



**Paragon**  
NATIONAL BANK®

# the Shield *of excellence*



Billy Hughes (right) joins Cary Allen in Paragon's Wealth Management Division

## Paragon Expands Wealth Management Division

Billy Hughes has joined Paragon National Bank's Wealth Management Division. Billy has been in the investment business since 1983 and is a fully-licensed, experienced, financial professional, dedicated to helping customers obtain the best possible return on their investment dollars. Whether customers' goals include retirement planning, generating income, tax reduction strategies, or college education funding, Billy is committed to helping customers reach their goals. Billy and his wife Debbie have been residents of Germantown for the past 26 years. *(please turn to page 6)*

## Paragon Reports Improved Earnings

Paragon National Bank reported net income of \$215,000 or \$.06 per share for the quarter ending June 30, 2011, which compares very favorably to a net loss of \$218,000 or (\$.06) per share for the quarter ended June 30, 2010. Net income was \$319,000 for the first half of 2011 or \$.09 per share versus a loss of \$836,000 and (\$.23) per share during the same period in 2010. The improvement in our performance can be attributed to increasing the core earnings capacity of Paragon by increasing net interest income, increasing fee income, and reducing expenses. Paragon has also seen a continued improvement in asset quality. Capital levels continue to be strong and are increasing. If you are interested in more detailed financial information related to Paragon, please contact a member of the Paragon Team.

PARAGON NATIONAL BANK

## Paragon Welcomes New Chief Financial Officer

Lewis Perkins joined Paragon National Bank on August 8, 2011, as our new Executive Vice President and Chief Financial Officer. Lewis is a Memphis native and lives in Germantown with his wife Kim and their children Joshua and Sarah. He received his B.S.B.A. in accounting from Auburn University and his M.B.A. from the University of Memphis. Lewis stated, "I am very excited to join the Paragon family, and to help steer our continued success."

Prior to joining Paragon, Lewis was an Audit Partner with local CPA firm Reynolds, Bone & Griesbeck PLC. Over the last three years, Lewis' responsibility has been concentrated on working with several community banks. As a result, he has in-depth knowledge of bank accounting and regulatory matters. "I have known Lewis for several years, and I look forward to working with him as part of our executive management team," stated Robert Shaw, Paragon's President and CEO.

Lewis replaces Michael Erhardt, who leaves Paragon at the end of August to join Vining Sparks IBG, LP. There, Michael, who was a member of the Paragon founding team, will work with a number of community banks assisting them with managing their investment portfolios. "I am pleased to turn the CFO role over to someone with Lewis' outstanding credentials and track record. I remain a shareholder and look forward to hearing about Paragon's future successes," stated Michael. Michael and Lewis have spent considerable time together ensuring a smooth transition.



Michael Erhardt (left) and Lewis Perkins have spent weeks together to ensure a smooth, orderly transition of Paragon business.

# Customer Spotlight:



When Lauren McHugh, President of Huey's, tells people what she loves about Paragon National Bank, it might be more than a reflection on the excellent service level Paragon provides its customers. It might be because her father, who she worked with for more than twenty years, helped shape the culture of Paragon.

Lauren's late father, Thomas Boggs, as an original member of Paragon National Bank's Board of Directors, took part in the formation of Paragon's brand. "I was privileged to spend time with Thomas talking about his business philosophy," stated Paragon's President and CEO Robert Shaw. "Thomas told me about how Huey's takes great care of its employees, how they work tirelessly to provide excellent customer service, and how they give back to the Memphis community. Those are all things we have incorporated into the culture and brand of Paragon National Bank." As a result, there are a lot of similarities in the business philosophies of Huey's and Paragon.



Front row from left, Alex Boggs, Lauren McHugh, and Fulton Boggs;  
Second row, Ashley Williams, Wight Boggs, and Samantha Dean

Thomas' daughters Lauren, Ashley, and Samantha, who will eventually be joined by Thomas' sons, Alex and Fulton, are carrying on the Huey's tradition. You can still find that casual atmosphere where you can blow toothpicks into the ceiling with your drink straw. Sundays still include live music. And, of course, there is the world famous Huey Burger that has been voted "Best Burger" by *Memphis Magazine* every year since 1984. In addition to the traditions, they continue to add items to the menu to keep it fresh. Recent additions include salmon and sunshine burgers. They have also been renovating the restaurants while maintaining the Huey's atmosphere. A new Memphis-area location could be in the future.

The Boggs family also maintains Huey's commitment to the local Memphis community. They made a donation to the Church Health Center during 2010 as part of their 40th anniversary celebration. Each restaurant adopts a family from Hope House at Christmas. They usually have one of the largest groups at the Boys and Girls Club's annual Steak and Burger Dinner. Employees are quick to volunteer to help out in the community. And, of course, the competition to guess the number of toothpicks in the ceiling continues to benefit the Memphis Zoo and has raised thousands over the years.

Lauren says that the customer service Paragon provides is the best they have ever had. She is always able to get someone on the telephone who will go above and beyond expectations to help. She likes that Paragon employees make a point to know customers by name and that the bank's size allows employees to notice if something is wrong, like a missed deposit.

Paragon is glad to partner with such a wonderful Memphis tradition as Huey's!



## 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 American Cancer Society's 2011 Germantown Relay for Life



Paragon National Bank had more than 50 employees and their family members participate in the 2011 Relay for Life, held at the Germantown Municipal Park on April 30. While this is the first year Paragon has participated in the Germantown event, it is the fifth consecutive year that the bank has supported the cause in honor of its employees who are cancer survivors and also of others who have lost their valiant battles with this terrible disease.

"Our employees are dedicated to fulfilling Paragon's mission to positively impact the local community," said Robert Shaw, President of Paragon National Bank. "Relay for Life benefits a cause close to all of us and it's an event we look forward to lending our support to each year."



## Paragon Visits Hawkins Mill



During our latest visit to Ms. Martin's third-grade class at Hawkins Mill Elementary School, we hosted a Spring Celebration. We played word games, Nancy Walls (Private Banking) taught students how to make creative Easter egg stands, and everyone enjoyed great snacks after working so hard!

## Blankets for LeBonheur



*(clockwise from left) Joyce Davis, Diane Roten, Charlene Franklin, Kathy Bomar, and Tracey Thesmar with a beautiful young patient.*

Recently Paragon National Bank staff members made a very special delivery to LeBonheur Children's Hospital. Colorful and cuddly blankets -- handmade by Team Paragon during Employee Appreciation Week -- were presented to the patients.



## St. Agnes Art Exhibit and Reception



Paragon National Bank recently hosted its sixth annual art opening reception for Janis McCarty's senior AP art students from St. Agnes Academy. The show was hosted at Paragon's Fountain Place location and featured 12 students' artwork, which was on display through the month of March.

"It's a true privilege to showcase and celebrate the work of yet another talented group of students from St. Agnes," said Robert Shaw, President of Paragon National Bank. "This is an event that we enjoy hosting each year, and we look forward to partnering with Janis and her students in the years to come."

The artists and their teacher, along with friends and family, enjoyed refreshments and tours of the bank, where the students' artwork was displayed alongside Paragon's local art collection.



## Grove Park Welcomed Bodine Students



Debby Allen, Vice President and Manager of Paragon's Grove Park location, welcomed second-grade students of the Bodine School and provided an informative tour and discussion of what banks are and what they do on a daily basis. The students brought coins to be counted in Paragon's coin counter.

## Paragon and the Mid-South Food Bank Team Up Again



Pictured at top (from left) Charlene Franklin, Emily Friedman, Wayne Littleton, Pam Caviness, and Marita Brooks. Below (from left) Wayne Littleton, Patrick O'Hearn, and Bill Freeman

## Go Green – Stop Receiving Paper Statements

Do your bank statements pile up without being opened? Do you use the convenience of internet banking to keep track of your bank balances instead of reconciling your paper statement monthly? If the answer to either of these questions is “Yes,” you may want to stop receiving your paper statement and start receiving email notification that your statements are available for viewing online.

Once you enroll in eStatements and your statements are ready for viewing, you will receive an email notification with a secure link to internet banking and your statement. For each enrolled account, we will keep the previous thirteen months of statements online. These can be viewed and downloaded in text, PDF, or HTML format. If you would like to see a specific check image in your statement, you can browse your history or search for a particular check number or a range of check numbers.

Electing to receive your statements this way is a great way to do your part to reduce consumption of our natural resources. Paragon currently has more than 200 customers receiving eStatements. If you would like to join our green initiative and help us use less paper, click on the eStatements tab within internet banking to enroll today!



## Making the Mortgage Process Easy

In a recent survey regarding the home-buying process, many respondents said that understanding the mortgage process was the hardest part of buying a home. With all the changes that have occurred over the past few years in the mortgage industry and because of so much misunderstood information, many potential home buyers are afraid to even attempt to purchase a home thinking that they will not qualify or that they must make at least a 20% down payment. Yes, the amount of documentation required in the process has increased, but that is why you need to work with someone who understands what and why that documentation is required. The Mortgage Officer's knowledge of products and underwriting guidelines is critical today in order to know how to make a loan work. It is more than just putting information in an automated system that spits out an approved or denied result.

At Paragon, our Mortgage Consultants are here to simplify the process. With their consultative approach they will guide you through each step. A customer who recently purchased a home stated, “With her guidance and vital mortgage information on a regular basis, I feel that Carol was very instrumental in helping my husband and me qualify for a mortgage loan.” Another customer said, “Patrick O’Hearn was helpful and responsive, anticipated loan and closing requirements, and made our refinancing experience smooth and trouble-free.” So whether you are buying your first home, moving to a larger home, or refinancing, let the Mortgage Consultants at Paragon make your process easy. Carol can be reached at 901.322-0751. Patrick’s telephone number is 901.322.0615.



*Dr. James F. Freeman*

## Director's Corner

Family may have made an automatic assumption that James F. Freeman would grow up to be an ophthalmologist like his distinguished father Dr. Jerre Freeman. But the young James was thinking more along the lines of airline pilot. Not just the love of planes but the love of flying planes grabbed the young James very early in life, and by nineteen he had flown his first solo flight. In fact, so enthralled was he with flying that he actually built a plane himself and flew it. By that time though, he had decided to join his father in the medical field as his brother has. His sister decided to concentrate on healing souls and joined the ministry.

While in medical school, James met Lisa Myers, who would become his wife. Dr. Lisa Myers has a thriving practice in Memphis as an endocrinologist. The Freemans have three children: Sarah, who is 18 and is multi-talented in the arts; and 14-year-old twins, Kyle and Caitlin, who both may carry on the family medical tradition. Traveling both within the states and abroad has kept the family busy and close. James pilots his single-prop plane for business and pleasure trips whenever possible, keeping his life-long love of flying alive. Travel has also taken him on several mission trips through the full-service clinic and hospital he and his partners have built on Poplar Avenue. Memphis Eye & Cataract Associates (MECA) was the first free-standing ambulatory hospital in Shelby County. It has a full staff and performs out-patient eye surgeries every day.

James has been a clinical assistant professor of ophthalmology at the University of Tennessee since 1996 and before that a professor in Irvine, CA. His concentration is teaching about the cornea, with a specialty in cataract surgery. As he leads us on a tour through his office, the walls are covered with awards, certificates, and plaques from various schools and organizations.

The only awards he points out are the four Philip M. Lewis, MD Awards given to the professor who exhibited an “Outstanding Contribution to Instruction and Clinical Service” that was voted on by residents. Obviously he is very proud of those awards. James is a Director on the American Board of Eye Surgery and the Mid-South Eye Bank, which monitors the donating and transplanting of eyes in the Mid-South. His seat on the Board of Paragon National Bank has been a departure from the boards more in his field of business. “It has been a learning experience completely different from other boards I’ve participated on which are directly associated with my practice. And what an exciting time to be on a bank board!”

## New Smiles at Paragon



Danielle Staggs  
Retail Banking



Kathleen Lewis  
Mortgage Banking



Paddy Harris  
Marketing Coordinator



Billy Hughes  
Financial Advisor-VP



Kim Brown  
Retail Banking

### Locations:

#### Paragon Place

*Poplar at Massey*

6300 Poplar Avenue, Suite 117  
Memphis, TN 38119

#### Fountain Place

*Poplar at Valleybrook*

5400 Poplar Avenue, Suite 150  
Memphis, TN 38119

#### Grove Park

*Poplar at Grove Park*

4515 Poplar Avenue, Suite 150  
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

### Paragon Wealth Management *(continued from page 1)*

Paragon has had a wealth management division since its inception in 2005. Cary Allen, the original member of Paragon's Wealth Management Division, has more than 17 years of experience working as a Registered Investment Advisor Representative in banking. His primary focus is working with clients trying to accumulate wealth for their retirement as well as working with those who have already reached that plateau in life. A native Memphian, Cary and his wife Debby, live in East Memphis.

Billy and Cary are both representatives of LPL Financial Services, the largest independent investment securities firm in the country with over 12,000 representatives in over 7,000 locations and co-headquartered in San Diego and Charlotte. LPL offers both brokerage and investment advisory services through its independent offices. Through our alliance with LPL Financial, Paragon can provide access to quality financial and insurance products, giving you the advantage of handling all your financial needs in one convenient location.

Paragon is delighted to offer Billy's and Cary's services to our banking customers. We encourage you to talk with either of them at no cost or obligation to you. Cary is located at our Paragon Place Banking Center. His telephone number is 901.767.4800. Billy is located at our Fountain Place Banking Center. His telephone number is 901.322.0726. With so many financial options available in today's marketplace, it takes a knowledgeable professional to achieve one's financial goals.

### Five-year Employees

Congratulations and thanks to these employees who have celebrated five-year anniversaries!

Patrick O'Hearn	January 25, 2005
Cary Allen	February 1, 2005
Steve Maury	February 22, 2005
Margie Smith	February 22, 2005
Lisa Barthol Word	February 28, 2005
Dorothy Cleaves	May 4, 2005
Donna Bain	June 20, 2005
Charlene Franklin	July 11, 2005
Deborah Howell	July 11, 2005
George Daley	October 24, 2005
Kathy Bomar	November 30, 2005
Jonelle Middlebrook	December 5, 2005
Marita Brooks	January 27, 2006
Pam Hibler	May 1, 2006
Beverly Timberman	June 29, 2006



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