

GREENE COUNTY BANCSHARES INC

Form S-4/A

April 04, 2007

As filed with the Securities and Exchange Commission on April 3, 2007

Registration No. 333-141409.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Amendment No. 1
to
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

GREENE COUNTY BANCSHARES, INC.
(Exact name of registrant as specified in its charter)

Tennessee
**(State or other jurisdiction of
incorporation or organization)**

6022
**(Primary Standard Industrial
Classification Code Number)**

62-1222567
**(I.R.S. Employer
Identification No.)**

**100 North Main Street
Greeneville, TN 37743-4992
(423) 639-5111**
*(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)*

R. Stan Puckett
Chairman and Chief Executive Officer
Greene County Bancshares, Inc.
100 North Main Street
Greeneville, TN 37743-4992
(423) 639-5111
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Mary Neil Price, Esq.
Miller & Martin PLLC
150 Fourth Avenue North
Suite 1200
Nashville, Tennessee 37219

Gary M. Brown, Esq.
Baker, Donelson, Bearman, Caldwell, &
Berkowitz, PC
211 Commerce Street
Suite 1000
Nashville, Tennessee 37201

Approximate date of commencement of the proposed sale to the public: As soon as practicable after the merger described in this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

The information in this joint proxy statement/prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary joint proxy statement/prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION DATED APRIL 3, 2007

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

The board of directors of Greene County Bancshares, Inc. and the board of directors of Civitas BankGroup, Inc. have agreed to a strategic combination of the two companies under the terms of an Agreement and Plan of Merger, dated January 25, 2007. If the merger is approved, Greene County shareholders will own approximately 76.2% of the combined company on a fully diluted basis, and Civitas shareholders will own approximately 23.8% of the combined company on a fully diluted basis.

If you are a Civitas shareholder:

In the merger, subject to the allocation procedures and adjustments described in this document, you may elect to receive for each Civitas share that you own either (1) 0.2674 (subject to adjustment as described below) shares of Greene County common stock for each share of Civitas stock owned by you; (2) \$10.25 in cash; or (3) a combination of cash and Greene County common stock. For purposes of illustration only, if the merger had occurred on January 25, 2007, the last trading day prior to announcement of the proposed merger, or on April [], 2007, the last trading date prior to the date of this document, the exchange ratio on both dates for each Civitas share would have been 0.2674 Greene County shares having a value of \$9.80 and \$[9.07], respectively, as of those dates. Because Greene County stock represents 70% of the merger consideration, with the remaining 30% of the merger consideration being represented by \$10.25 per share, the implied value of the overall merger consideration to Civitas shareholders on those dates, respectively, was \$9.94 per share and \$[9.42] per share.

Although it is subject to adjustment as described in this document, the exchange ratio will not exceed 0.2968 or be less than 0.2380.

Although you may elect whether to receive cash, stock or a combination of cash and stock for your Civitas shares, elections will be limited by the requirement that 70% of the total merger consideration will be in the form of Greene County common stock. As a result, the allocation of cash and Greene County common stock that you will receive will depend upon the elections of other Civitas shareholders.

Because the market price of Greene County stock may fluctuate between the date of this document and the date that the merger is completed, we cannot predict the number of shares of Greene County stock that you would receive or their value upon election of the all stock or mixed consideration alternatives.

We expect the merger to be tax-free with respect to Greene County common shares you receive. If you receive cash in the merger you may have to recognize income or gain for tax purposes.

If you are a Greene County shareholder:

Your Greene County shares will be unaffected by the merger and the merger will be tax-free to you.

Whether you are a Civitas or a Greene County shareholder, we need your vote to complete the merger. Greene County and Civitas officers and directors own, respectively 12% and 20% of the outstanding shares of Greene County and Civitas that are expected to be voted in favor of the merger. Civitas will hold a special shareholders meeting to vote on the merger on April 26, 2007. Greene County will hold its annual shareholders meeting April 25, 2007, and the merger will be one of the matters that Greene County shareholders will be asked to vote on.

We look forward to the successful combination of Greene County and Civitas.

Stan Puckett
*Chairman and Chief Executive Officer
Greene County Bancshares, Inc.*

Richard Herrington
*President and Chief Executive Officer
Civitas BankGroup, Inc.*

You are encouraged to carefully consider the risks described on pages 9 through 12 of this document.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities Greene County is offering through this joint proxy statement/prospectus are not savings or deposit accounts or other obligations of any bank or savings association, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This joint proxy statement/prospectus is dated April [], 2007, and is first being mailed to the shareholders of Greene County and Civitas on or about April [], 2007.

100 North Main Street, Greeneville, TN 37743-4992

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held on April 25, 2007

To our shareholders:

The Annual Meeting of Shareholders of Greene County Bancshares, Inc. (Greene County) will be held at the General Morgan Inn, 100 North Main Street, Greeneville, Tennessee 37743, at 11:00 a.m. local time on April 25, 2007, to:

consider and vote upon a proposal to approve the merger agreement, dated as of January 25, 2007, between Greene County and Civitas BankGroup, Inc. (Civitas), a copy of which is attached as *Appendix A* to the joint proxy statement/prospectus accompanying this notice, pursuant to which Civitas will merge with Greene County, and to approve the issuance of Greene County common stock in connection with the merger;

elect five persons to serve as directors of Greene County, each for a three-year term and until their respective successors are elected and qualified;

consider and vote upon a proposal to ratify the appointment of Dixon Hughes PLLC as Greene County's independent registered public accounting firm for 2007;

consider and vote upon a proposal to amend the Greene County Amended and Restated Charter to increase the number of authorized shares from 15 million to 20 million shares of common stock;

consider and vote upon a proposal to amend the Greene County Amended and Restated Charter to change the corporate name of Greene County to Green Bankshares, Inc.;

consider and vote upon a proposal to approve the adjournment of the annual meeting, including, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the annual meeting for any of the foregoing proposals; and

transact any other business that may properly come before the Greene County annual meeting or any adjournment or postponement thereof.

The Greene County board of directors has fixed the close of business on March 16, 2007 as the record date for determining those Greene County shareholders entitled to receive this notice of and to vote their shares at the annual meeting, including any adjournment or postponement of the annual meeting.

The Greene County board of directors recommends that you vote FOR each of the proposals listed above.

BY ORDER OF THE BOARD OF DIRECTORS

Phil M. Bachman
Secretary

Greeneville, Tennessee
April [], 2007

YOUR VOTE IS IMPORTANT

Your vote is important. Whether or not you plan to attend the annual meeting, please complete, sign, date and return the enclosed proxy card as promptly as possible in the enclosed postage-paid envelope. Remember, your vote is important, so please act today! This will not prevent you from voting in person but will help to secure a quorum and avoid added solicitation costs. Your proxy may be revoked at any time.

4 Corporate Centre, 810 Crescent Centre Drive, Suite 320, Franklin, Tennessee 37067

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
To Be Held on April 26, 2007**

To our shareholders:

A special meeting of shareholders of Civitas BankGroup, Inc. (Civitas) will be held at the Embassy Suites Hotel located at 820 Crescent Centre Drive, Franklin, Tennessee 37067, at 3:00 p.m. local time on April 26, 2007, for the following purposes:

to consider and vote upon a proposal to approve the merger agreement, dated as of January 25, 2007, between Greene County Bancshares, Inc. (Greene County) and Civitas, a copy of which is attached as *Appendix A* to the joint proxy statement/prospectus accompanying this notice, pursuant to which Civitas will merge with Greene County;

to consider and vote upon a proposal to approve the adjournment of the special meeting, including, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the special meeting for the foregoing proposal; and

to transact any other business that may properly come before the Civitas special meeting or any adjournment or postponement thereof.

The Civitas board of directors has fixed the close of business on March 16, 2007 as the record date for determining those Civitas shareholders entitled to receive this notice of and to vote their shares at the special meeting, including any adjournment or postponement of the special meeting.

The Civitas board of directors, by a majority vote, has approved the merger and recommends that you vote FOR each of the proposals listed above.

BY ORDER OF THE BOARD OF DIRECTORS

Danny Herron
Secretary

Franklin, Tennessee
April [], 2007

YOUR VOTE IS IMPORTANT

Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign, date and return the enclosed proxy card as promptly as possible in the enclosed postage-paid envelope. Remember, your vote is important, so please act today! This will not prevent you from voting in person but will help to secure a quorum and avoid added solicitation costs. Your proxy may be revoked at any time.

ADDITIONAL INFORMATION

This joint proxy statement/prospectus serves two purposes: it is a proxy statement being used both by the Greene County Bancshares, Inc. board of directors and the Civitas BankGroup, Inc. board of directors to solicit proxies for use at their respective annual or special meetings; it is also the prospectus of Greene County regarding the issuance of Greene County common stock to Civitas shareholders if the merger is completed. This joint proxy statement/prospectus provides you with detailed information about the proposed merger of Civitas into Greene County. We encourage you to read this entire joint proxy statement/prospectus carefully. Greene County has filed with the United States Securities and Exchange Commission a registration statement on Form S-4 under the Securities Act of 1933, as amended, and this joint proxy statement/prospectus is the prospectus filed as part of that registration statement. This joint proxy statement/prospectus does not contain all of the information in the registration statement nor does it include the exhibits to the registration statement. Please see **WHERE YOU CAN FIND MORE INFORMATION** beginning on page 102.

When used in this joint proxy statement/prospectus, the terms **Greene County** and **Civitas** refer to Greene County Bancshares, Inc. and Civitas BankGroup, Inc., respectively, and, when the context requires, to Greene County Bancshares, Inc. and Civitas BankGroup, Inc. and their respective predecessors and subsidiaries. We or us, unless the context requires otherwise, refers to both Greene County and Civitas.

This joint proxy statement/prospectus incorporates by reference important business and financial information about Greene County and Civitas that is not included in or delivered with this document. You should refer to **WHERE YOU CAN FIND MORE INFORMATION** beginning on page 102 for a description of the documents incorporated by reference into this joint proxy statement/prospectus. You can obtain documents related to Greene County and Civitas that are incorporated by reference into this document through the SEC's web site at www.sec.gov. You may also obtain copies of these documents, other than exhibits, unless such exhibits are specifically incorporated by reference into the information that this joint proxy statement/prospectus incorporates, without charge by requesting them in writing or by telephone from the appropriate company:

If you are a Greene County shareholder:

Greene County Bancshares, Inc.
100 North Main Street
Greeneville, TN 37743-4992
Attention: Chief Financial Officer
(423) 639-5111

TO OBTAIN TIMELY DELIVERY OF GREENE COUNTY DOCUMENTS, YOU MUST MAKE YOUR REQUEST ON OR BEFORE APRIL 16, 2007.

If you are a Civitas shareholder:

Civitas BankGroup, Inc.
4 Corporate Centre
810 Crescent Centre Drive, Suite 320
Franklin, TN 37067
Attention: Investor Relations
(615) 263-9500

TO OBTAIN TIMELY DELIVERY OF CIVITAS DOCUMENTS, YOU MUST MAKE YOUR REQUEST ON OR BEFORE APRIL 16, 2007.

Greene County maintains a website at www.mybankconnection.com and Civitas maintains a website at www.civitasbankgroup.com. The information contained on these websites is not incorporated by reference into this joint proxy statement/prospectus, and you should not consider it a part of this joint proxy statement/prospectus.

You should rely only on the information incorporated by reference into or provided in or with this joint proxy statement/prospectus to vote at your annual or special meeting. We have not authorized anyone to give you

different information. You should not assume that the information in this joint proxy statement/prospectus, or in any documents delivered with this joint proxy statement/prospectus, or any supplement, is accurate as of any date other than the date on the front of such documents, and neither the mailing of the joint proxy statement/prospectus to you nor the issuance of Greene County common stock in connection with the merger shall create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any state in which or from any person to whom it is not lawful to make any such offer or solicitation.

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT VOTING AND THE MERGER SUMMARY	iv
Civitas Will Merge With and Into Greene County	1
What Civitas Shareholders Will Receive In the Merger	1
Treatment of Civitas Stock Options	2
What Greene County Shareholders Will Receive	2
Our Reasons for the Merger	2
Opinions of Financial Advisors	2
Material United States Federal Income Tax Consequences	3
Our Recommendations	3
Interests of Certain Directors and Officers in the Merger That Differ From Your Interests	4
Conditions to Completion of the Merger	4
Regulatory Approvals	4
Termination of the Merger Agreement; Fees Payable	5
We May Amend the Terms of the Merger and Waive Rights Under the Merger Agreement	5
Accounting Treatment	5
No Dissenters and Appraisal Rights	5
Comparison of the Rights of Civitas Shareholders and Greene County Shareholders	6
The Shareholder Meetings	6
Record Dates; Votes Required	6
Information about Greene County and Civitas	7
RISK FACTORS RELATING TO THE MERGER	9
The Combined Company Will Incur Significant Transaction and Merger-Related Costs in Connection With the Merger	9
Greene County May Not Be Able To Successfully Integrate Civitas or To Realize the Anticipated Benefits of the Merger	9
Civitas Shareholders Are Not Guaranteed to Receive The Mix of Consideration That They Request on Their Election Form	10
Persons Who Receive All Cash In The Merger Will Not Participate in Future Growth	10
The Market Value of The Consideration Received by Civitas Shareholders in The Merger Will Change Based Upon Changes In The Prices of Greene County Stock And Changes In The Exchange Ratio That Could Be Caused By Changes That Occur After The Shareholders Meetings; Accordingly, Civitas Shareholders Cannot be Sure of The Value of The Merger Consideration They Will Receive	10
Fluctuations in The Trading Price of Greene County Common Stock That Either Do Not Result In An Adjustment of The Exchange Ratio or That Occur After The Exchange Ratio Has Been Set Will Change The Value Of The Shares of Greene County Common Stock You Receive in The Merger	11
If Fluctuations in The Average Closing Price of Greene County Common Stock Would Otherwise Cause The Exchange Rate to Fall Outside the Agreed Upon Range, Neither Party Has a Right to Terminate the Agreement And, as a Result, the Implied Value of The Merger to Civitas Shareholders Will Either Increase or Decrease Depending Upon The Trading Price of Greene County s Stock	11
Civitas Shareholders Will Have Less Influence as a Shareholder of Greene County Than as a Shareholder of Civitas	12
Failure to Complete The Merger Could Cause Greene County s or Civitas Stock Price to Decline	12
Directors and Officers of Civitas Have Interests in the Merger That Differ From The Interests of Non-directors or Non-management Shareholders	12
	12

INFORMATION ABOUT THE COMPANIES	15
Greene County Bancshares, Inc.	15
Civitas BankGroup, Inc.	15
Additional Information about Greene County and Civitas	16
SELECTED FINANCIAL DATA	17
COMPARATIVE MARKET PRICES	24
Greene County Shares	24
Civitas Shares	25
THE PROPOSED MERGER	26
General	26
Transaction Structure	26
Background of the Merger	27
Greene County's Reasons for the Merger; Recommendation of the Greene County Board of Directors	29
Civitas' Reasons for the Merger; Recommendation of the Civitas Board of Directors	31
Dissenters' and Appraisal Rights	32
Opinion of Greene County's Financial Advisor	32
Opinion of Civitas' Financial Advisor	38
Accounting Treatment	45
Material United States Federal Income Tax Consequences of the Merger	45
Interests of Certain Civitas Executive Officers and Directors in the Merger	48
Regulatory Approvals	49
Election Procedures; Surrender and Exchange of Stock Certificates	51
Restrictions on Resales of Greene County Stock by Affiliates	53
THE MERGER AGREEMENT	54
General	54
Merger Consideration	54
Adjustment to Conversion Ratio for Changes in Greene County Stock Price	54
Proration Procedures	55
Dividends and Distributions	56
Withholding	56
Effective Time	57
Conditions to the Completion of the Merger	57
Representations and Warranties	58
Conduct of Business Pending the Merger	59
Reasonable Best Effort to Obtain Required Shareholder Vote	60
No Solicitation of Alternative Transactions	60
Termination of the Merger Agreement	61
Extension, Waiver and Amendment of the Merger Agreement	63
Employee Benefit Plans and Existing Agreements	63
Stock Exchange Listing; Delisting of Civitas Common Stock	64
Expenses	64
THE GREENE COUNTY ANNUAL MEETING	65
THE CIVITAS SPECIAL MEETING	68
DESCRIPTION OF GREENE COUNTY CAPITAL STOCK	71
COMPARISON OF THE RIGHTS OF SHAREHOLDERS	71
OTHER MATTERS TO BE CONSIDERED AT GREENE COUNTY'S ANNUAL MEETING	79
LEGAL MATTERS	101
EXPERTS	101

FUTURE SHAREHOLDER PROPOSALS	101
OTHER MATTERS	102
WHERE YOU CAN FIND MORE INFORMATION	102
APPENDIX A Agreement and Plan of Merger	
APPENDIX B Scott & Stringfellow Opinion	
APPENDIX C Keefe, Bruyette & Woods Opinion	

QUESTIONS AND ANSWERS ABOUT VOTING AND THE MERGER

The following are some questions that you, as a shareholder of Greene County or Civitas, may have regarding the merger and the other matters being considered at the shareholders' meetings and the answers to those questions. Greene County and Civitas recommend that you read carefully the remainder of this document because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at the shareholders' meetings. Additional important information is also contained in the appendices to, and the documents incorporated by reference, into this document.

Q: Why are you receiving this document?

A: You are receiving this document because you were a shareholder of record of either or both Greene County or Civitas on March 16, 2007. Greene County and Civitas have agreed to the combination of Civitas with Greene County under the terms of a merger agreement that is described in this document. A copy of the merger agreement is attached to this document as *Appendix A*.

In order to complete the merger, both Greene County and Civitas shareholders must vote to approve these respective proposals:

Greene County shareholders must approve the merger agreement and the related issuance of shares of Greene County common stock in connection with the merger. Pursuant to the Marketplace Rules of the Nasdaq Stock Market, shareholder approval is required when the issuance may exceed 20% of the outstanding shares of Greene County common stock prior to the merger.

Civitas shareholders must approve the merger agreement.

This document contains important information about the merger and the meetings of the respective shareholders of Greene County and Civitas, and you should read it carefully. Among the matters discussed in greater detail in this document are:

the reasons why Greene County and Civitas are proposing to merge;

the nature and the value of what Civitas shareholders will receive in the merger;

the effect of the merger upon outstanding Civitas stock options; and

the federal income tax consequences of the merger.

Greene County and Civitas will hold separate shareholders' meetings to obtain these approvals. Greene County shareholders will consider other proposals in addition to the merger-related proposals as more fully described below under **OTHER MATTERS TO BE CONSIDERED AT GREENE COUNTY'S ANNUAL MEETING**. The enclosed voting materials allow you to vote your shares without attending your respective shareholders' meeting.

Your vote is important. We encourage you to vote as soon as possible.

Q: Why is your vote important?

A:

First, both Greene County and Civitas, in order to conduct a lawful meeting, must obtain a quorum – the presence in person or proxy of a majority of their outstanding shares. Also, under the Tennessee Business Corporation Act, or TBCA, which applies to both Greene County and Civitas, the merger agreement must be approved by the holders of a majority of the outstanding shares of both Greene County and Civitas common stock entitled to vote. Accordingly, if a Greene County or Civitas shareholder fails to vote, or if a Greene County or Civitas shareholder abstains, that will make it more difficult for Greene County and Civitas to obtain the approval of the merger agreement.

Because approval of the merger of Greene County and Civitas requires the approval of a majority of the outstanding shares of both Greene County and Civitas, your failure to vote or your abstention on the merger will have the same effect as a vote against the approval of the merger.

Q: When and where will the shareholders meetings be held?

A: The Greene County annual meeting will be held the General Morgan Inn, 100 North Main Street, Greeneville, Tennessee 37743, at 11:00 a.m. local time on April 25, 2007.

The Civitas special meeting will be held at the Embassy Suites Hotel located at 820 Crescent Centre Drive, Franklin, Tennessee 37067, at 3:00 p.m. local time on April 26, 2007.

Q: How do you vote?

A: If you are a shareholder of record of Greene County as of the record date for the Greene County annual meeting or a shareholder of record of Civitas as of the record date for the Civitas special meeting, you may vote in person by attending your shareholders meeting or, to ensure your shares are represented at the meeting, you may vote by:

accessing the Internet website specified on your proxy card;

calling the toll-free number specified on your proxy card; or

signing and returning the enclosed proxy card in the postage-paid envelope provided.

If you hold either Greene County or Civitas shares in the name of a bank or broker, please see the discussion below.

If you are a participant in the Civitas Employee Stock Purchase Plan, you will receive a proxy card to vote your shares.

Q: What happens if you fail to vote or you abstain from voting?

A: If you are either a Greene County or Civitas shareholder and fail to vote or vote to abstain with respect to the proposed merger of Greene County and Civitas, it will have the same effect as a vote Against the proposal to approve and adopt the merger agreement. Otherwise, your failure to vote or your vote to abstain as to any other proposal at either of the meetings will have no effect on those proposals, assuming a quorum is present.

Q: Your shares are held in your broker s (also known as street) name. How do you vote those shares?

A: Copies of this joint proxy statement/prospectus were sent to you by your broker. The broker will request instructions from you as to how you want your shares to be voted, and the broker will vote your shares according to your instructions.

Q: If your shares are held in street name by a broker, won t your broker vote those shares for you?

A: Not unless you provide your broker with instructions on how to vote your street name shares. Without instructions from you, your broker will not be permitted to vote them, in the case of Civitas shareholders, on the approval of the merger agreement by Civitas shareholders, or, in the case of Greene County shareholders, on the approval of the merger agreement and the issuance of Greene County common stock in connection with the merger. You should therefore be sure to provide your broker with instructions on how to vote your shares. Please check the voting form used by your broker to see if it offers telephone or Internet submission of proxies.

Q: What if you fail to instruct your broker?

A: If you hold your shares in street name and fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, the resulting broker non-vote will be counted toward a quorum at the respective annual or special meeting, but it will otherwise have the consequences of a vote Against approval of the merger agreement, and, for Greene County shareholders, it also will have the consequences of a vote Against the issuance of Greene County common stock in connection with the merger. See What happens if you fail to vote or you abstain from voting?

Q: What happens if you return your proxy card without indicating how to vote?

A: If you return your signed proxy card without indicating how to vote on any particular proposal, the Greene County or Civitas stock represented by your proxy will be voted on each proposal presented at your shareholders' meeting in accordance with the board's recommendation on that proposal.

Q: Can you change your vote after you have delivered your proxy card?

A: Yes. You may change your vote at any time before your proxy is voted at your meeting. You can do this in any of the three following ways:

by sending a written notice to the corporate secretary of Greene County or Civitas, as appropriate, in time to be received before your shareholders' meeting stating that you would like to revoke your proxy;

by completing, signing and dating another proxy card bearing a later date and returning it by mail in time to be received before your annual or special meeting or, if you submitted your proxy through the Internet or by telephone, you can change your vote by submitting a proxy card at a later date, in which case your later-submitted proxy will be recorded and your earlier proxy revoked; or

if you are a holder of record, by attending the annual or special meeting, as the case may be, and voting in person.

If your shares are held in an account at a broker or bank, you should contact your broker or bank to change your vote.

Q: If you've lost your Civitas stock certificate, can you receive consideration in the merger?

A: Yes. However, you will have to provide an affidavit attesting to the fact that you lost your Civitas stock certificate. Additionally, you may have to give Greene County or the exchange agent a bond to indemnify Greene County against a loss in the event someone finds or has your lost certificate and is able to transfer it. To avoid these measures, you should do everything you can to find your lost certificate before the time comes to send it in.

Q: Will shareholders have dissenters' or appraisal rights?

A: Neither Civitas nor Greene County shareholders will have any right to dissent from the merger and demand an appraisal of their shares of either Civitas or Greene County common stock.

Q: If you are a Civitas shareholder, will you be able to sell the Greene County shares that you receive in the merger?

A: Generally, yes. Shares of Greene County common stock that you receive in the merger will be freely transferable, unless you are an affiliate of Civitas (or become an affiliate of Greene County) under applicable federal securities laws. Affiliates generally include directors, certain executive officers or holders of 10% or more of a company's common stock. Generally, all shares of Greene County common stock received by affiliates of Civitas (including shares they beneficially own for others) may only be sold by them only upon compliance with certain requirements of the Securities Act of 1933, as amended (the Securities Act). For more detail regarding this subject, see page 51.

Q: Where will your shares be listed after the merger?

A: Shares of Greene County's common stock issued in the transaction will be listed on the Nasdaq Global Select Market and will trade under the symbol GCBS. However, if the Greene County shareholders approve the proposal to change Greene County's corporate name to Green Bankshares, Inc., it is expected that the trading symbol will change to GRNB.

Q: What else other than the merger are you being asked to vote upon and how does your board recommend you vote?

A: The Greene County board of directors unanimously recommends that you vote in favor of each of the proposals on which you will be voting at the Greene County annual meeting. At that meeting, along with the proposal to approve the merger with Civitas and the related issuance of Greene County shares, Greene County shareholders are also being asked to:

elect five persons to serve as directors of Greene County;

consider and vote upon a proposal to ratify the appointment of Greene County's independent registered public accounting firm for 2007;

consider and vote upon a proposal to amend Greene County's charter to increase the number of authorized shares from 15 million to 20 million shares of common stock;

consider and vote upon a proposal to amend Greene County's charter to change the corporate name of Greene County to Green Bankshares, Inc.;

consider and vote upon a proposal to approve the adjournment of the annual meeting, including, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the annual meeting for any of the foregoing proposals; and

transact any other business that may properly come before the Greene County annual meeting or any adjournment or postponement thereof.

The only other matter that Civitas shareholders are being asked to vote upon is a proposal to adjourn the Civitas special meeting in the event additional time is necessary to solicit additional proxies, either to obtain a quorum or to attempt to obtain the requisite votes to approve the merger with Greene County. Although two members of the Civitas board of directors voted against the proposed merger with Greene County, the remaining members of the board are fully supportive of the proposed merger and determined it to be in the best interests of Civitas and its shareholders. Additionally, one of the Civitas board members who voted against the proposed merger was the