



Paragon
NATIONAL BANK

the Shield

of excellence

Paragon Welcomes 3 New Directors



Pete Stark, Lauren McHugh, and Mary McDaniel

Paragon National Bank has added Mary H. McDaniel, Lauren Boggs McHugh, and Pete A. Stark to its Board of Directors. The three new members, who will each serve a term of three years, will work closely with the bank's ten other Board Members to ensure Paragon's continued growth and positive momentum in the years to come.

"I'm excited these three business and community leaders have joined our Board," said Robert Shaw, Chief Executive Officer of Paragon National Bank. "Mary, Lauren, and Pete are dynamic professionals who offer a unique perspective and a diverse set of talents that will strengthen our ability to enact decisions that best serve our shareholders, customers, and community."

Mary McDaniel has extensive experience in resource management as well as financial analysis and budgeting. In 2010, she retired as Vice President – Air Operations Material and Corporate Sourcing of FedEx, where she worked for nearly 35 years. She is also an active community member and has served on many boards, including Leadership Memphis and The Women's Foundation for a Greater Memphis.

Since 2007, Lauren McHugh has served as President of Huey's, a local restaurant chain with 8 locations around the Mid-South, that was started by her family. She was working for the National Bank of Commerce when she was recruited by her father in 1993 to join Huey's, where she spent the next several years learning the business. Currently, she serves on the Board of Directors for Shelby Farms Park Conservancy, and she is a member of the Kiwanis Club of Memphis.

Since July, Pete Stark has served as Chief Financial Officer for Physicians Pharmacy Alliance. Previously, he worked for Accredo Health Group, Inc. as the organization's Chief Financial Officer. His experience includes more than 20 years in finance and operations, including senior positions in financial planning and accounting for Accredo. He is a Certified Public Accountant and a Chartered Global Management Accountant.

PARAGON NATIONAL BANK

Paragon Unveils New eDocuments

Are you running out of room for the stacks of paperwork taking over your home and/or office? Do you want to do something good for the environment? Are you concerned about the threat of identity theft? Look no further, because Paragon's improved eDocuments are now available for all of your accounts.

Once you are enrolled in eDocuments, you will receive an e-mail each month with a link to view your statement or notices through online banking. Your check images will be included in your statement. eDocuments look the same as the regular statements and notices that you have been receiving in the mail. They are stored in internet banking for up to 13 months, and you can download them to your computer.

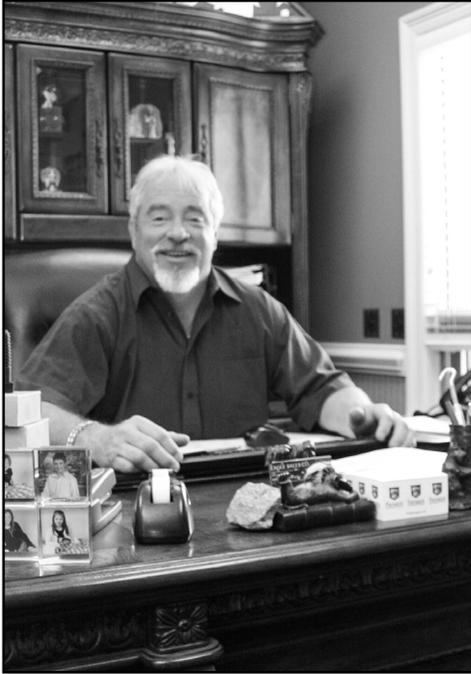
Some of the benefits of eDocuments are:

- **Convenience** – Review your notices, statements, and canceled checks online at any time – day or night – wherever you have internet access.
- **Speed** – eDocuments can be accessed once they are ready. There is no need to wait for a paper statement to arrive in the mail.
- **Security** – Reduce the risk of notices or statements being lost or stolen in the mail.
- **Sustainability** – Reduce your clutter and conserve resources (paper) by accessing your documents online.
- **Safety** – Your eDocuments are protected by the latest security measures.
- **Cost** – There is no charge for eDocument services.



To sign up for Paragon's paperless eDocuments and to see what statements and notices are available electronically, log into your Paragon bank account at bankparagon.com or mail in the enclosed card to have a Team Paragon member call you to walk you through the quick and easy process of going paperless.

SPOTLIGHT



Mark Kobeck

Upon entering the office of Mark Kobeck, President of Eagle Sales Company, one can instantly recognize the importance of this company to the family who continues to run it. The walls are decked with Eagle memorabilia, a testament to the loyal investment that Mark and his family have put into this company over the years to make it the successful business that it is today. After a few minutes of talking with Mark, one can tell that his traits of loyalty and dedication are central to his business philosophy as well as to other aspects of his life.

Mark's loyalty is demonstrated well in his relationship with Paragon's Vice President of Commercial Lending, Doug Vanover. Doug and Mark met in 2004, and Doug has remained Mark's banker ever since. As Doug has moved around throughout the years, Mark is always right behind him. "Doug has been my banker forever, and I'm going to follow Doug wherever he goes," Mark says, "When I met Doug, I said, 'I want you to see everything. I want you to know everything.'" Doug Vanover has high praise for Mark and his company as well, stating that, "Eagle Sales is the true epitome of a well run family business."

Eagle Sales uses Paragon's cash management suite as well as online banking to help with the day-to-day tasks of running a business that stocks over 80,000 line items for off-the-shelf delivery. Kay Waldo, acting controller of Eagle Sales, says that her transition into and experience with Paragon's cash management products has been smooth and easy, and all problems she has had were handled by Paragon that same day. With orders coming in constantly from all around the Mid-South, it is important for Eagle Sales to be able to keep on top of their business with the time-saving advantages that Paragon's products provide.

Eagle Sales Company was founded in 1981 with small beginnings. Mark recounts that, "We started selling out of my grandfather's shed. My grandfather would take the orders and call my dad. My dad would tell him how much to sell them for and my grandfather would deliver them." Business has certainly expanded tremendously from his grandfather's shed. Now Eagle Sales operates out of a 40,000-square-

foot building off Raleigh-Lagrange Road. They are a major distributor of quality fasteners, threaded rod, and electrical supplies throughout the Mid-South. In addition to the warehouse here in Memphis from which all inventory is controlled, Eagle Sales has locations in Jonesboro, AR, and Hendersonville, TN, and consignment stock in Philadelphia, Louisiana, and Texas.

Eagle Sales faces multiple competitors in Memphis and the Mid-South. When asked how he differentiates himself from his competition, Mark replies, "It's service, anybody can sell a nut, bolt, or washer." Eagle Sales strives for same day delivery and to provide any product his customers might need. "We'll do anything," he says, "Really it's just service. You want it, we have it. If we don't have it, we'll find out where to get it. You have to take care of them." The attitude of service and loyalty has certainly played a part in the continued success of Eagle Sales Company.



Bank Safely

At Paragon, we do everything in our power to keep your accounts completely safe and free from hackers and other fraud attempts. However, we can only protect your accounts and our website from one side of the table. It is up to you to protect your personal computer and passwords from would-be identity thieves.

Take a look at the following safety tips to make sure you are doing all you can to keep your accounts safe and sound.

Fraud and Computer Safety

- Install and update your antivirus software. A few popular options include Norton, McAfee, and AVG.
- Never open an e-mail attachment from someone you don't know and be careful what you download from the internet.
- Keep your personal information secure. Give personal information only to a trusted source over an encrypted website.
- Create strong passwords. Do not use passwords that might be easily guessed such as pet names, birthdays, etc.

Check Safety

- When a check is cashed, the bank often allows the funds to be withdrawn within a few days. If the check is not valid, the depositor can be liable for the check for a long period of time.
- Be skeptical of any check received from a stranger.
- If you are asked to deposit a check and send some of the funds to others, simply refuse. It could save you from a long-term financial mess.
- Please remind those who write you a check to use only black or blue ink to ensure that the checks can be read by digital scanners.

Team Paragon Races for the Cure



More than 100 Paragon employees and family members participated in the Komen Race for the Cure. Team Paragon gathered at the Saddle Creek location for breakfast and a warm-up before walking or running in the race to fight against breast cancer.

Team Paragon Visits Hawkins Mill Elementary



Lisa Word, Nancy Walls, Joyce Davis, Sue Ann Boehme, and Steve Maury pose with Ms. Martin's third grade class during one of Paragon's quarterly visits to her classroom.

Paragon Supports the Memphis Child Advocacy Center



Anna Kathryn Word, Hank Word, and Andy Taylor enjoy the Chef's Celebrity Gala benefitting the MCAC. Andy Taylor and Robert Shaw acted as servers for the Paragon table.

Community Involvement

Student Artwork Hangs in Saddle Creek Location



Pictured here are a few of The Bodine School students whose artwork was chosen to hang in Paragon's Saddle Creek location. Each year Paragon hangs artwork in this location. Other schools exhibiting this school year have been Houston Middle School, St. Louis Catholic School, and Dogwood Elementary School.

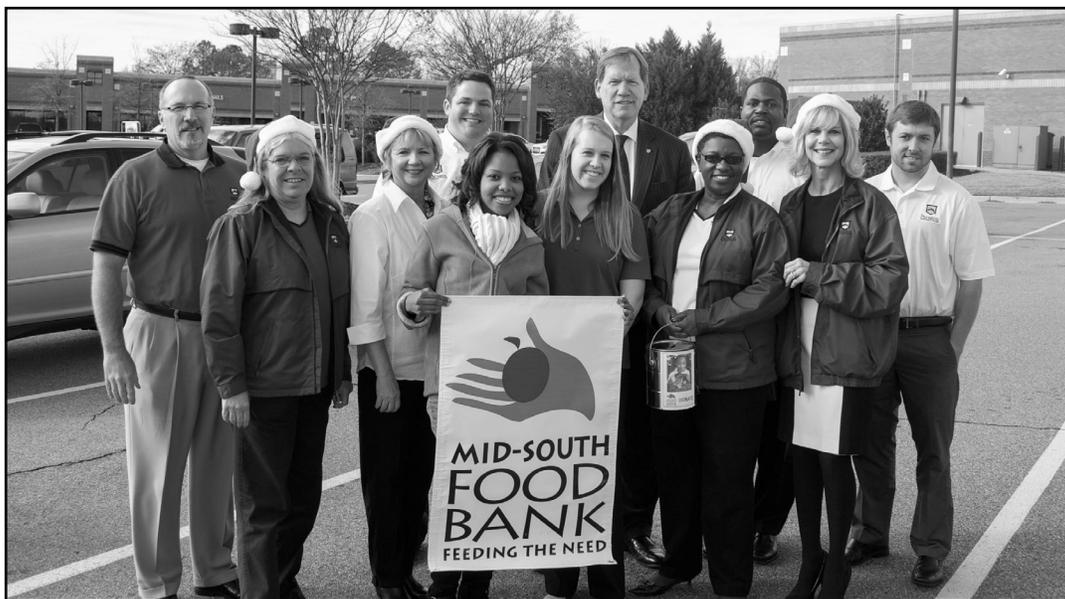
United Way Kick Off Breakfast



County Commissioner, Chris Thomas (at right), spoke recently to Team Paragon about the Big Brothers, Big Sisters program and the importance of United Way funding. Paragon President and COO, Mike Edwards (also pictured), was Chris's Big Brother through the program.



Donations Delivered to the Mid-South Food Bank



Many thanks to all of our generous customers and employees who brought cans and cash for the Mid-South Food Bank into Paragon's banking centers. Paragon was able to donate \$14,200 and 568 lbs. of food to help the needy in the Mid-South area. With the delivery are: (front row, from left) Cheryl Shackelford, Charlene Franklin, Jerica Phillips (WMC-TV), Haley Overcast, Dorothy Cleaves, Debby Allen; (back row, from left) Dave Biter, Scott Penny, Mike Edwards, George Daley, Chad Tribble

Introducing Paragon's New Online Consumer Loan Applications

Paragon now gives you the opportunity to apply online for a mortgage loan or for a home equity line of credit. Now it is your choice whether you want to meet with one of our mortgage consultants or to complete the application online. You pick the option that is best for you.

Paragon's online Mortgage Center Includes several other helpful features. You can let Paragon keep an eye on interest rates for you, so you do not have to. We will e-mail you current rate information on a regular basis. Our site also includes the mortgage calculators that help answer a number of questions you may have, including how much your payment will be, what type of mortgage is best for you, and whether you should refinance. There is also a list of frequently asked questions and a glossary of terms so you can familiarize yourself with the mortgage process.

Just visit our Mortgage Center at www.bankparagon.com/mortgage or call one of our Mortgage Consultants at 901.322.0750 to get started.

Director's Corner: Rob Hussey

With his background in banking, Rob Hussey, who is Managing Partner at New Horizons Computer Learning Center, brings a special expertise to the Paragon Board of Directors. He has played a major role in the growth and development of the bank since its formation, and he continues to assist in efforts toward the future goals for the bank.

Rob's banking experiences began with his first job out of college with the National Bank of Commerce (NBC). He started as a management trainee, spending almost a year learning about different areas of the bank. In 1986, NBC sent him and a few other young bankers to Nashville to open NBC branches exclusively in local Kroger stores. This 18-month assignment to Nashville turned into a six-year stay, working to grow and develop a presence in the Nashville area.

Rob credits his eleven years at NBC with building the relationships that have provided opportunities for him throughout his career. He comments on this first formative decade in the workplace, "Your first ten years in the work force you build skills and a network of people that you will pull from for the rest of your career. I think there's something magical about what you learn in your 20's that is critical and very formative in terms of how you run the rest of your professional career." After six years, Rob came back to Memphis to head up NBC's small business lending area and then the commercial side of the bank before deciding it was time to try something else.

Rob met his business partner, David Weinstein, 17 years ago while working at NBC. The bank made the loan that helped New Horizons launch its location in Memphis. Eventually Rob joined David in business where Rob now serves as Managing Partner. When asked about his day-to-day responsibilities at New Horizons, Rob responds, "What I spend most of my waking hours working on is how to make my team better. How can I do better? Where can I do better? Where can I be recruiting? Day in and day out we succeed and fail based on the people we have on the ground in each of those locations."

New Horizons has eight locations around the United States: Memphis, Pittsburgh, Omaha, Lincoln, Indianapolis, Columbus, Atlanta, and Nashville. Rob travels every week to keep in touch with his staff at each of his locations, "I travel every week. I go see my people. It's amazing – when you look people in the eye you get a quick read on their state of mind, which contributes to their work ethic." While New Horizons has

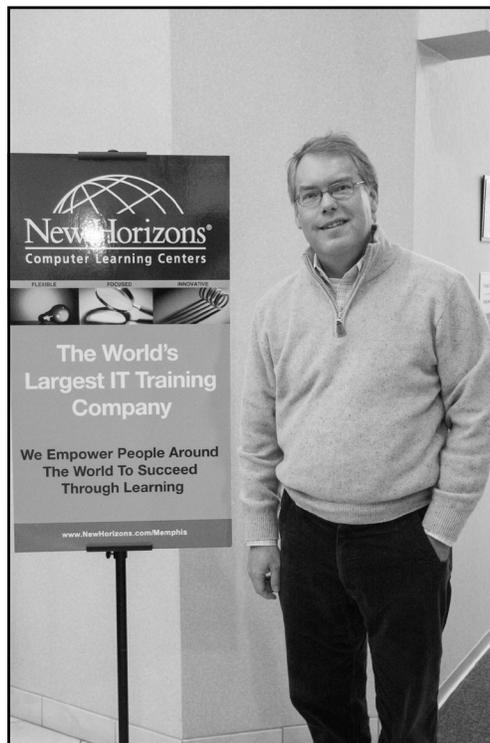
multiple locations, their human resources, marketing, and accounting departments all operate out of the Memphis location.

As one of Paragon's original directors, Rob became involved with the bank when it was still in the early stages of its formation. Rob remembers, "Ever since I got out of banking, I had been looking for a way to get back into banking. My old friend Steve Maury (Paragon's Vice President Construction Lending), who I worked with at NBC, told me the story of what Robert (Robert Shaw, Paragon's CEO) was working on. Robert told me his story and the team he had already assembled, and I thought this is going to be great."

When he's not managing New Horizons or serving on Paragon's Board, Rob loves to spend time in the great outdoors. He and his wife, Julie, and two sons, Jones and Edwin, took a 182-mile rafting trip down the Colorado River through the Grand Canyon a few years ago. "My perfect year looks like this," Rob says, "I get to snow ski 100 days, I get to fly fish 100 days, and my wife gets to spend 100 days on the

beach." Rob loves to be out west where he has spent several summers backpacking and fishing. "At the end of the day, I just love to be outside," Rob says, "I love to duck hunt and I love to fish."

We are thankful for the wisdom and expertise that Rob provides in his service on our Board of Directors. Thank you, Rob, for your service and dedication to Paragon!



Rob Hussey

Paragon Birthdays!

Several staff members have celebrated big birthdays in the past few months. As traditional for milestones, on the birthdays, coworkers decorated the offices of these staff members and brought treats to enjoy.



Happy 50th to Steve Maury!



Happy 40th to Jarmila Reed!



Happy 50th to Carole Hughes!



Locations:

Grove Park

Poplar at Grove Park

4515 Poplar Avenue, Suite 150
Memphis, TN 38119

Fountain Place

Poplar at Valleybrook

5400 Poplar Avenue, Suite 150
Memphis, TN 38119

Paragon Place

Poplar at Massey

6300 Poplar Avenue, Suite 117
Memphis, TN 38119

Saddle Creek

Poplar at Germantown

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

New Smiles at Paragon:



Michael Rhodes
Mortgage/Financial
Services Associate



Sharon Tigner
Financial Services
Associate



Chad Tribble
Financial Services
Associate



Doug Vanover
Vice President
Commercial Lending



Community Leaders



Dorothy Cleaves, First Vice President Private Banking, has been appointed to serve on the Tennessee Housing Development Agency Board of Directors.

Ashley Cullum, Assistant Vice President Business Development, was appointed vice-chairwoman of the Make-A-Wish Associate Board and was made a member of the Baptist Memorial Health Care Pediatrics Advisory Council Board.



Future Paragon Customer:



Davis O'Hearn
Son of Patrick (Vice President Private Banking) & Sue O'Hearn



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MEMBER FDIC

