



the Shield

of excellence

Paragon
NATIONAL BANK

Working Together to Safeguard Your Identity

Paragon National Bank has numerous systems and procedures in place to help curb identity theft. Here are some reminders of what you can do to prevent theft and fraud.

Install antivirus software.

A few options include Norton, McAfee, and AVG. Run scans on your computer regularly and update the software continually.

Be wary of suspicious e-mails.

Don't open an e-mail attachment from someone you don't know and don't click through an e-mail from an unknown website. If it's an offer that sounds too good to be true, then it probably is.

Beware of phishing schemes.

Paragon will never ask for your account number, social security number, or any other personal financial identification information in an e-mail. No matter how official the e-mail may look, if the sender is asking for any personal information, it is likely a phishing scam. Do not



click on links in these e-mails. Instead, contact the company cited in the e-mail using an authenticated telephone number or other form of communication that you are sure is genuine.

Keep your computer software up to date.

To locate your computer's updates, Windows users navigate to the Start Menu and then click "Windows Updates." Mac users navigate to the Apple Menu and click "Software Update." In addition, keep your software for other programs updated, especially Java, Flash, and Adobe Reader.

Create strong passwords and secure your personal information.

When entering personal information or credit card numbers online, make sure the site is a secure, encrypted website. There are multiple ways a site can be designated as secure. Visit google.com/goodtoknow for information on browser security and more online safety tips.

Paragon Adds Three Relationship Managers

During the past year, Paragon has added three new relationship managers to our Commercial Lending and Private Banking groups. They each bring experience, expertise, and dedication to customer service.

Doug Vanover joins Paragon as Vice President of Commercial Lending, with responsibility for providing Paragon's suite of business banking services to companies in and around Memphis. Previously, Doug had been a banker at two large regional financial institutions. He is the past president of Memphis Downtown Neighborhood Association and a financial literacy instructor with MIFA.

John Chandler also joins Paragon as Vice President of Commercial Lending. Previously, John has held positions as Regional Business Development Officer and Vice President of Commercial Lending at two large, regional financial institutions. John is an active member of the American Heart Association and the Boys Scouts of America, and he is a Board Member for Youth Town.

Michael Leonard joins Paragon as Vice President of Private Banking, with responsibility for providing custom banking solutions to business owners, executives, doctors, and other professionals in the Memphis market. Michael volunteers with Dorothy Day House of Hospitality, Make-A-Wish Foundation of the Mid-South, and Junior Achievement of Memphis and the Mid-South.

Join us in welcoming Doug, John, and Michael to Team Paragon!

PARAGON NATIONAL BANK



pictured l to r: John Chandler, Michael Leonard, and Doug Vanover

Seniors! For information on upcoming Senior Banking trips, contact Rita Fiduccia at 322.0613.

SPOTLIGHT



Alan Greer

Alan Greer began his wholesale flooring business, The Greer Company, in an unheated warehouse, unsure of whether or not his concept would work. But 23 years and four locations later, Alan has proved not only the profitability of his concept but also his patient and level-headed business practices.

Alan started The Greer Company in March of 1990 after working as a branch manager for A.J. Smith Company, a similar wholesale flooring company. Within a year, his company had outgrown their location, expanding and relocating twice until reaching their current Thomas Road location in 2004. Eventually heavy business traffic outside of the city led Alan to add a Little Rock location in 2006.

The Greer Company distributes hardwood, bamboo, and rubber flooring to contractors who need it on a daily basis. The company focuses their efforts on unfinished hardwood, though they carry prefinished floors as well. Alan has been

able to separate himself from the competition because most other distributors in town concentrate on prefinished flooring. Alan says he has an advantage, "When a carpet store or flooring contractor is trying to match hardwood flooring in an older home, we're normally the people they think of. We help them figure out what specie, cut, and grade will match the existing floors the best."

In addition to providing flooring for contractors and carpet stores, The Greer Company stocks all the supplies needed such as sandpaper, stains, and polyurethane to finish the floors. They sell all types of equipment including sanders, edgers, and buffers, and they are the only company in town that has a full-time repair service to provide support for contractors when their machinery breaks down.

With the first signs of the financial crisis, The Greer Company became a barometer for the way things were going and immediately saw a change in their customers' needs. "When the new housing was booming, we were probably 80% new construction and 20% remodeling," Alan says, "but when it shut down, it really shut down fast. Quickly we flip-flopped to about 80% remodel to 20% new." Alan's patience and leadership led his company through the financial crisis without cutting a single employee.

The Greer Company has been a loyal Paragon customer since the bank opened in 2005. "We have enjoyed watching The Greer Company's growth over the years," stated Paragon CEO Robert Shaw. "I admire the way Alan has led the company through a difficult economy with a steady hand." In addition to internet banking, The Greer Company uses remote deposit capture, merchant card services, and other cash management products to keep things running smoothly.

As for the future, Alan says he is still being patient while waiting for opportunities for further growth. Thus far his patience has been paying off with more than two decades of success and the promise of continuing success in the future.



New Products from Paragon

Combat Fraud with Debit Card Text Alerts

With Card Guardian text alerts from Paragon, you receive a text message every time your debit card is used. This can be the first step to catching identity theft and fraud, saving you money, time, and frustration.

The text includes the last four digits of your card number, the location where the card was used, and the amount of the transaction.

Each text has an eight-character code. If the transaction is unauthorized, you can reply with the code. This alerts the fraud center who then calls to verify the details and walk you through shutting down the card. Paragon will order you a new card the following day.

To sign up for this free and easy service, visit bankparagon.com/guardian.

Person-to-Person Payments

Out to dinner with friends and forgot your wallet? No cash to pay the baby sitter? Person-to-Person Payments allow you to send money to an individual using just an e-mail address. Here's how:

- Complete the online enrollment form. This one-time process will be the only time you enter your routing and account number.
- Use the website to enter the e-mail address of the individual to whom you wish to transfer money.
- An e-mail is sent to the recipient with the option to click through to accept the payment. A previously agreed upon code word is used to verify the transaction.
- Neither person's account information is visible to the other.

To sign up visit bankparagon.com/online/howto/p2p-payments.

Team Paragon Grants Connor's Wish!



About 50 Paragon employees devoted their time to grant Paragon's eighth wish with Make-A-Wish Foundation of the Mid-South to four-year-old Connor (pictured front and center). Employees spent nearly 150 hours preparing for the event, transforming the bank's Fountain Place lobby into the Pizza Planet Arcade from "Toy Story" and constructing a racetrack featuring a theme from "Cars." At the end of the night, Connor found out that his wish to go to Disney World had been granted!

Team Paragon Visits Hawkins Mill



Team Paragon visited Hawkins Mill Elementary School for Valentine's Day and end-of-school-year parties. Pictured here is Mike Edwards helping a student with the Valentine's Day craft.

Wine for Wishes



Ashley and Jonathan Cullum attended the Wine for Wishes event benefitting Make-A-Wish Foundation of the Midsouth.

Community Involvement

Neighborhood Christian Center Spring Jam



In April, eight Paragon employees volunteered time and creativity to the Neighborhood Christian Center Eighth Annual Spring Jam. Employees helped NCC simulate a trip to Japan for nearly 1,300 students and adults during spring break.

Pictured l to r: Margie Smith, Pam Hibler, Dorothy Cleaves, and Lisa Word

Junior Achievement at Hawkins Mill



Paragon employees Lisa Barden and Patrick O'Hearn taught a six-weeks Junior Achievement program about real world economics to Ms. Martin's third-grade class at Hawkins Mill Elementary School. During the program, students learned about zones in a community, entrepreneurship, and basic banking concepts.



St. Agnes Senior Art Show and Reception



On March 5 Paragon hosted its eighth annual opening reception and exhibition of work by the senior art students of Mrs. Janis McCarty at St. Agnes Academy. The nine exhibitors were Claudia Bursi, Bailey Cash, Kerrie Chaliff, Hannah Conrad, Hailey Dick, Zoe Harrison, Savannah Mitchell, Elizabeth Pettit, and Ellen Whelan (all pictured above with Mrs. McCarty). The reception was held at Paragon's Fountain Place location, where the artwork remained on display during the month of March.

2013 Shareholders' Meeting Highlights

The annual meeting was held at Paragon's Fountain Place location on May 14 with presentations on the bank's key accomplishments and financials from last year and the areas of focus for 2013.

Highlights from 2012 include:

- Completed second year and eighth straight quarter of profitability
- Decreased criticized assets by 49% resulting in an improvement in the bank's net interest margin and a reduction in non-interest expenses
- Exceeded the bank's operating budget for 2012
- Reduced non-performing assets by 20% with a recovery rate of 87%
- Maintained a strong capital position and as of December 31 Paragon's Tier 1 Leverage Ratio, Tier 1 Risk-Based Capital Ratio, and Total Risk-Based Capital Ratio were 10.52%, 14.94%, and 16.19% respectively
- Increased mortgage banking revenue from \$580,000 to \$1 million
- Increased demand deposits more than 14%



Dorothy Cleaves and Lisa Barden greet shareholders prior to the meeting.

Director's Corner: Chris Saenger

The career of Chris Saenger, one of Paragon's original Directors, in the banking and financial sectors is not surprising when one considers his unique family background in banking. Chris' grandfather, a tailor by trade, was working out of St. Louis in the late 1800s for the Missouri Pacific Railroad making uniforms when an unfinished trestle brought his train to a halt in Newport, Arkansas. A few months later, the train moved ahead but his grandfather stayed behind in Newport and opened a bank out of the back of the tailor shop he had established. The bank became First National Bank of Newport.

Chris came to Memphis to attend Christian Brothers College before it became a university, and he started his first job with First National Bank of Memphis. At the time, it was located downtown. Chris was working there when Dr. Martin Luther King was shot. "Being on the third shift, I was caught in the building," Chris says, "and they wouldn't let us go home. They put us up at the Holiday Inn on 3rd Street and every night the National Guard would walk with us down there and then would pick us back up in the morning."

Eighteen months later, Chris moved to Union Planters, where he went through Officers' Training and where he met his wife of 41 years, Lynda. Eventually he moved to the investments department leading to six years with Vining Sparks as Vice President.

Chris retired from Vining Sparks in 1987 and has divided his time since then with a plethora of projects and hobbies. Chris says, "Well, I retired from actively doing anything. My brother and I own farm land over in Arkansas, and we own a printing company up in a suburb of St. Louis."

One of the companies Chris developed was ProCheck, which arose from a familiar banking problem — returned checks. "We ought to come up with a program where we could run these through a collection effort," Chris decided, "so I came up with a company called ProCheck. We sold the program to 53 of the top 100 banks in the country." Chris also wanted to get the returned checks from Methodist Hospital, but instead he ended up buying a division of theirs, Consolidated Recovery, which he ran from 2000



Chris Saenger

to 2005, before selling it back to the hospital.

Chris now helps with his son Jason's company, Abson Health LLC, a durable medical equipment company, where he serves as Managing Partner. The company was started in 2008, and Chris assists with calling on doctors and gives advice about the company's choices of new product lines.

In addition to his corporate career, Chris has an extensive interest and involvement in serving the Memphis community. He began his community involvement while in Union Planters Officers' Training by volunteering with Boy's Town, serving as the President after it became a part of Youth Villages.

Chris became actively involved with St. George's Day School after his sons began to attend school there. He first volunteered to run the annual fund drive and later served as Chairman of both the Advisory Board and the Board of Trustees. In addition to other community efforts, Chris served 28 years on the Memphis/Shelby County Industrial Development Board, including time as Chairman.

Chris has two sons, Jason and Matthew, two granddaughters, and two grandsons.

Chris is an avid biker. He started bicycling by going to the YMCA at St. Francis to ride a stationary bike. One day while Chris was riding in the YMCA, a man asked him what he was doing. He said, "Right now I'm riding my bicycle in Fayette County on the other side of Collierville." That afternoon I went and bought a bicycle. And that was 10 years ago." Chris spent a week in July biking across Iowa with his brother. This was Chris and his brother's fifth state ride together, having ridden across Virginia, Colorado, Illinois, and Louisiana.

Chris' enthusiasm for life is contagious. "Everybody always says to me, 'Why are you so cheerful?' If somebody asks me how I'm doing, I always say, 'Very well.' Why would you say anything else. It doesn't do any good to say, 'Today's just horrible.'" Chris explains, "I just don't let it happen."

Thank you, Chris, for your service to Paragon!



Janie Day celebrates with her husband, Woody, at her retirement reception on February 20.



Co-workers decorated Marshall Talley's office for his 50th birthday!



Congratulations to Ryne and Teresa Garner, Operations Specialist, who were married at Paragon's Fountain Place location on June 4.



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 Avenue
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



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MEMBER FDIC

New Smiles at Paragon:



John Chandler
Vice President
Commercial Lending



Jeanine Gipson
Mortgage Lending
Loan Coordinator



Michael Leonard
Vice President
Private Banking



Sheila Welborn
Mortgage Lending
Loan Coordinator



People on the Move:



Chief Executive Officer, Robert Shaw, was elected Chairman of the Woodland Presbyterian School Board of Directors.



Ashley Cullum was promoted to VP Business Development. She was also appointed to the Leadership Germantown Board.



Future Paragon Customers:



Austin Benjamin Johnson
Grandson of Gordin McMurtry,
Commercial Lending



Evan Asher Ray Thomas
Grandson of Donna Bain,
Deposit Operations



Tyler Mackenzie Tribble
Daughter of Chad Tribble,
Financial Services Associate



Nathan Michael Vaughan
Grandson of Marita Brooks,
Financial Services Associate



Five-Year Anniversaries:

Congratulations and thanks to the following employees who have celebrated five-year anniversaries with Paragon!

Ashley Cullum
Emily Friedman
Wayne Littleton
Mary Jackson

January 2, 2008
February 19, 2008
February 19, 2008
March 17, 2008