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Approval expires December 31, 2015
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MAR 31 2014

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

FRB RICHMOND

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

i. Ronald K. Earnest, President
Name of the Holding Company Director and Official

Reporter's Name, Street, and Mailing Address

GrandSouth Bancorporation

Legal Title of Holding Company

P. O. Box 6548

(Mailing Address of the Holding Company) Street / P.O. Box

Greenville, SC 29606

City State Zip Code

381 Halton Road Greenville, SC 29607
Physical location (if different from mailing address)

Title of the Holding Company Director and Official

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.

Person to whom questions about this report should be directed:

J. B. Garrett

Chief Financial Officer

Name

Title

(864) 527-7170

Area Code / Phone Number / Extension

(864) 527-7120

Area Code / FAX Number

jb.garrett@grandsouth.com

E-mail 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.

[Signature]
Signature of Holding Company Director and Official

Address (URL) for the Holding Company's web page

Date of Signature

3/28/14

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
C.I.

2929833

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

Form FR Y-6

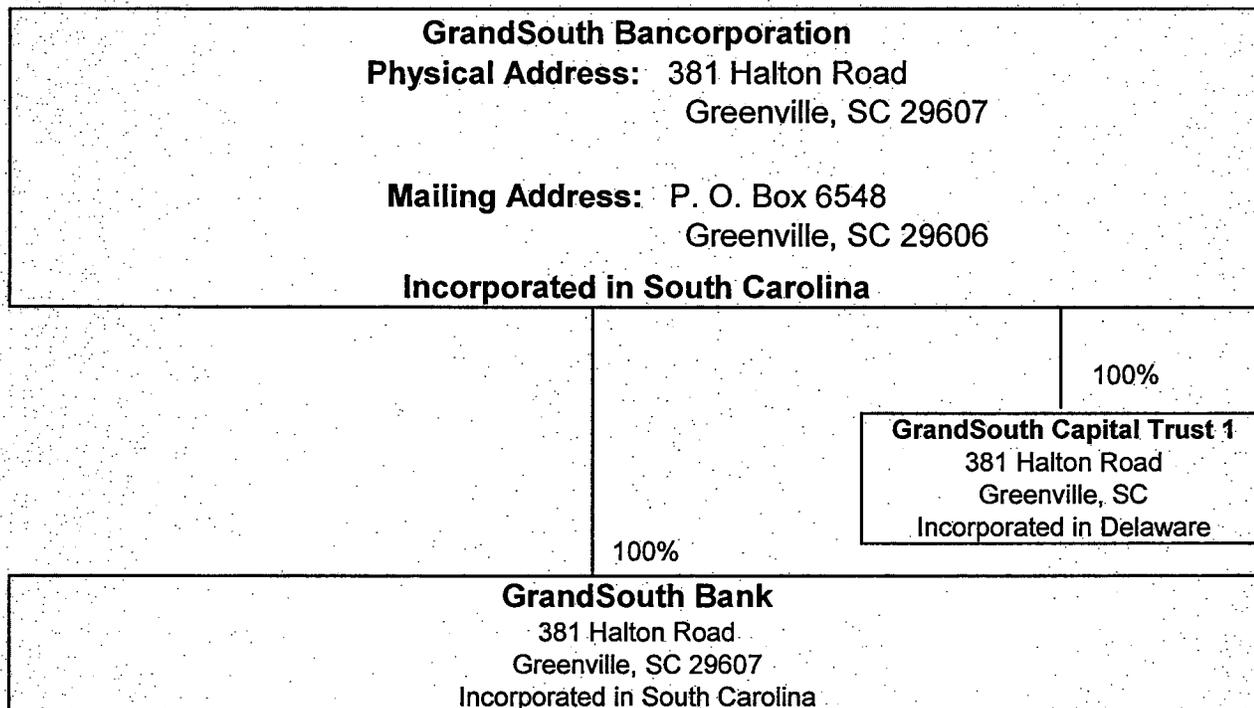
GrandSouth Bancorporation, Inc.
381 Halton Road
Greenville, South Carolina 29607
Fiscal Year Ending December 31, 2013

Report Item

1: a. The BHC does not prepare form 10K with the SEC.
Enclosed are two copies of the company's audited financial statements.

1: b. N/A

2: Organizational Chart



2b: Domestic branches

Main Office: 381 Halton Road
Greenville, SC 29607

Full service branch: 325 South Main Street
Fountain Inn, SC 29644

Full service branch: 1601 North Fant Street
Anderson, SC 29621

Results: A list of branches for your depository institution: GRANDSOUTH BANK (ID_RSSD: 2728661).
 This depository institution is held by GRANDSOUTH BANCORPORATION (2929833) 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)	2728661	GRANDSOUTH BANK	381 HALTON ROAD	GREENVILLE	SC	29607	GREENVILLE	UNITED STATES	61660	0	GRANDSOUTH BANK	2728661	
OK		Full Service	3678491	ANDERSON BRANCH	325 S MAIN STREET	ANDERSON	SC	29624	ANDERSON	UNITED STATES	453541	4	GRANDSOUTH BANK	2728661	
OK		Full Service	3281958	FOUNTAIN INN BRANCH	325 SOUTH MAIN STREET	FOUNTAIN INN	SC	29644	GREENVILLE	UNITED STATES	360750	2	GRANDSOUTH BANK	2728661	

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Report Item 3: Shareholders

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of 12/31/2013

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 12/31/2013.

Name	City, State	Percentage of Voting Shares in Bank Holding Company
Mason Y. Garrett	Belton, SC United States Citizen	820,997 - 25.0% Common Stock 52,597 - 1.6% Options on Common Stock
Ronald K. Earnest	Simpsonville, SC United States Citizen	164,471 - 5.0% Common Stock 52,597 - 1.6% Options on Common Stock

None

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Report Item 4: Directors and Officers

(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 (Include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (Include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (Include names of subsidiaries)	(4)(c) List names of other companies (include partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
S. Blanton Phillips Simpsonville, SC	CEO, SB Phillips Company, Inc.	Director	Director GrandSouth Bank	Owner and Chief Executive Officer BPS, Inc.	11,874 - 0.4% Common Stock 5,500 - 0.2% Options on Common Stock	N/A	N/A
Ronald K. Earnest Simpsonville, SC	N/A	Director, President, & COO	Director, President, & CEO GrandSouth Bank	N/A	164,471 - 5.0% Common Stock 75,000 - 2.3% Options on Common Stock	N/A	N/A
Harold E. Garrett Fountain Inn, SC	Owner, Garrett's Discount Golf Cars	Director	Director GrandSouth Bank	Owner, Garrett's Discount Golf Cars	139,904 - 4.3% Common Stock 5,500 - 0.2% Options on Common Stock	N/A	Garrett's Discount Golf Cars (100%)
Mason Y. Garrett Pelzer, SC	N/A	Director, Chairman, & CEO	Director & Chairman GrandSouth Bank	N/A	820,997 - 25.0% Common Stock 52,597 - 1.6% Options on Common Stock	N/A	N/A
Michael L. Gault Fountain Inn, SC	Owner, Gault Service Center	Director	Director GrandSouth Bank	Owner, Gault Service Center	64,431 - 2.0% Common Stock 5,500 - 0.2% Options on Common Stock	N/A	Gault Service Center (100%) Upstate Investors (25%)
Baely O. Gross Simpsonville, SC	Attorney, Simpsonville, SC	Director	Director & Secretary GrandSouth Bank	Attorney, Simpsonville, SC	30,745 - 0.9% Common Stock 5,500 - 0.2% Options on Common Stock	N/A	Baely O Gross, Attorney at Law (100%)
S. Hunter Howard Columbia, SC	Of counsel, Scott and Company, LLC.	Director	Director GrandSouth Bank	President and CEO, SC Chamber of Commerce	22,847 - 0.7% Common Stock 5,500 - 0.2% Options on Common Stock	N/A	Curtis Group (30%)
J. Calhoun Pruitt Anderson, SC	Attorney, Anderson, SC	Director	Director GrandSouth Bank	Attorney, Pruitt & Pruitt	1,000 - 0.03% Common Stock 4,400 - 0.1% Options on Common Stock	N/A	Pruitt & Pruitt, Attorneys (100%) Palmetto Executive Suites, LLC (50%) Palmetto Development Partners (50%)
J. B. Garrett	N/A	Chief Financial Officer	Chief Financial Officer	N/A	124,593 - 3.1% Common Stock 21,550 - 0.7% Common Stock	N/A	N/A