



Paragon
NATIONAL BANK®

the Shield *of excellence*

Paragon Introduces Mobile Banking

Paragon National Bank is proud to announce the availability of mobile banking. With Paragon's mobile banking, you can access your accounts whenever and wherever you are. Use your mobile phone or device to conveniently bank the way that is best for you: Paragon Mobile Texting, Paragon Mobile Web, or coming soon, Paragon Mobile App.

➤ Paragon Mobile Texting

It is now possible to check your account balances and recent transactions via text messages. Once you have completed enrollment on the Mobile Banking section of the Options tab on Internet Banking, you can text "bal" to 89549 and the balances on your enrolled accounts will be sent to you almost instantly via text message. If you include one of the account nicknames chosen at enrollment, you will receive just the balance on that account. Similarly, you can send "hist" and receive your recent transaction history.

➤ Paragon Mobile Web

<http://pgbk.mobi> allows you to access account information and make transactions from your phone's web browser. Optimized for mobile use, pgbk.mobi provides fast, free, and secure access to your accounts. Paragon Mobile Web allows you to not only see account balances and recent transactions for enrolled accounts, but also to transfer money between your Paragon accounts and pay bills to your previously established payees. To enroll, sign into internet banking, click on Options, then Mobile Banking.

➤ Paragon Mobile App

Coming this spring, Paragon Mobile App will be available. Paragon Mobile App will be an application made specifically for iPhone users. This app will give you fast and free access to account information by using your phone's built-in functions. If you are interested in Paragon Mobile App, contact a Paragon Team Member so that we can notify you when the application is ready for release.



New Internet Banking Features Introduced

We are pleased to report that we have some great new features available in Internet Banking. We have always had great bill payment options that allowed you to pay many national merchants electronically and to send checks to those payees that were not available electronically, but now you can also send a check to a payee via FedEx for overnight delivery. This option is available under Expedited Payments on the Bill Pay tab of internet banking.

Another new feature of internet banking allows you to transfer money between your accounts at Paragon and with other financial institutions. You can establish up to three accounts at other financial institutions to or from which you can transfer money via internet banking. Give us a call at 901.273.2900, email us at online@bankparagon.com, or contact a Paragon team member to find out more about our bank-to-bank to transfer services.

Customer Spotlight: *The Futon Store and Lots more*



Richard and Laura Arnovitz do not have to be told about how tough the last two years have been for small businesses. They know by having seen the flow of traffic through their stores and by having talked to their customers. Times have been tough but they say “business in the last quarter is on the upswing and we are very encouraged.” They feel they have turned the corner at last. And they are changing their name to go along with their changing business. The Futon Store is now The Futon Store and Lots More.

The Futon Store has always showcased more than futons, but this was not always obvious to the public. The name change was made to enlighten the masses to the baby furniture, platform beds, bunk-beds, mattresses, and designer fabrics in the store – although the Arnovitzs still emphasize their futons and want to spread the word that their futons are no longer like your parents’ college futons. The Arnovitzs have seen many competitors go out of business because they were not willing to change with the times.

Gordin McMurtry, Senior Vice President of Commercial Lending, identifies the Arnovitzs as “the ideal customers” and says, “Richard and Laura, with sheer tenacity and will, were not going to let their business fail. They have done everything they could to make sure they were standing when we came out of this recession. We partnered with them through this.”

Laura and Richard discussed the very difficult measures taken to make it through the downturn in the economy. “It was not easy letting people go while staying open longer to catch people going home from work; and calling vendors and working with those who were willing to work with us and dropping those who were not. We realized that it was the American vendors who were the ones willing to persevere with us. Thank goodness we banked with a community bank where we had a personal relationship and could sit down not only with Gordin, but also with the President, Robert Shaw, to let them know what our plan was to make this work.”

“We showed them our plan and they trusted us. We looked at our advertising and reevaluated our market. We have a tremendous repeat business and word-of-mouth is a huge advertising vehicle for us, so moving to less expensive vendors would have been absolutely the wrong move. Quality is our mainstay and taking it up a notch, along with expanding the product line, could only improve our business. Try convincing a banker you do not know of that in a down market. We learned we should only be advertising to our market – not the masses. So we are saving on mass marketing and doing a lot of online business (futonstore-memphis.com). We are also on Facebook and Twitter.”

The Futon Store and Lots More is certainly “lots more” these days and will continue to be in days to come. The hard work, concentration on quality, diversity of products, and strength of character have seen the Arnovitzs through tough times, and we at Paragon are glad we could help!



SAFE DEPOSIT BOX SPECIAL

*Receive 50% off on the first year rental of a new safe deposit box.**

Call 901.273.2900 to get started or to inquire.

**Discount available only to customers with existing or newly opened accounts or loans.*

Team Paragon at 2010 Susan G. Komen Race for the Cure



Every year since our opening, Paragon National Bank has had a team participate in the Susan G. Komen Race for the Cure, and each year the team has grown. Pictured is Team Paragon with their families and friends at the Saddle Creek Banking Center prior to this year's race.

More than 70 people participated on our race team. Paragon employees and their families met at the Saddle Creek Banking Center for a light breakfast before heading over to the race. We plan to continue to support the fight against breast cancer each year by raising money via team participation.



Paragon Visits Hawkins Mill



During our last two visits to Ms. Martin's third grade class at Hawkins Mill Elementary School, we hosted Halloween and Christmas parties. We played games, created crafts, and even sang carols.

Chef's Celebrity Gala



Pictured above are Paragon President Robert Shaw and Memphis Child Advocacy Center's Executive Director Nancy Williams at the annual Chefs' Celebrity Gala. Each year Paragon hosts a table and Robert serves as a "celebrity" waiter. Andy Taylor, Paragon Executive Vice President, also served at the gala.

Paragon Grants 6th Wish



Eight-year-old Lazarus Allen's wish to go on a Disney cruise was granted recently thanks to the dedicated team at Paragon National Bank and some of our loyal friends. With the help of Costco, Shirt Bistro, Edwin Watts, Nick Wright, Garibaldi's, The Grizz Girls, Ridgeway High School Cheerleaders, and Pure Laser Tag, Team Paragon was able to pull off an amazing night of fun games and celebration as the bank was turned into Paragon's SportsPlex. Pictured above are Lazarus and his sister Taniyah after taking on the PNB Rescue Squad in a game of laser tag. Football, golf, and a Michael Jackson dance-off were some of the other fun activities played throughout the night.



MDA Lock-Up



Nancy Walls was "captured and jailed" for Muscular Dystrophy until freed with donations from her family and friends.

Paragon and the Mid-South Food Bank Team Up Again



Pictured above are Paragon Team Members Charlene Franklin and Courtney Cedotal along with Finard Properties employees and David Stephens of the Mid-South Food Bank.

Paragon participated as a title sponsor for the fourth consecutive year in the Mid-South Food Bank's Annual Student Food Drive. Paragon banking centers served as drop-off centers for the food drive, and staff at each location were tasked with building a unique display to encourage donations.



Pictured above from left to right are Gordin McMurtry, Robert Shaw, Patrick O'Hearn, Emily Friedman, Kim Hall, Dorothy Cleaves, Steve Mitchener, Andy Taylor and Michael Erhardt at the Mid-South Food Bank finale where another successful year was announced

Merchant Bankcard Customers: Are you PCI Compliant?

News of stolen customer credit card information is becoming a common occurrence. These incidences have a lasting negative impact on businesses. Customers are scared to do business with those companies resulting in less revenue. Large fines are imposed on the business for unsecure processing environments and fines can be as high as \$500,000 per occurrence.

Please do not think this cannot happen to your business. 85% of security breaches take place with businesses processing fewer than 20,000 card transactions.

In order to protect your business and your customers, PCI compliance has become mandatory. To assist you with compliance requirements, TransFirst, our merchant bankcard processor, has partnered with ControlScan. Simply visit ControlScan's website at www.compliance101.com/PCI to complete your self-assessment questionnaire. Your merchant ID is your username and your password is compliance101. Upon completion, TransFirst will reduce your quarterly PCI fee to \$18.80.

Should you have any questions, please contact Treasury Management at 322.0740.

Gift Card Survival Guide

Did you receive a gift card over the holidays? Have you ever received a card and forgotten where you put it? Tower Group, a research and advisory services firm focused on the financial services industry, estimates that in one year \$5 billion in gift card value was lost due to misplacement and expiration dates. Here are some tips to help you avoid losing the value of gift cards:

- Put all of your cards in one place
- Make copies of the fronts and backs of your cards and keep them in a place separate from the actual cards so you can cancel them if you misplace them.
- Know when your cards expire. New rules enacted in August of 2010 prohibit gift cards from expiring less than 5 years from the activation date.
- Setup reminders. Establish monthly email alerts to remind yourself to use your gift cards.
- Swap a card that you are unlikely to use at card swapping sites like giftcardrescue.com or swapgift.com.
- Re-gift your unused cards with minor balances to giftcard-giver.com, a non-profit that takes such donations and combines them into higher value cards and distributes them to the needy.



Director's Corner

It's natural for Glenn Cofield to represent PNB Shareholders' Financial Investment. Glenn has always been good with numbers. But he learned very quickly as a CPA with Arthur Andersen that a desire to work with and help people needed to be part of his career plan also. He joined Barnes-Petty Financial Advisors, LLC, an independent registered investment advisor, which offers securities through Raymond James Financial Services, Inc Member FINRA/SIPC, in 1993 when he opened the Memphis office and he has since become a partner and the Co-Branch Manager of its securities division. (Barnes-Petty, with five locations, has been serving Mid-south clients for over 35 years in helping solve financial and estate planning issues.) Glenn uses his good nature, his more than eighteen years of investment and financial planning experience, his experience as CFO of a multi-million dollar family-owned business, and his background in public accounting, to provide comprehensive wealth management services to individuals, families, and small businesses. He uses all those qualities to watch over the assets of Paragon for our shareholders too.

Glenn is married to his college sweetheart Natalie and they have three sons, Houston, Scott, and Andrew. Glenn serves on the board of Juvenile Intervention & Faith-Based Follow-Up, "JIFF." JIFF is a non-profit intervention program designed to give youth from in and around the juvenile justice system the skills, support, and direction necessary to break the destructive cycle of criminal behavior. Glenn believes that if you want to do something to make the City of Memphis a better place, you have to begin with the young people. That's where he and JIFF place their efforts.

In addition to meeting his future bride at Ole Miss, Glenn's roots run deep at Ole Miss and Oxford, MS. His great-grandfather, Hubert D. Stephens, played football at Ole Miss (1894-1895). His grandfather, J.R. "Colonel" Cofield, owned Cofield's Studio. He photographed almost every, if not every, sitting portrait taken of William Faulkner from 1928-1962, and he was photographer for the Ole Miss yearbook from 1931 to 1962. Glenn's father, Jack Cofield, was a photographer too, operating Cofield's Studio after working in the Public Relations Department at Ole Miss for almost 30 years. He actually shot the last sitting portraits of Faulkner in the spring of 1962, a few months before Faulkner's death. Houston, Glenn and Natalie's oldest son, is currently a journalism major at Ole Miss and may continue the family tradition.

As a founding director of Paragon, Glenn has helped guide the bank through a very difficult period and is part of the reason for the encouraging future outlook. When asked what Glenn's work on the PNB board meant to him, he said, "The entire board has put in substantially more hours than originally planned because no one anticipated the bottom falling out of the economy. But, as I look back on it now, the camaraderie that has developed over those hours together is what I enjoy more than anything else about being part of this particular board. I did not know most of the people on the board very well before I agreed to serve. They are a mixture of diverse professionals and it took everyone's efforts and skills to bring us back to where we are today. I feel good about what we have done together. I am proud to be part of this group."

Community Leaders



Tracey Thesmar, Vice President Controller, will serve as the 2011 Memphis Junior League Treasurer.



Janie Day, Vice President Private Banking, is the 2011 Chairman of the Germantown Chamber of Commerce

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

Grove Park

Poplar at Grove Park
4515 Poplar Ave.
Memphis, TN 38117

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
Approximately 170 service-charge-free ATMs
- Paragon Direct:** 901.333.0260
24-Hour Voice Response Unit
- Online Banking:** bankparagon.com
- Mailing Address:** P.O. Box 2022
Memphis, TN 38101-2022

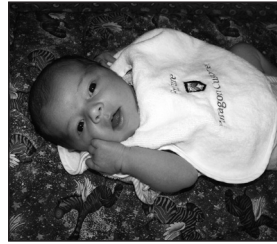


Paragon
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Local banking from locals.



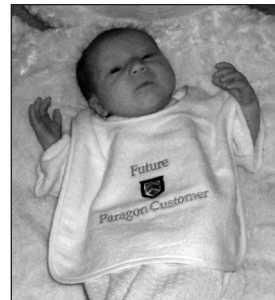
Future Paragon Customers:



Flora Serena Wryn
Granddaughter of Donna Bain,
Deposit Operations



Max and Grant Johnson
Grandsons of Gordin
McMurtry, Commercial
Lending



Collins McGuire Cullum
Daughter of Ashley Cullum,
Business Development



Wayne Littleton turns 50!

Germantown President Wayne Littleton celebrated his 50th birthday in August. As traditional for milestone birthdays, coworkers decorated Wayne's office for the festivities.



Personnel Changes at Paragon

You may notice some new faces at our banking centers this year as some staffing changes have been made.

Courtney Cedotal, pictured, now serves as a Financial Services Associate.

Elizabeth Smith is now based at our Fountain Place Banking Center.



Courtney Cedotal
Financial Services
Associate

Stay in the Loop on Facebook and Twitter

Want to stay informed on all the latest happenings at Paragon, like events and community service? Then "like" us on Facebook (search for Paragon National Bank) and "follow" us on Twitter (twitter.com/bankparagon).

