respective securities. The investor can place a "limit order" or a "stop order" for OTC securities in order to implement price limits on the trade. A similar process occurs when an investor decides to sell an OTC security.

7. **Can I keep my SEBC stock in my brokerage account?**

Many brokerage firms will allow an unregistered OTC stock to be held in a brokerage account. However, some firms may not allow you to continue to hold SEBC stock in an account with them, particularly if shares are held in an individual retirement account ("IRA"). You should consult your broker to determine the best solution for your investment.

**8. How can I determine a value for my stock?**

It is yet to be determined if all existing financial media sources will continue to report information under our stock symbol. However, you will be able to look up trade information on our stock using our "SEBC" stock symbol on the OTC Bulletin Board website at [www.otcbb.com](http://www.otcbb.com).

**9. Will Registrar & Transfer Company continue to serve as the transfer agent for SEBC?**

Yes. We will continue to use Registrar & Transfer Company for transfer agent services. Shareholders with SEBC stock in physical certificate form should continue to report changes in name, address or ownership of stock, lost certificates, or requests for account consolidation to Registrar & Transfer Company at:

Registrar & Transfer Company  
10 Commerce Drive  
Cranford, New Jersey 07016-3572  
800.368.5848  
[www.rtc.com](http://www.rtc.com)

**10. Going forward, how can I obtain information on the stock, SEBC and the Bank?**

It is yet to be determined if all existing financial media sources will continue to report information under our stock symbol. However, you will be able to look up trade information on our stock using our "SEBC" stock symbol on the OTC Bulletin Board website at [www.otcbb.com](http://www.otcbb.com).

We intend to release financial information on the Company on a quarterly basis through a formal press release to local and financial media sources. This information will also be made available on our Bank's website at [www.southeasternbank.com](http://www.southeasternbank.com). In addition, the Bank is required to file quarterly financial information on its results of operations and financial condition with the FDIC; this information can be found on the FDIC's website at [www.fdic.gov](http://www.fdic.gov).

**11. Will I continue to receive an annual report on the Company?**

Yes. We will continue to send an annual report to shareholders following the release of our audited financial statements. The annual report will continue to include the Company's audited financial statements. However, the supplementary information provided in the annual report will not be as detailed as the information required in an SEC Form 10-K.

**12. Will there still be an annual shareholders' meeting?**

Yes. We will continue to hold an annual shareholders' meeting, and proxy statements will be sent to shareholders for all matters requiring shareholder approval in the Company's Articles of Incorporation or By-Laws or under state or federal law.

**13. Will SEBC ever reregister the stock with the SEC?**

We do not currently intend to reregister our stock with the SEC. However, if the situation were to arise where SEC registration was advantageous to us or our shareholders, we would reconsider this position.