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. § 3108(a)); Sections 11(a)(1), 26 and 26A 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.

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.

I, Harry A. Oxner
Name of the Holding Company Director and Official

Director
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.

With respect to information regarding individuals contained in this report, the Reporter 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 251, that the Reporter and individual consent to public release of all details in the report concerning that individual.

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

RSCID 3137019

[Additional text regarding public reporting burden and OMB control number is present but not included in the reproduction.]
For Use By Tiered Holding Companies

Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.

<table>
<thead>
<tr>
<th>HAO Partners, LLC</th>
<th>HAO Partners II, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legal Title of Subsidiary Holding Company</strong></td>
<td><strong>Legal Title of Subsidiary Holding Company</strong></td>
</tr>
<tr>
<td>PO Box 769</td>
<td>PO Box 769</td>
</tr>
<tr>
<td>(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box</td>
<td>(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box</td>
</tr>
<tr>
<td>Union</td>
<td>Union</td>
</tr>
<tr>
<td>City</td>
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<tr>
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<td>29379</td>
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<tr>
<td>Physical Location (if different from mailing address)</td>
<td>Physical Location (if different from mailing address)</td>
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<td></td>
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</tbody>
</table>

12/2012
PERCENTAGE OF EACH CLASS OF VOTING SECURITIES OWNED, CONTROLLED OR HELD

HAOMC: Mr. Oxner owns 100% of the limited liability company interest in HAOMC, and 99.458% of the limited partnership interest in HAO II.

ORGANIZATION CHART
See attached
PERCENTAGE OF EACH CLASS OF VOTING SECURITIES OWNED, CONTROLLED OR HELD

HAOMC: Mr. Oxner owns 100% of the limited liability company interest in HAOMC, and 99.458% of the limited partnership interest in HAO II.

ORGANIZATION CHART
See attached
HAO Management Company, LLC

Harry Arthur Oxner ("HAO")
Pawleys Island, SC
in his individual capacity

100%

HAO Management Company,
LLC, Union, SC

0.69%

HAO Descendants' Trust
HAO, Trustee

100%

99.458%

HAO Partners, L.P.,
Union, SC
(HAO Management Company, LLC,
General Partner)

99.31%

HAO Partners II, L.P.,
Union, SC
(HAO Management Company, LLC,
General Partner)

100%

Arthur Financial Corporation, Union, SC
(of 1,463,688 shares of issued common stock
[1,754 of these issued shares are treasury stock],
46,162 or 3.15% are held by
HAO Partners, L.P. and 228,440 shares or 15.6% are held by
HAO Partners II, L.P.)

100%

Arthur State Bank
Union, SC

100%

Arthur Financial
Statutory Trust I
Union, S.C.

1/ This trust is not a bank holding company

2/ This company files a separate Form Y-6.
SHAREHOLDERS

HAO Management Company, LLC Shareholders: As a limited liability company established under Georgia law, HAO Management Company, LLC ("HAOMC") does not issue shares. Harry Arthur Oxner, Pawleys Island, S.C., holds 100% of the limited liability company interest in HAOMC. Mr. Oxner is a United States citizen. There are no outstanding options, warrants or other securities or rights that can be converted into or exercised for interests in HAOMC.

HAO Partners, L.P.: HAO Partners, L.P. ("HAO I"), Union, South Carolina, is a limited partnership established under the law of the State of Georgia which does not issue shares. HAO Descendants' Trust, a trust established under the law of the State of South Carolina, holds 99.31% of the limited partnership interest in HAO I. Mr. Oxner is the sole trustee of the HAO Descendants' Trust. The HAO Descendants' Trust is not a bank holding company because it is exempt from the definition of the term "company" under 12 U.S.C. Section 1841(b) and 12 C.F.R. Section 225.2(d)(3). There are no outstanding options, warrants or other securities or rights that can be converted into or exercised for interests in HAO I. The Bancshares Companies file separate annual reports on Form FR Y-6.

HAO Partners II, L.P.: HAO Partners II, L.P. ("HAO II"), Union, South Carolina, is a limited partnership established under the law of the State of Georgia which does not issue shares. Mr. Oxner, in his individual capacity, holds 99.458% of the limited partnership interest in HAO II. There are no outstanding options, warrants or other securities or rights that can be converted into or exercised for interests in HAO II.
SHAREHOLDERS

HAO Management Company, LLC Shareholders: As a limited liability company established under Georgia law, HAO Management Company, LLC ("HAOMC") does not issue shares. Harry Arthur Oxner, Pawleys Island, S.C., holds 100% of the limited liability company interest in HAOMC. Mr. Oxner is a United States citizen. There are no outstanding options, warrants or other securities or rights that can be converted into or exercised for interests in HAOMC.

HAO Partners, L.P.: HAO Partners, L.P. ("HAO I"), Union, South Carolina, is a limited partnership established under the law of the State of Georgia which does not issue shares. HAO Descendants' Trust, a trust established under the law of the State of South Carolina, holds 99.31% of the limited partnership interest in HAO I. Mr. Oxner is the sole trustee of the HAO Descendants' Trust. The HAO Descendants' Trust is not a bank holding company because it is exempt from the definition of the term "company" under 12 U.S.C. Section 1841(b) and 12 C.F.R. Section 225.2(d)(3). There are no outstanding options, warrants or other securities or rights that can be converted into or exercised for interests in HAO I. The Bancshares Companies file separate annual reports on Form FR Y-6.

HAO Partners II, L.P.: HAO Partners II, L.P. ("HAO II"), Union, South Carolina, is a limited partnership established under the law of the State of Georgia which does not issue shares. Mr. Oxner, in his individual capacity, holds 99.458% of the limited partnership interest in HAO II. There are no outstanding options, warrants or other securities or rights that can be converted into or exercised for interests in HAO II.
DIRECTORS AND OFFICERS

NAMES AND ADDRESS:

HAOMC Directors and Officers: Harry Arthur Oxner, Pawleys Island, S.C., is the sole officer and director of HAOMC.

HAO I Directors and Officers: HAO I has no directors or officers. Its general manager is HAOMC, Union, S.C.

HAO II Directors and Officers: HAO II has no directors or officers. Its general manager is HAOMC, Union, S.C.

PRINCIPAL OCCUPATION:

HAOMC: Mr. Oxner’s principal occupation is partner in the law firm of Oxner & Stacy, Georgetown, S.C.

HAO I and HAO II: Item 4(2) is not applicable to HAOMC, the general manager of HAO I and HAO II.

TITLE OR POSITION

HAOMC: Mr. Oxner is also the sole director and officer of HAOMC. See the information above concerning Mr. Oxner’s principal occupation. In addition, he is a director of Arthur Financial Corporation. Mr. Oxner is the sole trustee of the HAO Descendants’ Trust.

HAO I and HAO II: Item 4(3) is not applicable to HAOMC, the general partner of HAO I and HAO II.
# Balance Sheet Prev Year Comparison

As of **December 31, 2014**

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 14</th>
<th>Dec 31, 13</th>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
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<tr>
<td><strong>Current Assets</strong></td>
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<tr>
<td>Checking</td>
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<tr>
<td>Total Current Assets</td>
<td>493.77</td>
<td>682.77</td>
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<tr>
<td><strong>Investments</strong></td>
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<tr>
<td>HAO Partners II, LP</td>
<td>33,651.53</td>
<td>33,651.53</td>
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<tr>
<td>HAO Partners, LP</td>
<td>6,945.80</td>
<td>6,945.80</td>
</tr>
<tr>
<td>Total Investments</td>
<td>40,597.33</td>
<td>40,597.33</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>40,597.33</td>
<td>40,597.33</td>
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<tr>
<td><strong>MEMBER'S CAPITAL EQUITY</strong></td>
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</tr>
<tr>
<td>Total Equity</td>
<td>40,597.33</td>
<td>40,597.33</td>
</tr>
<tr>
<td><strong>TOTAL MEMBER'S CAPITAL EQUITY</strong></td>
<td>40,597.33</td>
<td>40,597.33</td>
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</tbody>
</table>