

Board of Governors of the Federal Reserve System



# 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)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). 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, top-tier savings and loan holding companies, and U.S. intermediate 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. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Randy K. Dolyniuk  
 Name of the Holding Company Director and Official  
Director & President  
 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 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  
3/24/17  
 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 \_\_\_\_\_  
 C.I. \_\_\_\_\_

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

12/31/2016  
 Month / Day / Year

No LEI  
 Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address  
CoastalSouth Bancshares, Inc.

Legal Title of Holding Company  
5 Bow Circle  
 (Mailing Address of the Holding Company) Street / P.O. Box  
Hilton Head Island South Carolin 29928  
 City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:  
Justin S. Perry SVP/General Counsel  
 Name Title

843-341-9936  
 Area Code / Phone Number / Extension  
843-341-9955  
 Area Code / FAX Number

jperry@coastalstatesbank.com  
 E-mail Address

www.coastalstatesbank.com  
 Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? .....  No  Yes

In accordance with the General Instructions for this report (check only one),

1. a letter justifying this request is being provided along with the report .....

2. a letter justifying this request has been provided separately .....

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

## 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.

N/A

Legal Title of Subsidiary Holding Company

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

City State  Zip Code

Physical Location (if different from mailing address)

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City State  Zip Code

Physical Location (if different from mailing address)

**Form FR Y-6**

**CoastalSouth Bancshares, Inc.  
Hilton Head Island, South Carolina  
Fiscal Year Ending December 31, 2016**

Report Item 1 – Annual Report

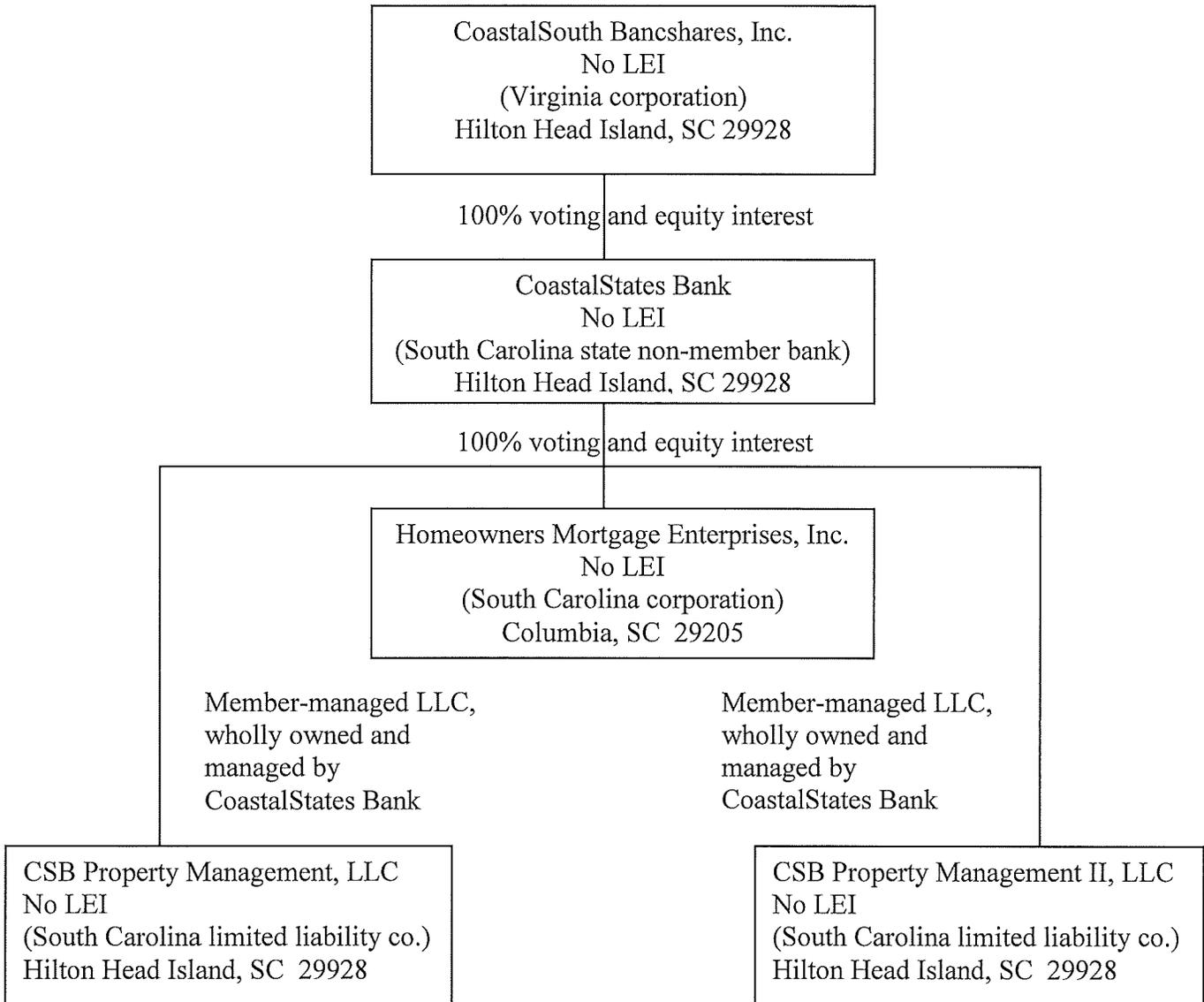
Please find the report attached.

Form FR Y-6

CoastalSouth Bancshares, Inc.  
Hilton Head Island, South Carolina  
Fiscal Year Ending December 31, 2016

Report Item 2a: Organization Chart

*Consolidated Organizational Chart*



**Form FR Y-6**

**CoastalSouth Bancshares, Inc.  
Hilton Head Island, South Carolina  
Fiscal Year Ending December 31, 2016**

Report Item 2b. – Branch Report

Attached

Results: A list of branches for your holding company: **COASTALSOUTH BANCSHARES, INC. (3274727) of HILTON HEAD ISLAND, SC.**  
 The data are as of 12/31/2016. Data reflects information that was received and processed through 01/10/2017.

**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	12/31/2016	Full Service (Head Office)	3274709	COASTALSTATES BANK	5 BOW CIRCLE	HILTON HEAD ISLAND	SC	29928	BEAUFORT	UNITED STATES	423465	0	COASTALSTATES BANK	3274709	
OK	12/31/2016	Full Service	3633904	BLUFFTON BRANCH	7 THURMOND WAY	BLUFFTON	SC	29910	BEAUFORT	UNITED STATES	457866	3	COASTALSTATES BANK	3274709	
OK	12/31/2016	Full Service	3633913	SUN CITY BRANCH	30 WILLIAM POPE DRIVE	BLUFFTON	SC	29909	BEAUFORT	UNITED STATES	462477	4	COASTALSTATES BANK	3274709	
OK	12/31/2016	Full Service	3633892	NORTH ISLAND BRANCH	98 MAIN STREET	HILTON HEAD ISLAND	SC	29926	BEAUFORT	UNITED STATES	441362	1	COASTALSTATES BANK	3274709	

**Form FR Y-6**  
**CoastalSouth Bancshares, Inc.**  
**Fiscal Year Ending**  
**December 31, 2016**

**Report Item 3: Shareholders**

(1)(a)(b)(c) and (2)(a)(b)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fisc. year ending: 12/31/2016

Shareholders not listed in (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-2016

(1)(a) Names & Address (City, State, Country)	(1b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Names & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
James S. MacLeod Hilton Head, SC USA	USA	2,690,500 <sup>(1)(2)</sup> - 27.57% of Common Stock	none		
Helen Ryan Hilton Head, SC USA	USA	666,667 - 6.83% of Common Stock			

<sup>(1)</sup> Mr. MacLeod owns a non-controlling membership interest in Cassons, LLC, which owns 20,000 shares of common stock in the Bank Holding Company. The voting percentage shown in (1)(c) above does not include shares held by Cassons, LLC.

<sup>(2)</sup> Mr. MacLeod also owns a non-controlling membership interest in CSouth Financial Group, LLC, which owns 428,630 shares of common stock in the Bank Holding Company. The voting percentage shown in (1)(c) above does not include shares held by CSouth Financial Group, LLC.

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**CoastalSouth Bancshares, Inc.**  
Fiscal Year Ending  
December 31, 2016

**Report Item 4: Insiders**

**(1) (2) (3)(a)(b)(c) and (4)(a)(b)(c)**

(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 if 25% or more of voting securities are held	
Randy K. Dolyniuk <sup>(1)(2)</sup> Hilton Head, SC USA	N/A	Director & President	Chairman & CEO (CoastalStates Bank) Chairman (Homeowners Mortgage)	Member, Double D Real Estate, LLC Member, HARAGA, LLC Partner, HARAND, GP Member, Cassons LLC Member, CSouth Financial Group LLC	2.62%	none	Double D Real Estate, LLC  HARAGA, LLC HARAND, GP	50%  50%
James S. MacLeod <sup>(1)(2)</sup> Hilton Head, SC USA	N/A	Chairman & CEO	President and COO (CoastalStates Bank)	Director, Sykes Enterprises, Inc. Trustee, The Allianz Funds Trustee, University of Tampa Member, Cassons, LLC Member, CSouth Financial Group LLC	27.57%	none	Mac Abe, LLC	50%
Larry A. Page <sup>(1)</sup> Hilton Head, SC USA	Real Estate	Director	Director (CoastalStates Bank)	Chairman and CEO, LWP Diversified Investments, Inc. Member, 19 Twin Pines LLC President, Page Custom Builders Member Cassons, LLC Member, CSouth Financial Group LLC	0.72%	none	LWP Diversified Investments Inc. Abigail Lane, LLC HK Page Investments, LLC 19 Twin Pines LLC Page Custom Builders, LLC	100%  100% 25% 50% 100%
J. Simon Fraser <sup>(1)</sup> Hilton Head, SC USA	Attorney	Director	Director (CoastalStates Bank)	Member, Fraser and Allen, LLC Member, F&A Properties, LLC Director and Secretary, Fraser Realty Co.; President, J. Simon Fraser, P.A. Member, Cassons, LLC Member, CSouth Financial Group LLC	0.41%	none	Fraser and Allen, LLC F&A Properties, LLC J. Simon Fraser, P.A.	50% 50% 100%

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**CoastalSouth Bancshares, Inc.**

Fiscal Year Ending  
December 31, 2016

**Report Item 4: Insiders**

**(1) (2) (3)(a)(b)(c) and (4)(a)(b)(c)**

(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 if 25% or more of voting securities are held	
Scott H. Richardson <sup>(1)(2)</sup> Hilton Head, SC USA	Consultant	Director	Director (CoastalStates Bank)	Managing Member, Scott H. Richardson & Co, LLC Member, Cassons, LLC Member, Csouth Financial Group LLC	0.36%	none	Scott H. Richardson & Co, LLC	100%
James N. Richardson, Jr. <sup>(1)(2)</sup> Hilton Head, SC USA	Real Estate	Director	Director (CoastalStates Bank)	Managing Partner, Coligny Plaza LTD; Vice President and COO, Windmill Harbour Co.; Managing Member, Plantation Properties, LLC; Managing Member, Richardson Group, LLC; President and CEO, Circle Square Properties, Inc; Managing Member, Windmill Harbour Real Estate Co; Managing Member, Westbury Park Realty Member, Cassons, LLC Member, CSouth Financial Group LLC	2.26%	none	Coligny Plaza LTD Plantation Properties, LLC Richardson Group, LLC Circle Square Properties, Inc.	54% 99% 99% 100%
Ernst W. Bruderer <sup>(1)(2)</sup> Hilton Head, SC USA	Real Estate	Director	Director (CoastalStates Bank)	CEO & President, Overterra USA Corp; Chairman and Director, LowCountry Motors; Director, SYNCO Properties Member, Cassons, LLC Member, CSouth Financial Group LLC	1.43%	none	Overterra USA Corp Low Country Motors	100% 50%
James H. Hodges <sup>(2)</sup> Columbia, SC USA	Attorney	Director	N/A	Attorney, McGuire Woods, LLC Consultant, McGuire Woods Consulting, LLC Member, Cassons, LLC Member, CSouth Financial Group LLC	0.17%	none	N/A	

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**CoastalSouth Bancshares, Inc.**

Fiscal Year Ending  
December 31, 2016

**Report Item 4: Insiders**  
**(1) (2) (3)(a)(b)(c) and (4)(a)(b)(c)**

(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 if 25% or more of voting securities are held
W. Lee McCollum <sup>(2)</sup> Hilton Head, SC USA	Corporate Executive (Retired)	Director	N/A	Director, Johnson Financial Group; Director, Johnson Outdoors, Inc. Director, Sigma Aldrich Corporation Member, Cassons, LLC Member, CSouth Financial Group LLC	0.41%	none	N/A
Mark Griffith <sup>(2)</sup> Hilton Head, SC USA	Retired	Director	Director (CoastalStates Bank)	Member, CSouth Financial Group LLC	3.43%	none	N/A
James B. Kitzinger <sup>(2)</sup> Milwaukee, WI USA	Retired	Director	N/A	Founding Partner, Kitzinger, Lautmann Capital Management (KLCM) Director, Milwaukee Forge, LLC Member, CSouth Financial Group LLC	2.24%	none	KLCM 35%
Charles D. Christy Hilton Head, SC USA	Banking	Chief Financial Officer	Chief Financial Officer (CoastalStates Bank)	N/A	0.68%	none	N/A
Bradford Langs Hilton Head, SC USA	Banking	Chief Credit Officer	Chief Credit Officer (CoastalStates Bank)	N/A	0.03%	none	N/A

(1) The identified individual is a member (with less than 25% voting control) of Cassons, LLC, which owns 20,000 shares of common stock in the Bank Holding Company. Collectively, the individuals identified with this footnote control voting rights for these 20,000 shares, which represents 0.21% of the shares. The voting percentage shown in (4)(c) above does not include shares held by Cassons, LLC.

(2) The identified individual is a member (with less than 25% voting control) of CSouth Financial Group LLC, which owns 428,630 shares of common stock in the Bank Holding Company. Collectively, the individuals identified with this footnote control voting rights for these 428,630 shares, which represents 4.40% of the shares. The voting percentage shown in (4)(c) above does not include shares held by Cassons, LLC.