

**HIGHLANDS UNION BANK**

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April 3, 2006

File#: 265-23

Ms. Nancy M. Morris
Federal Advisory Committee Management Officer
Securities & Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Dear Ms. Morris:

As a community bank in Abingdon, Virginia, and a Smaller Public Company, we are writing to express our support for recent proposed changes to the requirements of the Sarbanes-Oxley Act of 2002 as presented by the U.S. Securities and Exchange Commission's Advisory Committee on Smaller Public Companies during their February 21, 2006 meeting.

The implementation of Sarbanes-Oxley throughout Small Public Companies has proven to be quite costly for public companies. In fact, the U.S. Securities and Exchange Commission's 2003 estimate of \$91,000 for implementation is most likely understated given today's date. For many Small Public Companies, the implementation costs can prove to "make or break" the organization.

We applaud the U.S. Securities and Exchange Commission for its efforts in the establishment of the Advisory Committee on Smaller Public Companies to assess the current regulatory system for smaller public companies, including the impact of the Sarbanes-Oxley Act of 2002. In addition, we commend the Advisory Committee for its establishment of their four subcommittees and the hard work and dedication that each exhibited during the recommendation process.

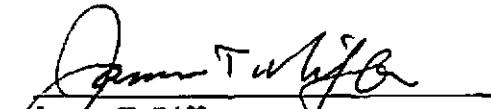
We are one of many financial institutions which fall into the Smaller Public Company category. As a public financial institution, we are highly regulated at both the federal and state level. In addition to extensive federal and state examinations, public financial institutions are also audited by external and internal auditors throughout the year. Many other public companies are not subject to the same regulations that are imposed on public financial institutions. As a result, much of the work required by the Sarbanes-Oxley Act duplicates work already performed by financial institutions, which is scrutinized by various entities throughout the year.

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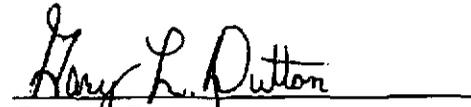
We respectfully request that you not only consider, but approve the recommendations brought forth by the Advisory Committee on Smaller Public Companies. We urge you to ensure that smaller public companies are given the opportunity to flourish in today's economy. These recommendations will provide small public companies with such an opportunity. We greatly appreciate your efforts in effectuating these changes.

Sincerely,


Samuel L. Neese
Chief Executive Officer

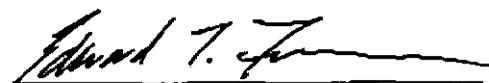

James T. Riffe
Chief Operating Officer

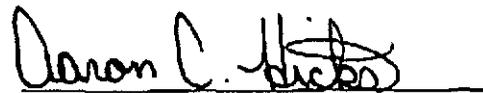

C. Wayne Perry
Senior VP/Compliance Officer


Gary L. Dutton
Senior VP/Senior Loan Officer


James R. Edmondson
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Robert M. Little, Jr.
Chief Financial Officer - HBI


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