

Board of Governors of the Federal Reserve System

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Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2013
 Month / Day / Year

1. Gordon A. Baird
 Name of the Holding Company Director and Official
CEO + Director
 Title of the Holding Company Director and Official

Reporter's Name, Street, and Mailing Address
Independence Bancshares, Inc.
 Legal Title of Holding Company
500 East Washington St., P.O. Box 1776
 (Mailing Address of the Holding Company) Street / P.O. Box
Greenville SC 29601
 City State Zip Code

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Physical location (if different from mailing address)

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Person to whom questions about this report should be directed:

Bonnie Schmidt Controller
 Name Title
864-672-1776
 Area Code / Phone Number / Extension
864-672-1777
 Area Code / FAX Number
bschmidt@independencnb.com
 E-mail Address
www.independencnb.com
 Address (URL) for the Holding Company's web page

Signature of Holding Company Director and Official

Date of Signature

For holding companies not registered with the SEC—
 Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID 3324967
 C.I. _____

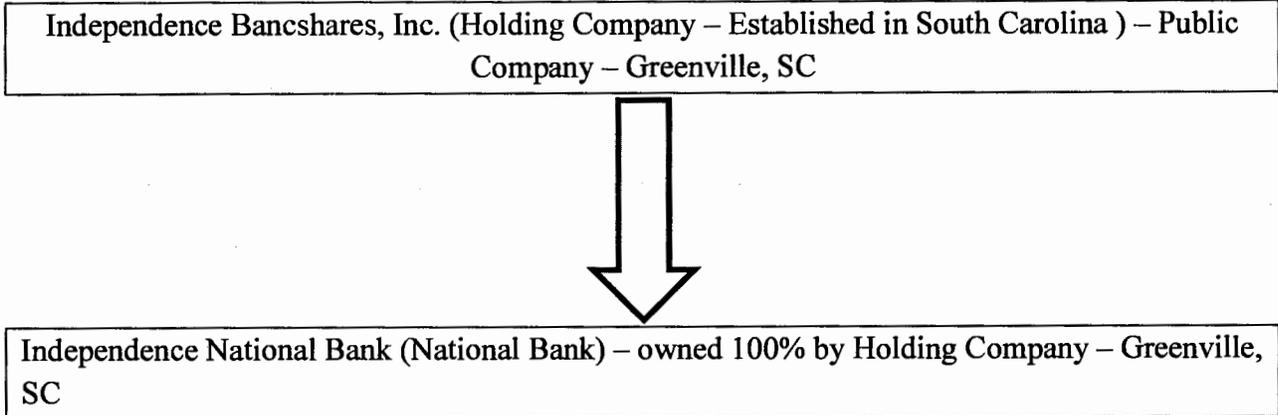
Does the reporter request confidential treatment for any portion of this submission?

- Yes Please identify the report items to which this request applies: _____
- In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.
- The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No Baird

Annual Report of Bank Holding Companies
Form FR Y-6
Independence Bancshares, Inc.
December 31, 2013

Item 2a: Organizational Chart



Results: A list of branches for your depository institution: INDEPENDENCE NATIONAL BANK (ID_RSSD: 3324994). This depository institution is held by INDEPENDENCE BANCSHARES, INC. (3324967) of GREENVILLE, SC. The data are as of 12/31/2013. Data reflects information that was received and processed through 01/07/2014.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the **Effective Date** column.

Actions

OK: If the branch information is correct, enter 'OK' in the **Data Action** column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information. If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
 To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of Change, Close, Delete, or Add. The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

| Data Action | Effective Date | Branch Service Type | Branch ID_RSSD* | Popular Name | Street Address | City | State | Zip Code | County | Country | FDIC UNINUM* | Office Number* | Head Office | Head Office ID_RSSD* | Comments |
|-------------|----------------|----------------------------|-----------------|----------------------------|-------------------------------|--------------|-------|----------|------------|---------------|--------------|----------------|----------------------------|----------------------|----------|
| OK | | Full Service (Head Office) | 3324994 | INDEPENDENCE NATIONAL BANK | 500 EAST WASHINGTON ST | GREENVILLE | SC | 29601 | GREENVILLE | UNITED STATES | 432393 | 0 | INDEPENDENCE NATIONAL BANK | 3324994 | |
| OK | | Full Service | 3921722 | SIMPSONVILLE BRANCH | 150 HIGHWAY 14 | SIMPSONVILLE | SC | 29681 | GREENVILLE | UNITED STATES | 492920 | 3 | INDEPENDENCE NATIONAL BANK | 3324994 | |
| OK | | Full Service | 3712676 | WADE HAMPTON BRANCH | 2801-B WADE HAMPTON BOULEVARD | TAYLORS | SC | 29687 | GREENVILLE | UNITED STATES | 469621 | 2 | INDEPENDENCE NATIONAL BANK | 3324994 | |

Form FR Y-6

Independence Bancshares, Inc.

Item 3. Securities Holders

December 31, 2013

| Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending December 31, 2013 | | | Shareholders not listed in 3(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending December 31, 2013 | | |
|--|--|--|---|--|--|
| (1)(a) Name & Address (City, State, Country) | (1)(b) Country of Citizenship or Incorporation | (1)(c) Number and Percentage of Each Class of Voting Securities | (2)(a) Name & Address (City, State, Country) | (2)(b) Country of Citizenship or Incorporation | (2)(c) Number and Percentage of Each Class of Voting Securities |
| Gordon A. Baird West Port, CT | USA | 1,447,250 - 6.93% Common Stock | Huntington Partners, LLLP Chicago, IL | USA | 1,875,000 - 9.15% Common Stock |
| Robert B. Willumstad New York, NY | USA | 1,431,250 - 6.92 % Common Stock | Steven D. Hovde Barrington, IL | USA | 1,250,000 - 6.10% Common Stock |
| Alvin G. Hageman West Port, CT | USA | 1,390,250- 6.78% Common Stock | | | |

Form FR Y-6
Independence Bancshares, Inc.
Item 4, Insiders
December 31, 2013

| (1) Names & Address City, State, Country | (2) Principal Occupation if other than with Bank Holding Company | (3)(a) Title & Position with Bank Holding Company | (3)(b) Title & Position with Subsidiaries | (3)(c) Title & Position with Other Businesses | (4)(a) Percentage of Voting Shares in Bank Holding Company | (4)(b) Percentage of Voting Shares in Subsidiaries | (4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held |
|--|---|--|--|---|---|---|---|
| Robert M. Austell Greenville, SC | Retired | Director | Director | N/A | 0.55% | None | N/A |
| Gordon A. Baird Darien, CT | N/A | Director and Chief Executive Officer | N/A | N/A | 6.93% | None | See Attachment A |
| John W. Burnett, Sr. Greenville, SC | Business Owner/Pilot/Insurance | Director | Director | Owner, President & Chief Executive Officer Palmetto Jet, LLC | 0.68% | None | Palmetto Jet, LLC (100%), American Consumer Finance (25%), Burnett Acquisitions (50%), Aircraft Management Group (100%) |
| Billy J. Coleman Greenville, SC | Consultant | Director | Director | President, CORBIA International | 1.49% | None | CORBIA, Council of Resources (45%), NCB Investments (50%), Vardry Executive Center (40%), Oromni Investments (25%) |
| Rich Garside Jacksonville, FL | Consultant | Proposed President and Chief Operating Officer | N/A | N/A | None | None | N/A |
| Alvin G. Hageman West Port, CT | Asset Advisor/Investments | Director | N/A | Co-Chief Investment Officer and Partner, MPIB Holdings, LLC | 6.78% | None | N/A |
| H. Neel Hipp, Jr. Greenville, SC | Business Owner/Investments | Director | Director | Owner, Hipp Investments, LLC | 1.69% | None | Hipp Investments, LLC (50%) |
| Martha L. Long Greenville, SC | N/A | Principal Financial Officer | CFO | N/A | 0.50% | None | N/A |
| William R. Mathis Greenville, SC | Retired | Director | Director | N/A | 0.30% | None | Risk Management Services, Inc. (100%) |
| A. Alexander McLean, III Greenville, SC | Chairman and Chief Executive Officer Consumer Finance Company | Director | Director | Chairman & Chief Executive Officer World Acceptance Corporation | 1.05% | None | N/A |
| Sudhirkumar C. Patel Greenville, SC | Physician | Director | Director | Partner/Physician, Carolina Internal Medicine | 0.55% | None | 1208 Properties (50%) |
| Donald H. Rex, Jr. Greenville, SC | Business Owner/Investments | Director | Director | Owner, Rex Management, LLC | 0.24% | None | Rex Management, LLC (99%), Silver Ridge II LLC (50%) |
| Keith Stock Stamford, CT | Managing Director, Investment Banking | Director | N/A | Managing Director, C&Co/PrinceRidge, LLC, Senior Executive Advisor, The Brookside Group, Senior Managing Director, First Financial Investors, Inc. | 0.61% | None | N/A |
| Charles D. Walters Greenville, SC | Chairman Emeritus, Consumer Finance Company Chairman of the Board, A Services Group | Director | Director | Chairman Emeritus of the Board, World Acceptance Corporation | 0.61% | None | Charlico Holdings LLC (100%), Walco Enterprises, LLC (40%) |

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Independence Bancshares, Inc.
Item 4. Insiders
December 31, 2013

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|--|--|--|--|--|---|---|---|
| Roger W. Walters Cashiers, NC | Custom Home Builder | Director | Director | President & Chief Executive Officer, Walters Dynamic Company & Dynamic Development Company | 0.72% | None | Walters Development Co (100%), Dynamic Development Co. (100%), Ledgeview Partners, LLC (50%), Home Services of Cashiers (50%) |
| Vivian A. Wong Greenville, SC | Business Owner and Real Estate Investor | Director | Director | Chairman of the Board, Pacific Gateway Capital, LLC | 0.99% | None | See Attachment B |
| Robert B. Willumstad New York, NY | Partner, Equity Firm | Director and Chairman of the Board | N/A | Partner, Brysam Global Partners | 6.92% | None | N/A |

Attachment A - Item 4

Gordon A. Baird - Ownership in Other Businesses

| Company | Position | Ownership |
|--------------------------|------------------------------------|------------------|
| Baird Hageman & Co., LLC | Member of the board of managers | 26% |
| MPIB Holdings, LLC | Member & Manager | 90.50% |

* Attachment B, Item 4

Vivian A. Wong – Ownership in Other Businesses

| <u>Business Name/Location</u> | <u>Nature of Business</u> | <u>Position/Relationship</u> | <u>Percent of Ownership</u> |
|-------------------------------|---------------------------|------------------------------|-----------------------------|
| Pacific Gateway Capital, LLC | Business Dev | Chairwoman | 50.00% |
| Southeastern Investments, LLC | Development | Partner | 50.00% |
| Mall Property, LLC | Development | Partner | 50.00% |
| South County Investors, LLC | Development | Partner | 40.00% |
| Fairforest of Greenville, LLC | Development | Partner | 34.00% |
| International Properties, LLC | Development | Partner | 25.00% |
| Four Seasons, LLC | Development | Partner | 25.00% |
| WAL Lodging, LLC | Hotel | Partner | 25.00% |
| Focus Investment LLC | Development | Partner | 25.00% |