

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF ARKANSAS

JAN TAYLOR, CARLA C. CROSSWHITE,
and LAURA T. GODSEY, individually and
on behalf of a class of all other persons
similarly situated and on behalf of the ANB
Financial, N.A. Employee Stock Ownership
Plan,

Plaintiffs,

v.

ANB BANCSHARES, INC.; DANIEL
DYKEMA; HARRY BROWN; GREGREY
D. LANDIS; DEBRA JACKSON; ERIC
BROWN, BLAKE EVANS, and VIC
EVANS,

Defendants.

Case No. 08-5170

HONORABLE ROBERT T. DAWSON

COURT-ORDERED LEGAL NOTICE

(Summary)

TO ALL PERSONS WHO WERE PARTICIPANTS IN THE ANB FINANCIAL, N.A. (“ANB”) EMPLOYEE STOCK OWNERSHIP PLAN FROM JULY 1, 2005, TO MAY 9, 2008: YOUR RIGHTS MAY BE AFFECTED BY THE SETTLEMENT OF A CLASS ACTION LAWSUIT. PLEASE READ THIS NOTICE CAREFULLY.

This Notice is intended to inform you of the pendency and settlement of a lawsuit involving the ANB Financial, N.A. Employee Stock Ownership Plan (“the Plan”). This Lawsuit is about whether the Defendants improperly invested and/or maintained the investments of the Plan in ANB stock up to its termination in May 2008. Three former Plan Participants, Jan Taylor, Carla C. Crosswhite, and Laura T. Godsey (the “Named Plaintiffs”), have sued defendants ANB Bancshares, Daniel Dykema, Harry Brown, Gregrey D. Landis, Debra Jackson, Eric Brown, Blake Evans, and Vic Evans (“Defendants”), on behalf of all individuals who participated in the Plan between July 1, 2005, to May 9, 2008 (the “Class period”). The United States District Court for the Western District of Arkansas has certified this case as a class action

and authorized this notice.

The Court has preliminarily approved a proposed settlement of the Lawsuit (the “Settlement”). The Settlement provides for a payment in the amount of \$2 million that will be allocated among the members of the Class, after payment of any Court-approved attorneys’ fees, costs, incentive payments to the class representatives, and the settlement administrator’s fees. The amount paid under the terms of the settlement will be allocated among members of the Class in accordance with a Plan of Allocation based upon the vested balance in their accounts on May 9, 2008. If you did not have a vested balance on May 9, 2008, you will not receive an allocation from the settlement proceeds. You do not need to send in a claim or take any other action unless you object to the Settlement.

THE COURT WILL HOLD A HEARING ON _____, TO DECIDE WHETHER TO APPROVE THE SETTLEMENT.

1. WHAT IS THE CASE ABOUT?

The Plaintiffs filed this lawsuit on July 29, 2008 (the “Lawsuit”). This case stems from the investment of assets of the Plan in stock of ANB Bancshares, Inc., the bank holding company for ANB Financial, N.A. (the “Bank”). The Bank was taken over by federal government regulators on May 9, 2008, and as a result of the Bank’s failure, ANB stock became worthless. The Plaintiffs allege that the Defendants acted improperly in investing Plan assets in ANB stock during the Class period. The Defendants deny any and all wrongdoing and maintain that the ANB stock was never imprudent and its demise was caused by the unforeseeable global economic collapse. The Defendants deny that they have liability to the Plan or its participants or beneficiaries. The Court has not yet determined which side is correct.

This is a class action lawsuit, where the Named Plaintiffs have sued on behalf of people who have similar claims. All of the individuals on whose behalf the Named Plaintiffs are suing are “Class Members.” One court will resolve the issues for all Class Members.

2. WHO IS INCLUDED IN THIS LAWSUIT?

On November 4, 2010, the Court certified the following class (“the Class”):

All participants in the ANB Financial, N.A. Employee Stock Ownership Plan (“the Plan”) for whose individual accounts the Plan held shares of stock of ANB Bancshares, Inc., at any time from July 1, 2005, through May 9, 2008. Excluded from the Class are the individual defendants, officers and directors of the corporate defendants, members of their immediate families, and the beneficiaries, heirs, successors, or assigns of any of the foregoing.

If you are a member of this class, the outcome of the case will affect your rights with respect to your benefits under the Plan. As a member of the class, you are automatically included as a plaintiff in these claims and do not have the right to withdraw yourself from this litigation. You will be bound by any judgment made by the Court, whether favorable or unfavorable to you.

3. HOW WILL THE SETTLEMENT MONEY BE ALLOCATED?

If the Court approves the Settlement and no appeals are taken, or if the Court’s approval is affirmed on appeal, then any Court-approved attorneys’ fees, costs, compensation to the Named Plaintiffs, Settlement Administrator’s fees and costs, and any fees and taxes, will be paid out of the Settlement fund. The remaining amount, including interest (“Net Settlement Fund”) will be paid to the Plan. The amount paid to the Plan will be allocated among members of the Class in accordance with the Plan of Allocation based upon the vested balance of each Class Member’s employer stock fund account on May 9, 2008. If you did not have a vested balance on May 9, 2008, you will not receive an allocation from the Net Settlement Fund.

Your share of the Net Settlement Fund paid into the Plan will depend on your proportionate share of employer stock assets, excluding those assets allocated to the accounts of persons excluded from the Class (such as Defendants), as of May 9, 2008. Each Class Member's proportionate share will be determined using a Plan of Allocation. Because the Net Settlement Fund is less than the total investment losses alleged by the Class, each Class Member's proportionate recovery will be less than the amount of the Plan's loss attributable to his or her former employer stock fund account.

4. WHAT FEES AND EXPENSES ARE BEING SOUGHT BY THE ATTORNEYS?

The lawyers who have prosecuted this case for the Plaintiffs and the Class have done so on a contingency fee basis. They will apply to the Court for fees of 25% of the settlement amount (\$500,000), plus reimbursement of money they have paid out of their own pockets to advance the case (approximately \$50,000). The Court must approve any fees and expenses to the attorneys. Class Members may file objections to the attorneys' application for fees and expenses.

5. ARE THERE MORE DETAILS TO THE SETTLEMENT?

The Settlement includes a number of other important details. These include, but are not limited to, provisions relating to releases of claims against the Defendants.

6. HOW DO I GET MORE INFORMATION?

If you have received in the mail a Notice of Pendency and Settlement of Class Action Lawsuit regarding this case, you should read that document for more information. It is more detailed than this summary notice. Among other things, it includes a more detailed description of the claims of the parties, the terms of the Settlement, a description of how the Settlement payments will be allocated, a history of the case, an explanation of the reasons for the settlement

and detailed instructions for filing an objection to the Settlement and/or Plaintiff's request for payment of attorneys' fees and expenses. If you did not receive a Notice of Class Action Settlement in the mail, you may request one by calling the Settlement Administrator at (877) 385-911. You may also contact the Settlement Administrator in writing at: Nicholas L. Saakvitne, 532 Colorado Avenue, Second Floor, Santa Monica, California 90401-2408.

Copies of the Settlement Agreement, the mailed Notice of Pendency and Settlement of Class Action Lawsuit, and additional information regarding the Settlement are also available on Class Counsel's website at www.lewisfeinberg.com.

7. WHAT ARE MY OPTIONS?

You cannot "opt out" or exclude yourself from the Settlement. If you object to the Settlement, Plaintiff's request for payment of attorney's fees and expenses, compensation for Named Plaintiffs, or the Plan of Allocation, you may file a written objection with the Court postmarked no later than _____, as described in the mailed Notice of Pendency and Settlement of Class Action. If you do not want to object to the Settlement, you do not have to do anything.

8. WHAT HAPPENS NEXT?

The Court will hold a Fairness Hearing on _____. At that hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to approve the Settlement. If you are a Class Member, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter or other paper called a Notice of Intention to Appear at Fairness Hearing as set forth more fully in the Notice of Pendency and Settlement of

Class Action Lawsuit. After the Fairness Hearing, the Court will decide whether to approve the Settlement.