

## **Item 8.01 Other Events**

Citizens Bancshares Corporation (the “Company”), parent company of Citizens Trust Bank, has received preliminary approval of its application to participate in the United States Department of the Treasury’s (“Treasury”) TARP Capital Purchase Program (“CPP”).

As a participant in the CPP, the Company could receive up to approximately \$7.29 million in capital from Treasury in exchange for shares of the Company’s preferred stock. The preferred stock would pay a 5% dividend for the first five years of the investment, after which the rate would increase to 9% if the preferred shares are not redeemed by the Company. Generally a warrant to purchase shares of preferred stock is also required to be issued to Treasury; however, the Company is a certified Community Development Financial Institution (“CDFI”), and as a result is exempt from this requirement.

Mr. James E. Young, President and CEO of the Company and Bank, stated, “We are very pleased to have been preliminarily approved to participate in the Treasury’s Capital Purchase Program which will provide additional capital to strong and healthy financial institutions such as Citizens Bancshares Corporation. This investment further enhances our regulatory capital ratios, which are already considered as well-capitalized for regulatory purposes, positions us to capitalize on current market opportunities and expands our ability to meet the needs of our customers, communities and shareholders during these challenging economic times.”

Final approval of the Company’s participation in the CPP is subject to satisfaction of certain conditions, including the adoption of a proposed amendment to the Company’s articles of incorporation authorizing the Company to issue preferred stock. This amendment is subject to shareholder approval and will be voted upon at the Company’s special meeting of shareholders.