

Bank of Granite, Carolina State Bank agree to merge

Bank of Granite Corporation and Carolina State Bank have jointly announced the signing of a letter of intent pursuant to which Carolina State Bank would become a subsidiary of Bank of Granite Corporation.

The boards of directors of both firms have approved the letter of intent. The transaction is subject to the execution of a definitive agreement, regulatory approval, and approval by shareholders of Carolina State Bank.

Following completion of the merger, Carolina State will continue, for the time being, to operate under its name. The transaction is expected to close in the fourth quarter of 1996.

Carolina State Bank, headquartered in Shelby, will add four full service banking offices in Shelby, Kings Mountain, Forest City, and Boiling Springs to Bank of Granite's 11 offices in Caldwell, Catawba, and Burke Counties. At June 30, 1996, Carolina State Bank had approximately

\$125 million in assets and \$106 million in deposits. Carolina State earned 1.08% on assets and 11.10% on equity for the quarter ended June 30, 1996. Assets of the combined institutions, as of June 30, 1996, totaled \$605 million and deposits \$498 million.

Carolina State shareholders will receive 1.11 shares of the common stock of Bank of Granite Corporation for each share of Carolina State common stock, subject to possible adjustments to reflect changes in the market price of Bank of Granite Corporation shares. Based on Bank of Granite Corporation's closing stock price of \$24.50 as of Wednesday, July 24, the total transaction is valued at approximately \$31.1 million (including outstanding options to purchase Carolina State shares, which will become options to acquire Bank of Granite Corporation shares) or approximately \$27.75 per share for each share of

Carolina State Bank. The proposed transaction is structured to qualify as a tax-free reorganization and is anticipated to be accounted for as a pooling of interests. The letter of intent provides that Carolina State Bank will grant Bank of Granite Corporation the option to purchase 19.9% of its outstanding common stock under certain circumstances, in the event the proposed transaction is not completed.

The announcement was made jointly by John A. Forlines Jr., Chairman of Chief Executive Officer, and Charles M. Snipes, President of Bank of Granite Corporation and Charles F. Harry III, Chairman, and John J. Godbold Jr., President and Chief Executive Officer, of Carolina State Bank.

This will be the first acquisition in Bank of Granite's 90-year history, according to Forlines who, along with Snipes, expressed pleasure at affiliating with one of the "best community banks in North Carolina."

"We have watched the progress of Carolina State Bank since it was established in 1991 and have been impressed with their growth and with their outstanding management team," Forlines and Snipes said.

Both Charles Harry and John Godbold said they were pleased to enter into a partnership with Bank of Granite because both banks share the same philosophy "of providing superb personal financial service to consumers and small businesses, and of providing solid returns for their shareholders."

Bank of Granite is one of North Carolina's largest community banks and has earned the distinction of being one of the most profitable banks in the country. The four executives said the merger would be good for shareholders of both banks, for employees, and for the communities served by both banks.

Eaton to celebrate 20 years in Kings Mountain

The 600 employees of Eaton Corporation and their families will celebrate 20 years in Kings Mountain at a big 20th anniversary family celebration Saturday, August 10 from 11 a.m.-2 p.m.

Speakers for the event are Plant Manager Jim Rennirt, General Manager of the Transmission Division George

Detloff and Steve Nye, Director of the Economic Development Commission of Cleveland County.

Families of Eaton employees will enjoy pony rides, a moon bounce, spin art, miniature golf, bingo, balloon darts and other fun activities from 11 a.m. until 1 p.m. and plenty of food will be available from 11 a.m.-2 p.m.

including hamburgers, hotdogs, chicken and barbecue with all the trimmings.

The anniversary committee will host a tour of the production facility where the world class Fuller transmissions are manufactured in a facility which covers 300,000 square feet supporting 21 production area processes.

Employees who have been with Eaton Corporation since the plant's beginning on Grover Road are Mike Hawkins, James Humphries, Earl Maddox, Virginia Reid, Eric Yates, Lorene Stevenson, Joel Whisnant, Lynn Lybrand, Edward Yates, Mack Stewart, Gene Christenberry, Leslie Bright, Dean Capps, Doug Cash, Jean Cline, James

Fuller, Ivars Liliensteins, Jim Rennirt, Randy Broome, Beth Dickson, James Hinson, Pat Hinson, Jackie Hopper, Harold Ledford, Ronnie Jenkins, Linda Montgomery, Ellen Wright, Doug Accor, Dot Childers, Charles Greene, Vickie Powell, Howard Shipp, Kevin Smith, Gary Byers, Dennis Ronay, Becky Shockely, Dean Butler,

Charles Accor, Eddie Bolin, Jay Bridges, Brenda Grindle, Bill Ledbetter, Larry Logan, Helen Sisk, Carolyn Stone, John Van Dyke, Gloria Doster, Jackie Peeler, Steve Grigg, Floyd Queen, Doug Shuffler, Ken Timson and Jerry Regan.

"Life's A Beach" is the theme of the celebration.

Investment Tips

Don't lose sight of long-term investments

By BILL MARCELLINO

Investing in the stock market requires a great deal of discipline. It's easy to lose sight of long-term objectives when the price of a stock is soaring, and even the most level-headed investor can become anxious when investors all around are taking profits.

Following are eight timeless rules for those who choose to invest in the stock market. These rules will help you focus on your original investment objectives and make decisions based on the long-term outlook rather than current market conditions.

1 - Don't put all your eggs in one basket. When you invest in a number of stocks, you protect yourself should one stock perform poorly. Mutual funds are an excellent way to diversify your equity dollars; they offer the benefits of professional management, and even a small investment can be diversified among several stocks.

2 - Base your investment choices on facts rather than tips or well-meant advice. Investing and speculating are not the same; high reward usually involves high risk.

3 - If the stock is attractive, eighths and quarters on the price don't matter.

4 - Try to understand what the market is "saying" a stock is worth rather than attempting to "tell" the market what it is worth. One investor cannot force his or her opinion of a stock on an entire market of investors.

5 - It is time in the market, not timing the market, that creates wealth. There is more risk of failing to meet your financial goals by being out of the market than by being in the market.

6 - Don't cut your flowers and water your weeds. Don't sell a stock simply to take a profit, and don't keep a stock simple because it was once attractive. If the investment no longer meets your investment goals, cut your losses and move on.

7 - Don't be panicked by news flashes or rumors. Instead, consider the information impartially, and base your decision on fact rather than emotion. They say investing is like riding a roller coaster. Jump off in the middle of the ride, and you're bound to get hurt.

8 - Don't lose sight of why you invested in a stock in the first place. You're in the market to protect and, if possible, to increase your capital, not to prove how well you can pinpoint market highs and lows.

Many of us have heard these rules before, but it's easy to base investment decisions on emotion rather than fact when the market is volatile. If you have concerns about your stocks, contact your investment representative. He or she is there to answer questions. Together, you can determine whether those investments still have a place in your portfolio and what action, if any, is needed.

(Bill Marcellino is Investment Representative for Edward Jones in Kings Mountain.)

CCB to list on New York Stock Exchange

CCB Financial Corporation announced today that it has applied to list its \$5 par value common stock on the New York Stock Exchange. CCB's common stock is currently traded on the Nasdaq National Market.

E.C. Roessler, President and CEO of CCB Financial Corporation, commented: "Due to our rapid growth over the past several years and market capitalization in excess of \$750

million, we felt that it was in the best interest of our shareholders to list on the New York Stock Exchange. We believe that an auction market will provide tighter spreads and better liquidity for our stock."

It is anticipated that CCB's common stock will begin trading on the New York Stock Exchange in mid-August under the ticker symbol "CCB."

Business Briefs

Court denies restraining order

A temporary restraining order lodged against United Dominion Industries by Commercial Intertech was denied Thursday in the U. S. District Court for the Southern District of Ohio.

"Thursday's court action is a clear victory for Commercial Intertech's shareholders," William R. Holland, United Dominion's chairman and chief executive officer, said.

"We are delighted the way has been cleared for Commercial's shareholders to receive information about our proposal of \$30 per share cash tender offer for all of the outstanding common shares of Commercial Intertech," he said.

Commercial Intertech operates a plant on Canterbury Road in Kings Mountain.

First Citizens declares dividend

The board of directors of First Citizens BancShares, Inc. has declared a quarterly dividend of 22.5 cents per share on its outstanding common stock, Class A and Class B, payable October 7 to shareholders of record September 16.

First Citizens' stock is traded over the counter, and Class A is quoted on the Nasdaq National Market System under the symbol FCNCA.

KINGS PLUSH

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1994 to keep the plant running when the former owner died in an airplane crash. In 1994 the company merged with Kings Plush with King, Hovis and Brown and the three surviving daughters, Kelli Walsh Hovis, Lisa Walsh Gibbons and Christy Walsh as stockholders.

King says there is plenty of room for expansion and he's optimistic that the plant will continue to be a productive Kings Mountain industry and business citizen.

KM residents apply for CPA license

The North Carolina State Board of Certified Public Accountant Examiners recently approved 84 new applicants for licensure as certified public accountants.

They included Katherine Lee Hagans and LuEllen Poole Richard of Kings Mountain.

CPAs licensed in North Carolina are required to renew their certificates annually as well as to complete 40 hours of continuing professional education as part of this renewal process.

Applications for licensure are available from the Licensing Coordinator, NC State Board of CPA Examiners, P.O. Box 12827, Raleigh, NC 27605-2827.

BB&T improves Phoneteller 24

BB&T this week introduced an improved PhoneTeller 24 system that gives customers more telephone banking options.

The enhanced system is the bank's prelude to an around-the-clock call center to be staffed by live operators, scheduled to debut late this year.

"We've improved the menu structure so that all account information is now linked to the client's Social Security number and personal identification number," said Tom McFarland, senior vice president and head of BB&T's Alternative Delivery Systems Department.

More account information is also available through the new PhoneTeller 24, and not it's easier to gain access.

Here's how:
- Certificate of deposit and individual retirement account information are in separate menus now. Both options provide current balance, current interest rate, maturity/renewal date and year-to-date interest.

-Direct deposit/withdrawal information is now available so

customers can confirm when transactions will post to their accounts.

-Customers can find out more about their loans now including outstanding balance, last payment date and amount, interest rate, next payment date and amount, payoff amount, daily interest and interest paid on loans.

Customers can use PhoneTeller 24 to apply for the following types of loans by late September or early August: mortgage, credit card, unsecured, auto and home equity line of credit.

It's now easier to use PhoneTeller 24 because customers no longer need to punch in their 16-digit automated teller machine card account number. All they need is their Social Security number and security code along with a touch-tone phone. Customers who don't have security codes may obtain them through PhoneTeller 24.

In late 1996, customers will be able to access the BB&T call center through PhoneTeller 24.

"It'll be the key entry point into the call center," McFarland said.

Dr. James R. Mason and Dr. J. Scott Mincey

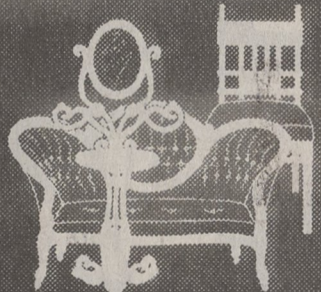
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