



**Paragon**  
NATIONAL BANK

# the Shield *of excellence*

## Make Deposits From Your Office with Remote Deposit Capture

You can now deposit checks directly from your office to your bank account using a scanner on your desk. This new service, ParaTeller, using remote deposit capture, allows businesses to scan checks and electronically transmit the images to Paragon for processing.

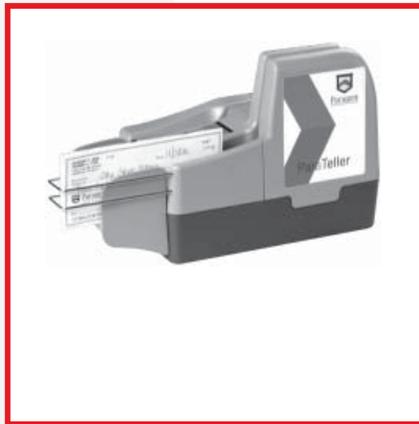
How does it work? You simply scan your deposit ticket and deposit items. The scanner reads each item, totals your deposit, then transmits the deposit electronically from your computer via a secure connection. Deposit images are received electronically and confirmation is emailed to you.

“Companies no longer have to rely on brick and mortar banking centers nor be constrained waiting for their bank to deliver time-sensitive information,” said Kim Hall, Senior Vice President.

The new ParaTeller service means you can deposit checks from your office around the clock and not worry

about the safety of employees delivering deposits.

This technology saves companies travel time and the electronic transmissions expedite the availability of funds. Electronic transmission also leads to faster collection, and allows the bank to quickly determine if a check is fraudulent or written on a closed account.



Other benefits include improved cash flow by changing weekly deposits to daily transactions, improved accuracy in deposit preparation, and thorough documentation of all deposits. Remote deposit capture also eliminates the need to make copies of deposit items, eliminates courier fees, and provides convenient research capabilities.

Call Paragon’s Treasury Management team at 901.322.0740 if you would like to meet with us to discuss ParaTeller further.



## Medical Advisory Board Formed

As part of our ongoing effort to keep abreast of the needs and interests of our diverse customer base, Paragon has formed a Medical Advisory Board. Input from this board of experts will help the bank provide targeted services and further enhance our relationship with our area medical community.

Many banks rely solely on bank officers and staff to know intimately the communities they serve; however, our Medical Advisory Board will extend the scope beyond our employees’ knowledge to include a broader perspective of the local medical community from the various vantage points of these medical professionals.

“Our Medical Advisory Board members know what is going on in the local community and refer business to the bank,” said Beth Perry, Senior Vice President of Private Banking. “We want our advisory board to tell their colleagues about the superior level of customer service Paragon provides.”

These individuals, along with several of the bank’s executive officers, meet quarterly to discuss issues that are important to the banking needs of the medical community. Paragon looks forward to building stronger relationships with these individuals and, through them, with others in the Memphis medical community.



The Medical Advisory Board is comprised of respected, experienced medical professionals including, from left to right: Rosanne P. Russell, CMPE; Dr. Lawrence Wruble, MD, FACP, MACG, *Chairman*; Neal Beckford, MD; Joseph C. DeWane, MD; Phyllis Knose; Whitney T. Slade, MD; Steven L. Akins, MD, FACC. *Not pictured:* David Archer; James R. (Bo) Mitchum, MD; Lisa M. Myers, MD.

# Paragon Community Involvement

## Paragon CEO Honorary Co-Chairman For March of Dimes Gala

March of Dimes of Memphis announced that Robert Shaw, President and CEO of Paragon National Bank, and Matthew Thornton III, Senior Vice President of FedEx US Operations, have been selected to serve as honorary co-chairs for the 2007 Signature Chefs Gala benefiting the March of Dimes Birth Defect Foundation. They will be actively involved in planning and securing support for the event. The Signature Chefs Gala in Memphis, the third largest March of Dimes fundraiser nationally, will be held November 4 at the Peabody.

"As a father, I am especially aware of how precious our community's children are, and the March of Dimes works to save babies' lives everyday," Robert says. "I can't think of a better way to help our community than working with this outstanding organization."



Paragon staff participated in the Hands on Memphis Servathon on April 21 by helping beautify the landscape of The Nineteenth Century Club in Midtown. Team members included Robert Shaw, Michael Erhardt, Janie Day, Jeff Gach, Tracey Wilson, Carol and Mike McConkey, Nancy Maxson, Andy and Leslie Taylor, Mike Thomas, and Judy and Ed Stanley.



Jeff Gach, Mathis Young, and Victoria Luke ran in the Harbortown 5K on June 1 to support the Boys & Girls Club of Memphis.

## Paragon Visits Hawkins Mill During Second Semester

Paragon continued to visit with Ms. Kimberly Martin's third grade students at Hawkins Mill Elementary School in North Memphis. On February 14, team members visited the school to spread a little love around to the students and received love back as well. Each student was given a choice of a pink, red, or white silk flower wrapped in florist paper to take home to someone special for Valentine's Day.



The students display their flowers.



A student presents Lisa Barden with thank you notes and a gift basket from the class.

A few days before the students' summer break, Paragon staff members visited Hawkins Mill again to celebrate the accomplishments of the school year and to show the students that Paragon cares about them. Paragon staff members helped each child create a friendship bracelet, and cupcakes were served. Summer plans were shared by the students, and best wishes for a safe and happy school break were extended by the Paragon team.

## St. Agnes Artists Show Off Their Skill During Exhibit in March

A variety of art including oils, watercolors, etchings, and sketches by the senior art students of Janis McCarty at St. Agnes Academy graced the walls of Paragon's Fountain Place offices in March. On March 6, Paragon honored the students, their teacher, and families and friends with a reception.



l to r: Art teacher Janis McCarty, Elizabeth Buckley, Abbie Gordon, Emily Bottom, Sarah Burchfield, Sarah Luscombe, Mallory Krebs, Emily Jenkins, Sam DeVilbiss, Kimi Coleman, Ashley Smith, Sarah Shaw, and Upper School Dean Joy Maness.

## Paragon Wins Pyramid Award



The Memphis Advertising Federation held its annual Pyramid Awards ceremony Friday, June 8, to recognize achievements and professionalism in the field of advertising. Paragon, nominated by its advertising agency *inferno*, was awarded top honor in the category of "Advertising Client of the Year."



## Student Art Displayed at Saddle Creek Banking Center

When Paragon National Bank opened in 2005, the theme of the grand opening was "The Art of Banking." Since that time, Paragon has added to our abstract and semi-abstract collection at each of our four banking centers.



Paragon partnered with Germantown Middle School this spring to display their student art in our Saddle Creek location. Beginning next fall, the artwork will change each month as other Germantown area schools are invited to showcase their students' work.



## Paragon's Bowling Tournament of Champions

Paragon started 2007 excited to exceed \$250 million in assets in the first quarter. To celebrate the team's hard work and dedication, they organized a bowling tournament on May 31. Staff members teamed up, creating team names and t-shirt designs.



Highest Team Score winners Michael Earhardt, JT Novarese, and Mathis Young show their medals.

Teams bowled for two hours, after which winners in several categories were announced. "I appreciate all of you," said Jeff Gach, Vice President of Commercial Lending and acting master of ceremonies. "I love the fact that you came out here after work hours to spend time with your work family."

## Second Shareholders Meeting Held April 26

Paragon National Bank held its second annual shareholders meeting April 26, 2007, at The Dixon Gallery and Gardens. Shareholders gathered to hear a report on the progress Paragon has made in the past year and plans for the remainder of 2007.

Robert Shaw, Paragon President and CEO, listed the bank's 2006 accomplishments including the opening of the St. Francis Banking Center; the addition of professionals in commercial lending, mortgage lending, cash management, and business development departments; the expansion of Fountain Place office space; awards for the bank's marketing and advertising campaigns; and the successful completion of Paragon's secondary stock offering. Paragon also launched a new product for its customers, ParaTeller, that is proving that a banking center is not needed on every corner. Remote deposit capture was introduced

## Gone Vishing?

You have probably heard of phishing: emails that link to counterfeit websites where customers are asked to enter account numbers and other personal information. Now, savvy con artists are adding a new twist, dubbed "vishing."

Vishing is just a new take on the old scam – phishing. You know the drill: you get an email that claims to be from your bank or credit card company asking you to update your account information and password by clicking on a link to what appears to be a legitimate website. **Don't do it!** It is a ruse, nothing more than an illegal identity-theft collection system.

Recently, emails are telling unsuspecting customers that their accounts with a company's online banking system have been disabled after the bank detected unauthorized access. People are told to dial a telephone number, usually local, where an automated voice prompts them to enter their account numbers, personal-access codes, and other details.

Security experts say these new schemes are made possible by one of the newest waves in telecommunications technology – Voice Over Internet Protocol, or VoIP, which enables telephone calls over the web. Computer users have the ability to establish phone numbers, often without some of the verification checks used by traditional phone companies. Also, internet phone companies dole out numbers with a choice of area code, regardless of where in the country – or world – the user is located, making it much more difficult to locate fraudsters.

Con artists might use data collected through vishing to access online bank accounts and transfer money or to make fraudulent online purchases with a stolen credit card number.

**Don't let it happen to you!** Greet a phone call or email seeking personal information with a healthy dose of skepticism. If you think the call is legitimate, hang up and call back using the customer service number provided by Paragon when the account was opened (901.273.2900). But remember, Paragon will not call and ask for personal account information.

to customers in 2006 with tremendous success. (See page 1.)

"We could not have enjoyed all of these successes without the hard work of our dedicated employees and our board of directors," said Shaw. "The members of Team Paragon are among the most talented bankers in the Memphis market. Averaging more than 15 years of experience each, they truly understand local banking."

Throughout 2006, staff members participated in professional development activities, professional organizations, and leadership coaching. Employees have more invested in Paragon than employment; in fact, 89% are shareholders, owning approximately 15% of the bank.

One of our priorities is giving back to the community. Paragon continued its support of a third grade class at Hawkins Mill Elementary School, granted its second wish for a Make-A-Wish child, and participated in the 2006 Susan G. Komen Race for the Cure. Through both financial donations and employee volunteerism, Paragon proudly supports over 65 community foundations and organizations. With the Assisting the Community Through Service (ACTS) program, employees are given 40 paid work hours a year to participate in community programs.

Official business brought before shareholders was the re-election of Dr. James Freeman, Ed Roberson, and Craig Weiss to the Board of Directors and the ratification of Paragon's independent auditing firm.



Winners at Fountain Place: Deborah Howell, Alison Deiter, and Liz Joyner

## Paragon Celebrates Our Second Anniversary

Paragon is growing so fast and our future is so bright we have to wear shades. Paragon observed its second anniversary on Friday, January 19. Employees celebrated by decorating oversized sunglasses to be judged by our marketing firm, *inferno*. 1st, 2nd, and 3rd place prizes were awarded at each banking center and a bankwide "Best of Show."



Alex Thesmar, Vice President of Medical Banking, was awarded "Best of Show" for his blinking-light, surgical capped sunglasses.

## Memorial Day Cookout

Patrick O'Hearn, George Daley, Trace Crenshaw, Scott Walker, Jeff Gach, Mathis Young, and Josh Miller enjoy hamburgers, hot dogs, and conversation at Paragon's annual Memorial Day cookout May 25.



## Team Paragon Continues to Grow to Provide Superior Service!



Trace Crenshaw  
*Mortgage Consultant*



Tanya Novarese  
*Senior Vice President, Commercial Real Estate Lending*



Patricia Robinson  
*Private Banking Associate*



Carolyn Schumann  
*Bank Officer, Mortgage Loan Coordinator*



Jay Spain  
*Banking Center Manager, Fountain Place*



Judy Stanley  
*Senior Mortgage Consultant*



Mike Thomas  
*Vice President & Sales Manager, Commercial Lending*



Scott Walker  
*Mortgage Consultant*



Tim Webb  
*Vice President, Commercial Lending*



## Mortgage Department Expands

Paragon expanded its Mortgage Lending staff this spring to meet the growing demand for experienced, trusted mortgage lenders. Mike Thomas joined the bank as Vice President and Sales Manager, and Trace Crenshaw, Judy Stanley, and Scott Walker joined as mortgage consultants. We were also pleased to add Carolyn Schumann as Mortgage Loan Coordinator.

"This is a very exciting time for Paragon and the Mortgage Department," said Carol McConkey, Senior Vice President of Consumer Banking. "Mike, Judy, Trace, Scott, and Carolyn all have proven track records of success and a passion for providing their customers with excellent service."

These five new team members bring an average of over 14 years experience in the mortgage industry. They join Carol McConkey, Myra Compton, and Teresa Harris.

## Email Alerts Now Available

Have you ever thought it would be helpful to know when your bank balance rises or falls to a certain amount? Or when a particular check clears? Or when a loan or CD is about to mature?

Paragon's online banking allows you to set alerts to notify you when certain activities occur on your account(s). To set these alerts, log into online banking and choose "Options" and then "Alerts." You can then decide which alerts you want and choose whether you would like to be notified by email (to the address you enter in Personal Options) or to be notified the next time you sign in to Paragon online banking.

**Paragon National Bank**

Account Info | Bill Payment | Options | Personal | Account | eStatements | Alerts | ATM/Debit Card | Display

Paragon National Bank | P.O. Box 2022 | Memphis TN 38101-2022 | ph 901.273.2900

**Alerts:**  
Alerts will be sent to the current address on file. This address can be updated on the Personal Options menu.

**Event Alert Options**

Event	Method
Receiving Incoming ACH Debits	Email
Insufficient Funds (NSF)	Email
Maturing CD's	Sign In

Note: Maximum of 15 Balance Alerts

**Balance Alert Options**

Account Name	Above/Below	Amount	Method
Checking 01	Below	\$100.00	Email

Note: Maximum of 15 Item Alerts

**Item Alert Options**

Account Name	Number	Method
Checking 01	555	Email

Note: Maximum of 15 Personal Alerts

**Personal Alert Options**

Date	Text	Method
07/27/07	Pay Cable Bill	Email

The bankparagon.com Alerts screen.

Paragon offers four kinds of alerts, including:

- ▶ Event Alert Options – receipt of incoming wires, ACH (Automated Clearing House) electronic credits or debits, loan or CD maturity, electronic or check payments.
- ▶ Balance Alert Options – notification that your balance has risen above or fallen below a dollar amount that you choose.
- ▶ Item Alert Options – notification of processing by the bank of a check you specify by number.
- ▶ Personal Alert Options – other kinds of reminders on your account, such as an alert to pay a bill along with the date you would like notification.

Convenience for our customers is key at Paragon. If you have any questions about how the alerts work or how to set up an alert on your account, call a customer service representative at 901.273.2900.

## Items in Your Statement

Primary Account Holder  
Secondary Account Holder  
1000 Main Street  
Memphis TN 38119

Date 7/21/07 Page 1 of 5  
Account Number 0000001

SUMMARY OF ACCOUNTS

Type of Accounts	Current Balance
Paragon Affinity Mny Mkt Savgs	25,163.50
Paragon Free Checking	1,549.88

---- CHECKING ACCOUNTS ----

Paragon Affinity Mny Mkt Savgs	Number of Enclosures	1
Account Number 0000001	Statement Dates	6/22/07 thru 7/23/07
Previous Balance 25,322.04	Days in the statement period	33
1 Deposits/Credits 10,000.00	Average Ledger	27,412
3 Checks/Debits 10,250.00	Average Collected	27,412
Service Charge .00	Interest Earned	91.46
Interest Paid 91.46	Annual Percentage Yield Earned	3.75%
Ending Balance 15,163.50	2007 Interest Paid	475.93

Deposits and Additions

Date	Description	Amount
6/24	Xfer from Checking	10,000.00
7/11	INTEREST PAID 33 DAYS	91.46

Checks and Withdrawals

Date	Description	Amount
7/04	PAYMENT	10,000.00

Monthly bank statements to each of our customers summarize each account a customer holds and list specific items processed during the statement period.

Deposits and withdrawals are listed in chronological order with a corresponding description and amount. If an interest rate is applicable to the account, that rate and the interest earned on the account are shown.

Checks written are included in the listing. If the recipient of a check turned the written check into an electronic payment, it will be included in the list of *Checks and Withdrawals* on the date it was processed through Paragon. It will not be listed in the category of *Checks in Serial Number Order* because it was sent to Paragon as an electronic payment, not as a paper check.

Daily balance information and check images are also included with the financial statement. Check images are printed by account and then by check number in ascending order.

If you have questions about your statement, please call Customer Service at 901.273.2900.

## Locations:

### Paragon Place

Poplar at Massey  
6300 Poplar Ave., Suite 117  
Memphis, TN 38119

### Fountain Place

Poplar at Valleybrook  
5400 Poplar Ave., Suite 150  
Memphis, TN 38119

### St. Francis

6005 Park Ave., Suite 111  
Memphis, TN 38119

### Saddle Creek

7600 Poplar Ave.  
Germantown, TN 38138

## Telephone:

901.273.2900

## Branch Hours:

8:30 am – 5:00 pm Mon-Thu  
8:30 am – 6:00 pm Fri

## ATM:

24 Hours/7 days a week

## Paragon Direct:

901.333.0260  
24-Hour Voice Response Unit

## Online Banking:

bankparagon.com

## Mailing Address:

P.O. Box 2022  
Memphis, TN 38101-2022



**Paragon**  
NATIONAL BANK

*Local banking from locals.*



## Saddle Creek Banking Center Grand Opening Ribbon Cutting Held on January 23



Robert Shaw, surrounded by members of Paragon's Board of Directors and the Germantown Chamber of Commerce, cut the grand opening ribbon in front of the Saddle Creek Banking Center.

## CPA Day 2007



Lenders and private banking team members delivered ice cream and cookies to area CPA firms on April 6 in an effort to brighten the days approaching the April 17 tax deadline. Ben & Jerry's provided a selection of ice cream and sorbet and freshly baked chocolate chip cookies.

## Annual All-Employee Outing



This year Paragon team members and guests boarded the Memphis Queen III Riverboat for a fun night that included barbecue and dancing on April 28.