



Dallas G. Caudle, Jr.  
President and Chief Operating Officer

**MidSouth Bank Stock Price as of September 30, 2011**

The Bank is asked from time to time to provide information as to the stock price of its common and preferred stock. However, the Bank has no definitive method for ascertaining the value of its stock. The Bank relies heavily on reports from persons involved in the transactions as to the value of its stock.

The Bank has recently concluded its offering of Series 2011-A convertible preferred stock pursuant to which the Bank sold 242,350 shares at a price of \$5.50 per share. Each share is convertible into two shares of the Bank's common stock. For every five shares of preferred stock purchased in the offering, an investor received a warrant to purchase one additional common share at a purchase price equal to 85% of trailing-quarter-end book value (unaudited), but not less than \$2.75 and not more than \$11.00 per share. You may find more detailed information about the performance of the Bank by clicking on "Shareholder Information" at our homepage, [www.midsouthbanking.com](http://www.midsouthbanking.com).

In the past twelve months the Bank is informed that common shares have traded at a value ranging from \$2.50 to \$5.00 per share. In the past eleven months, shares of the Bank's Series 2009A convertible preferred stock traded at \$5.00 per share, which included stock purchase warrants for the future right to purchase the Bank's common stock at a purchase price equal to 75% of trailing-quarter-end book value (unaudited) but not less than \$2.50 and not more than \$10.00 per share. The stock purchase warrants issued in connection with both of the Bank's preferred stock offerings are detachable and, thus, can also be sold separately from the preferred shares. The Bank notes also that the warrants issued in connection with its Series 2009A preferred stock have been exercised at a value ranging from \$2.97 to \$3.05 per share since issuance last year. We have also had stock purchase warrants related to the Series 2009A preferred stock trade separately from the underlying securities at a reported \$.95 per warrant.

MidSouth Bank is chartered under the laws of the State of Tennessee. The Bank is a member of the FDIC and the Federal Reserve System. The Bank opened for business on January 27, 2004.

The Bank has 3,848,280 shares of its common stock, 1,022,728 shares of its Series 2009A preferred stock, and 242,350 of its Series 2011-A preferred stock currently outstanding. There is no market maker with respect to any class of the Bank's stock, nor is any class listed or traded on any recognized market or exchange. The shares are bought and sold in privately-negotiated transactions. There are no "bid and asked" quotes published or, to the Bank's knowledge, available. The Bank is dependent on reports from persons involved in the transactions as to the actual prices and number of shares involved. Some transactions may involve persons affiliated with the Bank and, thus, may not be indicative of the price the shares would bring in transactions between parties not so affiliated. The Bank regards the trading in the stock as thin. For example, an estimated 7,125 common shares have traded during 2011, to-date, and 600 common shares traded during 2010 altogether. This represents less than 0.25% of the outstanding common shares during the course of the twenty-one month period. Further, less than 0.50% of the outstanding Series 2009A preferred shares traded during 2010 and 2011.

The Bank does not trade in its own stock nor does it make a market in its stock. However, the prices of publicly-traded bank stocks have generally been somewhat volatile. This may also apply to our Bank's stock price. There may be some speculation in the current trading prices of the Bank's stock. There can be no assurance that shares acquired at any of the prices reported to management can be resold for comparable amounts.

If you need any additional information, please contact Gina King at (615) 278-7111, FAX (615) 278-7311 or e-mail [gina.king@midsouthbanking.com](mailto:gina.king@midsouthbanking.com). Please send all stock-related correspondence to: Gina A. King, One East College Street, Murfreesboro, Tennessee 37130.

Sincerely,

Dallas G. Caudle, Jr.