

FOR IMMEDIATE RELEASE

Contact Information:
Terry Phillips
334-636-5424
tphillips@firstusb.com

**United Security Bancshares, Inc. Releases 8-K with
US Securities and Exchange Commission**

THOMASVILLE, AL – On June 5, 2009, United Security Bancshares, Inc., (“USB”), along with its banking subsidiary First United Security Bank and Acceptance Loan Company, Inc., a finance company operated by the Bank (collectively referred to herein as the “USB Companies”), (finalized settlement agreements and releases with defendants McKean & Associates, P.A., Ernst & Young LLP and Mauldin & Jenkins, LLC to resolve the lawsuit styled *Acceptance Loan Company, Inc., First United Security Bank and United Security Bancshares, Inc. v. McKean & Associates, P.A., et al.*, initially filed in the Circuit Court of Clarke County on April 29, 2008.

The lawsuit alleged that the defendants breached their contractual obligations to the USB Companies in their duty to exercise reasonable care in performing audits on behalf of the USB Companies. It also alleged that the defendants committed certain other torts in connection with their audits of the USB Companies, all relating to certain loan irregularities within ALC discovered during the second quarter of 2007.

Pursuant to the Settlement Agreements, the USB Companies, with the consent and approval of the Company’s Board of Directors, agreed to dismiss, with prejudice, each of the defendants from the lawsuit and to release the defendants from all claims asserted or that may have been asserted against the defendants in the lawsuit. In exchange, the defendants paid an aggregate sum of \$4.5 million to the USB Companies with USB Companies responsible for their own attorneys’ fees and costs arising from the suit. The USB Companies entered into the settlement to avoid the expense and uncertainty of further litigation of the claims alleged in the suit.

“We are very pleased with the settlements received from these accounting firms,” USBI President/CEO Terry Phillips said. “USBI has also been aggressively pursuing a recovery under its fidelity bond which potentially provides coverage for a loss due to the fraudulent conduct of its employees. While the insurance company has indicated that it is still investigating this loss due to its complexity, we remain optimistic that there will be recovery under this policy.”

According to Phillips, the settlements received in this case are the result of very good efforts by USBI attorneys, including local counsel Gil Gilmore of the Gilmore Law Firm in Grove Hill.

United Security Bancshares, Inc. is bank holding company that operates nineteen banking offices in Alabama through First United Security Bank. In addition, the Company’s operations include Acceptance Loan Company, Inc., a consumer loan company and FUSB Reinsurance, Inc., an underwriter of credit life and credit accident and health insurance policies sold to the bank’s and ALC’s consumer loan customers. The Company’s stock is traded on NASDAQ Capital Market under the symbol “USBI.”

Established in 1952, First United Security Bank holds more than \$680 million in assets, is a member of the Federal Deposit Insurance Corporation and is an Equal Housing Lender. For more information, visit firstusbank.com; blog at: firstusbank-usbi.blogspot.com; or write to: First United Security Bank, P.O. Box 249, Thomasville, AL 36784.