



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-3010

February 13, 2008

D. Scott Holley
Bass, Berry & Sims PLC
315 Deaderick Street, Suite 2700
Nashville, TN 37238-3001

Re: Green Bankshares, Inc.
Incoming letter dated January 11, 2008

Dear Mr. Holley:

This is in response to your letter dated January 11, 2008 concerning the shareholder proposal submitted to Green Bankshares by Frank Coleman Inman. We also have received a letter from the proponent dated January 15, 2008. Our response is attached to the enclosed photocopy of your correspondence. By doing this, we avoid having to recite or summarize the facts set forth in the correspondence. Copies of all of the correspondence also will be provided to the proponent.

In connection with this matter, your attention is directed to the enclosure, which sets forth a brief discussion of the Division's informal procedures regarding shareholder proposals.

Sincerely,

Jonathan A. Ingram
Deputy Chief Counsel

Enclosures

cc: Frank Coleman Inman

*** FISMA & OMB Memorandum M-07-16 ***

February 13, 2008

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Green Bankshares, Inc.
Incoming letter dated January 11, 2008

The proposal relates to a majority vote standard.

There appears to be some basis for your view that Green Bankshares may exclude the proposal under rule 14a-8(b), because at the time the proponent submitted the proposal, he did not own for one year 1% or \$ 2,000 in market value of Green Bankshares securities entitled to be voted at the meeting, as required by rule 14a-8(b). We note in particular that the proponent acquired shares of Green Bankshares voting securities in connection with a plan of merger involving Green Bankshares. In light of the fact that the transaction in which the proponent acquired these shares appears to constitute a separate sale and purchase of securities for the purposes of the federal securities laws, it is our view that the proponent's holding period for Green Bankshares shares did not commence earlier than May 18, 2007, the effective time of the merger. Accordingly, we will not recommend enforcement action to the Commission if Green Bankshares omits the proposal from its proxy materials in reliance on rule 14a-8(b).

We note that Green Bankshares did not file its statement of objections to including the proposal at least 80 days before the date on which it will file definitive proxy materials as required by rule 14a-8(j)(1). Noting the circumstances of the delay, we do not waive the 80-day requirement.

Sincerely,

William A. Hines
Special Counsel

RECEIVED

BASS, BERRY & SIMS PL
Attorneys at Law

2008 JAN 14 AM 11:27

A PROFESSIONAL LIMITED LIABILITY COMPANY

OFFICE OF CHIEF COUNSEL
CORPORATION FINANCE

D. Scott Holley

PHONE: (615) 742-7721
FAX: (615) 742-2813
E-MAIL: sholley@bassberry.com

315 Deaderick Street, Suite 2700
Nashville, Tennessee 37238-3001
(615) 742-6200

January 11, 2008

VIA FEDERAL EXPRESS

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: Green Bankshares, Inc. Shareholder Proposal Submitted by Frank Coleman Inman

Ladies and Gentlemen:

Our client, Green Bankshares, Inc., a Tennessee corporation (the "Company"), has received from Frank Coleman Inman (the "Proponent") a shareholder proposal and supporting statement (the "Proposal") for inclusion in the Company's proxy statement and form of proxy for its 2008 Annual Meeting of Shareholders (the "Proxy Materials"). A copy of the Proposal and the accompanying letter from the Proponent are attached to this letter as Exhibit A. The Company believes that it properly may omit the Proposal from the Proxy Materials for the reasons discussed in this letter. The Company also hereby requests a waiver from the requirement of Rule 14a-8(j)(1) that this letter be submitted at least 80 calendar days before the Company files the Proxy Materials with the Securities and Exchange Commission (the "Commission").

A. Description of the Proposals

On December 20, 2007, the Company received from the Proponent a proposal in the form of a resolution stating that "[t]he shareholders request that our Board establish a rule (firmly specified in our charter or bylaws if feasible) that our director nominees must each receive support from at least fifty percent of share votes cast to obtain a seat on our board of directors.

Shareholders will be provided in the proxy materials with the director nominee names, SEC-required declarations, biographical sketches, and photographs.”

B. Summary of the Company’s Position

On behalf of the Company, we respectfully request confirmation that the staff of the Division of Corporation Finance (the “Staff”) will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its Proxy Materials, in reliance on those provisions of Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), discussed below. The Company has advised us as to the factual matters set forth herein.

Pursuant to Rule 14a-8(j) under the Exchange Act, we have enclosed, on behalf of the Company, six (6) copies of this request letter and its attachments. We have also enclosed an additional copy of this letter, which we would appreciate having file stamped and returned to us in the enclosed, pre-paid envelope. As also required by Rule 14a-8(j), we are sending today a copy of this letter and its attachments to the Proponent as notice of the Company’s intention to omit the Proposal from the Proxy Materials.

C. Proposal May Be Omitted Under Rule 14a-8(b)

On May 18, 2007, the Company merged with and thereby acquired Civitas BankGroup, Inc. (“Civitas”), with the Company remaining as the surviving entity. On that date, each share of Civitas common stock issued and outstanding was converted, at the election of each Civitas shareholder, into the right to receive cash, Company common stock, or a combination of cash and Company common stock subject, in each case, to certain adjustment procedures.

The eligibility requirements of Rule 14a-8(b) establish that a proponent must continuously have held at least \$2,000 in market value, or 1%, of the Company’s securities entitled to be voted on the proposal at the meeting for at least one year by the date of the proposal’s submission. The Company, after consulting with its transfer agent, could find no record of the Proponent owning Company common stock prior to the effective time of the merger. In an attempt to confirm with the Proponent whether or not he had held shares of the Company’s common stock prior to the effective time of the merger and for the required one year holding period, the Company sent a letter to the Proponent asking that the Proponent confirm, and provide evidence to the Company, that the Proponent had held the necessary amount of shares of the Company’s common stock for a period of at least one year prior to the date of the Proponent’s submission of his Proposal. A copy of this letter, which was delivered to the Proponent on December 29, 2007, is attached to this letter as Exhibit B. In response to the Company’s request, the Proponent sent a letter to the Company that was received by the Company on January 3, 2008. This letter, a copy of which is attached to this letter as Exhibit C, indicates that the Proponent holds his shares of Company common stock in certificated form rather than in street name. Further, the letter does not assert that the Proponent has held his shares of Company common stock for the required one-year period. Instead, the Proponent suggests in his letter that he has held his shares of Civitas common stock for longer than one year

and that the holding period for the Civitas common stock should be added to the holding period of the Proponent's Company common stock for purposes of determining whether or not he has satisfied the one-year holding period required under Rule 14a-8(b). As a result of its review of its shareholder record and the substance of the Proponent's letter dated January 2, 2008, the Company believes that the Proponent's share ownership and holding period for shares of the Company's common stock did not commence until May 18, 2007, the effective date of the merger. Therefore, the Proponent has not held the Company's securities for at least one year by the date of the Proposal's submission, and the Proponent has failed to demonstrate his eligibility to submit a shareholder proposal under Rule 14a-8 under the Exchange Act as a holder of Company common stock.

The Staff has repeatedly taken the position that when a proponent acquires shares of voting securities in connection with a plan of merger, as is the case in this situation, the transaction constitutes a separate sale and purchase of securities for the purposes of the federal securities laws. Therefore, ownership in the acquiring company's stock does not commence for purposes of Rule 14a-8 until the effective time of the merger. The Staff also has consistently granted no action relief in similar situations where the merger occurred less than one year before the shareholder proposal was submitted. See also, *Applied Power* (available October 4, 1999); *Sempra Energy* (available February 8, 1999), *Baker Hughes Incorporated* (available February 4, 1999), *Exelon Corporation* (available March 15, 2001), *Dow Chemical Company* (available February 26, 2002) and *AT&T Corp.* (available January 18, 2007).

Because the effective time of the merger of Civitas with and into the Company did not occur at least one year before the date of the Proposal's submission, the Proponent does not satisfy the one-year holding period required by Rule 14a-8(b) under the Exchange Act and, as such, is not eligible to submit the Proposal to the Company under Rule 14a-8 for inclusion in the Proxy Materials.

Good-Cause Exception to Rule 14a-8(j)(1)

The Company also respectfully requests that the Staff waive the requirement under Rule 14a-8(j)(1) under the Exchange Act that the Company file its reasons for excluding the Proposal no later than 80 calendar days before it files the Proxy Materials with the Commission. Rule 14a-8(j)(1) under the Exchange Act provides that the Staff may permit the Company to seek relief from the 80-day deadline upon a showing that good cause exists for missing a deadline.

The Proposal was received by the Company on December 20, 2007. On December 27, 2007, the Company sent notices of defect to the Proponent notifying the Proponent of the procedural defects relating to the Proposal and requesting that the Proponent provide the proof of ownership required by Rule 14a-8. The Company received a response from the Proponent on January 3, 2008, but sufficient proof of ownership was not provided. The Company promptly requested that we begin preparing this request but is now within the 80-day deadline required by Rule 14a-8(j)(1) as the Company expects to file its Proxy Materials with the Commission on or before March 27, 2008. Because of the desire of the Company to give the Proponent sufficient

time to confirm that he met the requirements of Rule 14a-8(b) and the fact that this response has been filed within a reasonable time after receiving the Proponent's response to the notices of defect, the Company respectfully requests that the Commission waive the requirement under Rule 14a-8(j)(1) that this letter be submitted at least 80 calendar days before it files the Proxy Materials with the Commission.

D. Conclusion

For the foregoing reasons, and without addressing or waiving any other possible grounds for exclusion, we respectfully request that the Staff concur in the Company's judgment that the Proposal may be properly omitted from the Proxy Materials and confirm that the Staff will not recommend any enforcement action to the Commission if the Proposal is omitted from the Proxy Materials.

Please do not hesitate to call me at (615) 742-7721, if I can be of any further assistance in this matter.

Sincerely,



D. Scott Holley

cc: Frank Coleman Inman

*** FISMA & OMB Memorandum M-07-16 ***

James E. Adams
Green Bankshares, Inc.
100 North Main Street
Greenville, Tennessee 37743

EXHIBIT A

Frank Coleman Inman
Green Bankshares Owner of 24,731 Shares of Common Stock

*** FISMA & OMB Memorandum M-07-16 ***

December 19, 2007

Secretary
Green Bankshares, Inc.
100 North Main Street
P.O. Box 1120
Greeneville, Tennessee 37743

Dear Corporate Secretary:

The following is my stockholder's proposal for consideration at the Green Bankshares' 2008 Annual Meeting of Shareholders:

Stockholder Proposal Regarding Majority Election of Directors

Resolved: The shareholders request that our Board establish a rule (firmly specified in our charter or bylaws if feasible) that our director nominees must each receive support from at least fifty percent of share votes cast to obtain a seat on our board of directors. Shareholders will be provided in the proxy materials with the director nominee names, SEC-required declarations, biographical sketches, and photographs.

Stockholder's Statement Supporting Item

In typical corporate board elections, stockholders have only one director nominee option for each open board position. Any shareholder(s) can withhold votes for any or all nominees, but lacking the need for a majority of share votes cast, the election results remain preordained.

In most years (because of our typically uncontested elections), only one stockholder need vote only one share for a board nominated director to ensure that director's election. This is clearly sub-optimal, and raises accountability and control issues for many shareholders. We can do better!

Director priorities other than maximizing shareholder wealth have often contributed to corporations underperforming. While the merger with Civitas in May 2007 gained GreenBank a footprint in a prestigious area, how many pre-merger Green Bankshares stockholders would vote in favor again? Our stock price dramatically fell (more than that of most similar sized banks) from the time of pre-merger announcement to post-merger wrap-up.

Page 1 of 2

Hopefully, we will be the smaller bank in any future merger, since smaller bank stockholders are more likely to grow wealthier, i.e. Civitas stockholders.

Majority voting is recommended by nearly all corporate governance experts; forms have been successfully implemented by many successful corporations, including U.S. Bancorp, Lockheed Martin, Best Buy Co., and Bank of America.

Providing positive, practical, and meaningful director elections for stockholders may increase our Green Bankshares stock price, via more stockholder control of our GreenBank investments and more interest from sophisticated investors who demand best practices. Corporate governance may improve most via better board elections, and this practical solution makes sense for the vast majority of Green Bankshares stockholders.

Please vote "FOR" this pro-stockholder proposal.

The above concludes my stockholder's proposal to be included in the proxy statement for the 2008 Annual Meeting of Shareholders. At this meeting, I plan to present this proposal. As I am submitting this proposal prior to the December 24, 2007 proxy statement deadline, the favor of a prompt reply is requested.

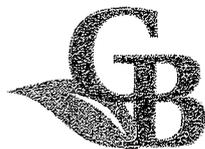
Of course, I intend to continually hold at least \$2,000 worth of Green Bankshares common stock through the 2008 Green Bankshares annual stockholders' meeting, per SEC requirements for a stockholder's proposal.

Sincerely,



Frank Coleman Inman

EXHIBIT B



GreenBankshares, Inc.

December 28, 2007

VIA CERTIFIED MAIL

Frank Coleman Inman

*** FISMA & OMB Memorandum M-07-16 ***

Dear Mr. Inman:

On December 20, 2007, Green Bankshares, Inc. (the "Company") received from you a shareholder proposal (the "Shareholder Proposal") for inclusion in the Company's proxy statement to be sent to the Company's shareholders in connection with its 2008 annual meeting of shareholders (the "2008 Proxy Statement").

Rule 14a-8(b) of the Securities Exchange Act of 1934 (the "Exchange Act") requires that in order to make a shareholder proposal, you must have continuously held at least \$2,000 in market value, or 1%, of the Company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal and you must continue to hold those securities through the date of the meeting. In addition, Rule 14-8(b) of the Exchange Act requires you to prove such ownership by submitting (i) a written statement that you intend to continue holding the shares through the date of the Company's annual or special meeting; and (ii) either (a) a written statement from the "record" holder of the securities in the event that the shares are held in "street name" (usually a broker or bank) verifying that, at the time you submitted the proposal, you continuously held the securities for at least one year or (b) a copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, or amendments to those documents or updated forms, reflecting your ownership of shares as of or before the date on which the one-year eligibility period begins and your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement. As such, the Company is requesting that you provide written evidence complying with Rule 14a-8(b) that you have continuously held at least \$2,000 in market value, or 1%, of the Company's securities entitled to be voted on the proposal at the 2008 annual meeting of shareholders for at least one year prior to the date of your proposal. Please note that based on existing SEC No-Action letters (See *AT&T Corp* (January 18, 2007) and *Exelon* (March 15, 2001)) the Company is of the understanding that you may not include when calculating this one year period the period of time that you held shares of Civitas BankGroup, Inc., which entity was merged with and into the Company on May 18, 2007, but that you must satisfy the one-year holding period strictly with respect to shares of the Company's securities.

Frank Coleman Inman
December 28, 2007
Page 2

Pursuant to Rule 14a-8(f) of the Exchange Act, your revised request, including the required proof of ownership must be postmarked, or transmitted electronically, no later than fourteen (14) calendar days from the date you receive this notice of defect in order to be considered for inclusion in the 2008 Proxy Statement. If you do not submit such information within the proper timeframe, Rule 14a-8(f) of the Exchange Act allows the Company to exclude the Shareholder Proposal from the 2008 Proxy Statement.

Sincerely,



James E. Adams
Executive Vice President, Chief Financial
Officer and Assistant Secretary

EXHIBIT C

6673506.2

January 2, 2008

Frank Coleman Inman
Green Bankshares, Inc. Owner of 24,731 Shares of Common Stock

*** FISMA & OMB Memorandum M-07-16 ***

Via Delivery Confirmation

James E. Adams
Exec. Vice President, CFO and Assistant Secretary
Green Bankshares, Inc.
325 West Joule Street
P.O. Box 369
Alcoa, TN 37701

Dear Mr. Adams,

Thank you for your letter of 12/28/07 seeking proof of holding Green Bankshares, Inc. for the continuous year of ownership required by the SEC. Civitas BankGroup, Inc. and Greene County Bancshares, Inc. merged on May 16 or 18, 2007 and formed Green Bankshares, Inc., our bank. In your letter, you seem to imply that my continuous multi-year ownership of at least \$2000 worth of Civitas BankGroup, Inc. prior to our May 2007 merger does not count toward the SEC required year of continuous Green Bankshares, Inc. ownership. Would you also argue that former Greene County Bancshares stockholders can put forth stockholders' proposals for the 2008 Green Bankshares, Inc. stockholders' meeting? If so, then former Civitas BankGroup, Inc. stockholders are second class stockholders to former Greene County Bancshares stockholders. Where is this written in our merger agreement of last year?

I seek to have my stockholder's proposal included in the 2008 Proxy Statement. Should Green Bankshares, Inc. not include the timely submission of my stockholder's proposal, I plan to inform the SEC of this exclusion. The two SEC No-Action letters you cite in seemingly attempting to omit my proposal may not be relevant for several reasons. For one, our merger was between two corporations of far more similar size; I believe that AT&T really purchased their firm in question.

Even if Green Bankshares, Inc. convinces the SEC that the exclusion does not merit an SEC penalty, I plan to continue to hold all or at least enough Green Bancshares, Inc. stock to keep well above the \$2,000 worth of SEC stock requirement and resubmit this mainstream proposal for better corporate governance. Thus, any exclusion in 2008 merely delays stockholder feedback. Why not embrace the positive change sought in my proposal? Our stock price may rise as a result, since an increasing number of institutional and other sophisticated investors only wish to buy stock in firms with corporate governance best practices.

Since you ask in your letter of 12/28/07 for proof of continuous ownership of our stock for at least one year, copies of Civitas BankGroup, Inc. and Green Bankshares, Inc. stock certificates and dividend receipts prove that I have continuously owned shares for many years of Green Bankshares, Inc. or one of its two predecessors, Civitas BankGroup, Inc. As to type of ownership, I have paper certificates held in my name, and I was never a Civitas director. You should already have documentation of my Civitas common stock ownership, since my 40.61% cash payout came from the original Civitas stock certificates I submitted last year. You should also have documentation of my continuous Green Bankshares, Inc. common stock ownership since our merger. I have received every quarter's dividend. Let me know should you need even more documentation. I am sending this reply to your return address on the Express Mail envelope.

On a separate note, someday I would like you to explain to me the massive amount of "Goodwill" created by Greene County Bancshares, Inc. in the last few years before our merger. Today, this creation is largely responsible for our "Book Value" being roughly double our "Tangible Book Value."

I wish you a Happy New Year, and my fervent hope is that we have a prosperous 2008.

Sincerely,



Frank Coleman Inman
Green Bankshares, Inc. Stockholder

Enclosed: Supporting Stock Ownership Materials

*** FISMA & OMB Memorandum M-07-16 ***

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January 15, 2008

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OFFICE OF CHIEF COUNSEL
CORPORATE FINANCE

Frank Coleman Inman
Green Bankshares, Inc. Owner of 24,731 Shares of Common Stock

*** FISMA & OMB Memorandum M-07-16 ***

Via Priority Mail with Delivery Confirmation

U.S. Securities and Exchange Commission
Division of Corporate Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: Green Bankshares, Inc. Shareholder Proposal Submitted by Frank Coleman Inman

Ladies and Gentlemen:

I am seeking inclusion of my stockholder's proposal (**Exhibit A**) in the Green Bankshares, Inc. proxy materials for the 2008 Annual Meeting of Shareholders. Green Bankshares, Inc is seeking to exclude this timely submitted proposal penalty free. Plus, the bank seeks "...a waiver from requirement of Rule 14a-8(j)(1) that this [their] letter be submitted at least 80 calendar days..." before Green Bankshares, Inc. files the Proxy Materials with the SEC.

Enclosed, beyond this letter, should be the same correspondence from GreenBank, the bank's lawyer, and myself (sent from Bass, Berry & Sims PLC) received by the SEC on 1/14/08, if you received it on the same day as me.

Supporting the inclusion of the stockholder's proposal is a letter (**Exhibit C**) proving the continuous multi-year ownership of Green Bankshares, Inc. or Civitas BankGroup, Inc. Civitas BankGroup, Inc. and Greene County Bancshares, Inc. were the two banks that **merged**, resulting in Green Bankshares, Inc. With this letter, I also sent Green Bankshares, Inc. a plethora of copied Green Bankshares, Inc. and Civitas BankGroup, Inc. common stock certificates and dividend receipts proving my continuous stock ownership for many years. My common stock certificates are held by me in paper form.

Since the two aforementioned banks in our merger (Civitas Bankgroup, Inc. and Greene County Bancshares, Inc.) were close enough in value that shareholders of each bank had to vote to approve the merger, I believe that the examples cited by Bass, Berry & Sims PLC (middle of page 3 of their letter) do not apply. Thus, I believe that I have met the SEC eligibility requirements (Rule 14a-8(b)) of holding at least \$2,000 in market value of our stock for at least one year, and that Green Bankshares, Inc. does not have the right to exclude my proposal penalty free.

As to GreenBank's request for an exemption to the 80 day rule, I ask that you give the bank the same level of scrutiny that GreenBank has given to my stockholder's proposal.

Like Green Bankshares, Inc., I am sending six (6) sets of this material to you. Please contact me for further information. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank Coleman Inman".

Frank Coleman Inman
Green Bankshares, Inc. Stockholder

cc: James E. Adams
Green Bankshares, Inc.
100 North Main Street
Greeneville, Tennessee 37743

BASS, BERRY & SIMS PLC

Attorneys at Law

A PROFESSIONAL LIMITED LIABILITY COMPANY

D. Scott Holley

PHONE: (615) 742-7721
FAX: (615) 742-2813
E-MAIL: sholley@bassberry.com

315 Deaderick Street, Suite 2700
Nashville, Tennessee 37238-3001
(615) 742-6200

January 11, 2008

VIA FEDERAL EXPRESS

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

**Re: Green Bankshares, Inc. Shareholder Proposal Submitted by Frank Coleman
Inman**

Ladies and Gentlemen:

Our client, Green Bankshares, Inc., a Tennessee corporation (the "Company"), has received from Frank Coleman Inman (the "Proponent") a shareholder proposal and supporting statement (the "Proposal") for inclusion in the Company's proxy statement and form of proxy for its 2008 Annual Meeting of Shareholders (the "Proxy Materials"). A copy of the Proposal and the accompanying letter from the Proponent are attached to this letter as Exhibit A. The Company believes that it properly may omit the Proposal from the Proxy Materials for the reasons discussed in this letter. The Company also hereby requests a waiver from the requirement of Rule 14a-8(j)(1) that this letter be submitted at least 80 calendar days before the Company files the Proxy Materials with the Securities and Exchange Commission (the "Commission").

A. Description of the Proposals

On December 20, 2007, the Company received from the Proponent a proposal in the form of a resolution stating that "[t]he shareholders request that our Board establish a rule (firmly specified in our charter or bylaws if feasible) that our director nominees must each receive support from at least fifty percent of share votes cast to obtain a seat on our board of directors.

Shareholders will be provided in the proxy materials with the director nominee names, SEC-required declarations, biographical sketches, and photographs.”

B. Summary of the Company's Position

On behalf of the Company, we respectfully request confirmation that the staff of the Division of Corporation Finance (the “Staff”) will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its Proxy Materials, in reliance on those provisions of Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), discussed below. The Company has advised us as to the factual matters set forth herein.

Pursuant to Rule 14a-8(j) under the Exchange Act, we have enclosed, on behalf of the Company, six (6) copies of this request letter and its attachments. We have also enclosed an additional copy of this letter, which we would appreciate having file stamped and returned to us in the enclosed, pre-paid envelope. As also required by Rule 14a-8(j), we are sending today a copy of this letter and its attachments to the Proponent as notice of the Company's intention to omit the Proposal from the Proxy Materials.

C. Proposal May Be Omitted Under Rule 14a-8(b)

On May 18, 2007, the Company merged with and thereby acquired Civitas BankGroup, Inc. (“Civitas”), with the Company remaining as the surviving entity. On that date, each share of Civitas common stock issued and outstanding was converted, at the election of each Civitas shareholder, into the right to receive cash, Company common stock, or a combination of cash and Company common stock subject, in each case, to certain adjustment procedures.

The eligibility requirements of Rule 14a-8(b) establish that a proponent must continuously have held at least \$2,000 in market value, or 1%, of the Company's securities entitled to be voted on the proposal at the meeting for at least one year by the date of the proposal's submission. The Company, after consulting with its transfer agent, could find no record of the Proponent owning Company common stock prior to the effective time of the merger. In an attempt to confirm with the Proponent whether or not he had held shares of the Company's common stock prior to the effective time of the merger and for the required one year holding period, the Company sent a letter to the Proponent asking that the Proponent confirm, and provide evidence to the Company, that the Proponent had held the necessary amount of shares of the Company's common stock for a period of at least one year prior to the date of the Proponent's submission of his Proposal. A copy of this letter, which was delivered to the Proponent on December 29, 2007, is attached to this letter as Exhibit B. In response to the Company's request, the Proponent sent a letter to the Company that was received by the Company on January 3, 2008. This letter, a copy of which is attached to this letter as Exhibit C, indicates that the Proponent holds his shares of Company common stock in certificated form rather than in street name. Further, the letter does not assert that the Proponent has held his shares of Company common stock for the required one-year period. Instead, the Proponent suggests in his letter that he has held his shares of Civitas common stock for longer than one year

and that the holding period for the Civitas common stock should be added to the holding period of the Proponent's Company common stock for purposes of determining whether or not he has satisfied the one-year holding period required under Rule 14a-8(b). As a result of its review of its shareholder record and the substance of the Proponent's letter dated January 2, 2008, the Company believes that the Proponent's share ownership and holding period for shares of the Company's common stock did not commence until May 18, 2007, the effective date of the merger. Therefore, the Proponent has not held the Company's securities for at least one year by the date of the Proposal's submission, and the Proponent has failed to demonstrate his eligibility to submit a shareholder proposal under Rule 14a-8 under the Exchange Act as a holder of Company common stock.

The Staff has repeatedly taken the position that when a proponent acquires shares of voting securities in connection with a plan of merger, as is the case in this situation, the transaction constitutes a separate sale and purchase of securities for the purposes of the federal securities laws. Therefore, ownership in the acquiring company's stock does not commence for purposes of Rule 14a-8 until the effective time of the merger. The Staff also has consistently granted no action relief in similar situations where the merger occurred less than one year before the shareholder proposal was submitted. See also, *Applied Power* (available October 4, 1999); *Sempra Energy* (available February 8, 1999), *Baker Hughes Incorporated* (available February 4, 1999), *Exelon Corporation* (available March 15, 2001), *Dow Chemical Company* (available February 26, 2002) and *AT&T Corp.* (available January 18, 2007).

Because the effective time of the merger of Civitas with and into the Company did not occur at least one year before the date of the Proposal's submission, the Proponent does not satisfy the one-year holding period required by Rule 14a-8(b) under the Exchange Act and, as such, is not eligible to submit the Proposal to the Company under Rule 14a-8 for inclusion in the Proxy Materials.

Good-Cause Exception to Rule 14a-8(j)(1)

The Company also respectfully requests that the Staff waive the requirement under Rule 14a-8(j)(1) under the Exchange Act that the Company file its reasons for excluding the Proposal no later than 80 calendar days before it files the Proxy Materials with the Commission. Rule 14a-8(j)(1) under the Exchange Act provides that the Staff may permit the Company to seek relief from the 80-day deadline upon a showing that good cause exists for missing a deadline.

The Proposal was received by the Company on December 20, 2007. On December 27, 2007, the Company sent notices of defect to the Proponent notifying the Proponent of the procedural defects relating to the Proposal and requesting that the Proponent provide the proof of ownership required by Rule 14a-8. The Company received a response from the Proponent on January 3, 2008, but sufficient proof of ownership was not provided. The Company promptly requested that we begin preparing this request but is now within the 80-day deadline required by Rule 14a-8(j)(1) as the Company expects to file its Proxy Materials with the Commission on or before March 27, 2008. Because of the desire of the Company to give the Proponent sufficient

time to confirm that he met the requirements of Rule 14a-8(b) and the fact that this response has been filed within a reasonable time after receiving the Proponent's response to the notices of defect, the Company respectfully requests that the Commission waive the requirement under Rule 14a-8(j)(1) that this letter be submitted at least 80 calendar days before it files the Proxy Materials with the Commission.

D. Conclusion

For the foregoing reasons, and without addressing or waiving any other possible grounds for exclusion, we respectfully request that the Staff concur in the Company's judgment that the Proposal may be properly omitted from the Proxy Materials and confirm that the Staff will not recommend any enforcement action to the Commission if the Proposal is omitted from the Proxy Materials.

Please do not hesitate to call me at (615) 742-7721, if I can be of any further assistance in this matter.

Sincerely,



D. Scott Holley

cc: Frank Coleman Inman

*** FISMA & OMB Memorandum M-07-16 ***

James E. Adams
Green Bankshares, Inc.
100 North Main Street
Greenville, Tennessee 37743

EXHIBIT A

Frank Coleman Inman
Green Bankshares Owner of 24,731 Shares of Common Stock

*** FISMA & OMB Memorandum M-07-16 ***

December 19, 2007

Secretary
Green Bankshares, Inc.
100 North Main Street
P.O. Box 1120
Greeneville, Tennessee 37743

Dear Corporate Secretary:

The following is my stockholder's proposal for consideration at the Green Bankshares' 2008 Annual Meeting of Shareholders:

Stockholder Proposal Regarding Majority Election of Directors

Resolved: The shareholders request that our Board establish a rule (firmly specified in our charter or bylaws if feasible) that our director nominees must each receive support from at least fifty percent of share votes cast to obtain a seat on our board of directors. Shareholders will be provided in the proxy materials with the director nominee names, SEC-required declarations, biographical sketches, and photographs.

Stockholder's Statement Supporting Item

In typical corporate board elections, stockholders have only one director nominee option for each open board position. Any shareholder(s) can withhold votes for any or all nominees, but lacking the need for a majority of share votes cast, the election results remain preordained.

In most years (because of our typically uncontested elections), only one stockholder need vote only one share for a board nominated director to ensure that director's election. This is clearly sub-optimal, and raises accountability and control issues for many shareholders. We can do better!

Director priorities other than maximizing shareholder wealth have often contributed to corporations underperforming. While the merger with Civitas in May 2007 gained GreenBank a footprint in a prestigious area, how many pre-merger Green Bankshares stockholders would vote in favor again? Our stock price dramatically fell (more than that of most similar sized banks) from the time of pre-merger announcement to post-merger wrap-up.

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Hopefully, we will be the smaller bank in any future merger, since smaller bank stockholders are more likely to grow wealthier, i.e. Civitas stockholders.

Majority voting is recommended by nearly all corporate governance experts; forms have been successfully implemented by many successful corporations, including U.S. Bancorp, Lockheed Martin, Best Buy Co., and Bank of America.

Providing positive, practical, and meaningful director elections for stockholders may increase our Green Bankshares stock price, via more stockholder control of our GreenBank investments and more interest from sophisticated investors who demand best practices. Corporate governance may improve most via better board elections, and this practical solution makes sense for the vast majority of Green Bankshares stockholders.

Please vote "FOR" this pro-stockholder proposal.

The above concludes my stockholder's proposal to be included in the proxy statement for the 2008 Annual Meeting of Shareholders. At this meeting, I plan to present this proposal. As I am submitting this proposal prior to the December 24, 2007 proxy statement deadline, the favor of a prompt reply is requested.

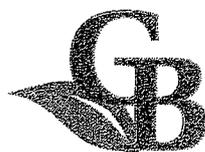
Of course, I intend to continually hold at least \$2,000 worth of Green Bankshares common stock through the 2008 Green Bankshares annual stockholders' meeting, per SEC requirements for a stockholder's proposal.

Sincerely,



Frank Coleman Inman

EXHIBIT B



GreenBankshares, Inc.

December 28, 2007

VIA CERTIFIED MAIL

Frank Coleman Inman

*** FISMA & OMB Memorandum M-07-16 ***

Dear Mr. Inman:

On December 20, 2007, Green Bankshares, Inc. (the "Company") received from you a shareholder proposal (the "Shareholder Proposal") for inclusion in the Company's proxy statement to be sent to the Company's shareholders in connection with its 2008 annual meeting of shareholders (the "2008 Proxy Statement").

Rule 14a-8(b) of the Securities Exchange Act of 1934 (the "Exchange Act") requires that in order to make a shareholder proposal, you must have continuously held at least \$2,000 in market value, or 1%, of the Company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal and you must continue to hold those securities through the date of the meeting. In addition, Rule 14-8(b) of the Exchange Act requires you to prove such ownership by submitting (i) a written statement that you intend to continue holding the shares through the date of the Company's annual or special meeting; and (ii) either (a) a written statement from the "record" holder of the securities in the event that the shares are held in "street name" (usually a broker or bank) verifying that, at the time you submitted the proposal, you continuously held the securities for at least one year or (b) a copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, or amendments to those documents or updated forms, reflecting your ownership of shares as of or before the date on which the one-year eligibility period begins and your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement. As such, the Company is requesting that you provide written evidence complying with Rule 14a-8(b) that you have continuously held at least \$2,000 in market value, or 1%, of the Company's securities entitled to be voted on the proposal at the 2008 annual meeting of shareholders for at least one year prior to the date of your proposal. Please note that based on existing SEC No-Action letters (See *AT&T Corp* (January 18, 2007) and *Exelon* (March 15, 2001)) the Company is of the understanding that you may not include when calculating this one year period the period of time that you held shares of Civitas BankGroup, Inc., which entity was merged with and into the Company on May 18, 2007, but that you must satisfy the one-year holding period strictly with respect to shares of the Company's securities.

Frank Coleman Inman
December 28, 2007
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Pursuant to Rule 14a-8(f) of the Exchange Act, your revised request, including the required proof of ownership must be postmarked, or transmitted electronically, no later than fourteen (14) calendar days from the date you receive this notice of defect in order to be considered for inclusion in the 2008 Proxy Statement. If you do not submit such information within the proper timeframe, Rule 14a-8(f) of the Exchange Act allows the Company to exclude the Shareholder Proposal from the 2008 Proxy Statement.

Sincerely,

A handwritten signature in black ink, appearing to read "James E. Adams", with a stylized flourish at the end.

James E. Adams
Executive Vice President, Chief Financial
Officer and Assistant Secretary

EXHIBIT C

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January 2, 2008

Frank Coleman Inman
Green Bankshares, Inc. Owner of 24,731 Shares of Common Stock

*** FISMA & OMB Memorandum M-07-16 ***

Via Delivery Confirmation

James E. Adams
Exec. Vice President, CFO and Assistant Secretary
Green Bankshares, Inc.
325 West Joule Street
P.O. Box 369
Alcoa, TN 37701

Dear Mr. Adams,

Thank you for your letter of 12/28/07 seeking proof of holding Green Bankshares, Inc. for the continuous year of ownership required by the SEC. Civitas BankGroup, Inc. and Greene County Bancshares, Inc. merged on May 16 or 18, 2007 and formed Green Bankshares, Inc., our bank. In your letter, you seem to imply that my continuous multi-year ownership of at least \$2000 worth of Civitas BankGroup, Inc. prior to our May 2007 merger does not count toward the SEC required year of continuous Green Bankshares, Inc. ownership. Would you also argue that former Greene County Bancshares stockholders can put forth stockholders' proposals for the 2008 Green Bankshares, Inc. stockholders' meeting? If so, then former Civitas BankGroup, Inc. stockholders are second class stockholders to former Greene County Bancshares stockholders. Where is this written in our merger agreement of last year?

I seek to have my stockholder's proposal included in the 2008 Proxy Statement. Should Green Bankshares, Inc. not include the timely submission of my stockholder's proposal, I plan to inform the SEC of this exclusion. The two SEC No-Action letters you cite in seemingly attempting to omit my proposal may not be relevant for several reasons. For one, our merger was between two corporations of far more similar size; I believe that AT&T really purchased their firm in question.

Even if Green Bankshares, Inc. convinces the SEC that the exclusion does not merit an SEC penalty, I plan to continue to hold all or at least enough Green Bancshares, Inc. stock to keep well above the \$2,000 worth of SEC stock requirement and resubmit this mainstream proposal for better corporate governance. Thus, any exclusion in 2008 merely delays stockholder feedback. Why not embrace the positive change sought in my proposal? Our stock price may rise as a result, since an increasing number of institutional and other sophisticated investors only wish to buy stock in firms with corporate governance best practices.

Since you ask in your letter of 12/28/07 for proof of continuous ownership of our stock for at least one year, copies of Civitas BankGroup, Inc. and Green Bankshares, Inc. stock certificates and dividend receipts prove that I have continuously owned shares for many years of Green Bankshares, Inc. or one of its two predecessors, Civitas BankGroup, Inc. As to type of ownership, I have paper certificates held in my name, and I was never a Civitas director. You should already have documentation of my Civitas common stock ownership, since my 40.61% cash payout came from the original Civitas stock certificates I submitted last year. You should also have documentation of my continuous Green Bankshares, Inc. common stock ownership since our merger. I have received every quarter's dividend. Let me know should you need even more documentation. I am sending this reply to your return address on the Express Mail envelope.

On a separate note, someday I would like you to explain to me the massive amount of "Goodwill" created by Greene County Bancshares, Inc. in the last few years before our merger. Today, this creation is largely responsible for our "Book Value" being roughly double our "Tangible Book Value."

I wish you a Happy New Year, and my fervent hope is that we have a prosperous 2008.

Sincerely,



Frank Coleman Inman
Green Bankshares, Inc. Stockholder

Enclosed: Supporting Stock Ownership Materials