

Exhibit IV

Evidence of Perjury by Paragon Chief Credit Officer

On May 26, 2009, complaints over the criminal fraud committed by *Paragon Commercial Bank* were filed with the *Federal Deposit Insurance Corporation* and the *Office of the Comptroller and Currency*, who in turn forwarded the complaint to the *North Carolina Banking Commission*.

On Jun. 26, 2009, Matt Davis the Chief Credit Officer of *Paragon Commercial Bank* responded to the FDIC. For reasons that have yet to be explained, and viscerally appear suspicious, the FDIC withheld Paragon's response for a month before forwarding to the complainant, who received it on Jul. 27, 2009.

Mr. Davis' filed response to the FDIC is so bombastically false it is an apostasy, and an instance of criminal perjury, as evidenced in the table below.

Matt Davis' Perjured Response	The Truth
"Paragon Commercial Bank denies each and every claim made by Mr. Young in his complaint."	As evidenced herein, all the stated claims are true, accurate and most importantly, <u>irrefutable</u> .
"All four loans are currently in default and are the subject matter of collection litigation by Paragon."	Paragon's declarations of default on the four subject loans were <u>instances of criminal FRAUD</u> , the evidence of which are undeniable and irrefutable. The collection litigation is entirely bogus and a blatant example of a frivolous legal claim.
"Payments on these loans are past due from January and February 2009."	False. Dating back to December 2004, the monthly debt service for these loans have always been paid on or before their due dates, and typically more than two weeks prior to the last day of the grace period for such payments. In blocking the receipt of tenant rent remittances for deposit, wiring out funds without authorization and failing to follow express instructions to apply available funds on deposit to service the loans, and then declaring bogus monetary defaults on all four loans, Paragon committed <u>criminal fraud</u> .
"Paragon has also filed a complaint against Mr. Young in NC State District Court for non-payment of these debts."	The filing their complaint in NC District Court is a further manifestation of <u>criminal fraud</u> , as well as tortious interference in the engagement of legal counsel and denial of due process.

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<p>” A receiver has also been appointed by the District Court over Spencer C. Young Investments, Inc.’s assets.”</p>	<p>This is yet another manifestation of <u>criminal fraud</u>, and tortious interference in the engagement of legal counsel and denial of due process in that they: (1) accelerated the hearing to appoint a Receiver; (2) threatened any attorney who would represent Mr. Young’s interests; (3) never had to prove a monetary default; and (4) prevented Mr. Young from presenting irrefutable evidence that there was NO MONETARY DEFAULT, and that PARAGON and POYNER & SPRUILL engaged in CRIMINAL FRAUD, and other unlawful activities.</p>
<p>“Paragon denies it has reneged on any financing proposals to Mr. Young or his related entities. Paragon last extended credit to Young in January 2008.”</p>	<p>As noted in the “Complainant’s Background” section of his letter to the NC Leadership, and in Exhibit IV, Mr. Young has a deep and distinguished background in finance and banking, with particular expertise in commercial mortgages. Mr. Young has successfully owned and managed commercial income producing properties for over two decades. Moreover, he has overseen or otherwise been involved in over \$50 billion in commercial mortgage related transactions. Accordingly, Mr. Young’s background as measured by business volume in commercial mortgages is multiples greater than the experience base of all Paragon bankers combined. And their denial of having reneged on any financing proposals is patently absurd – for no bank would EVER complete the referenced January 2008 financing (a 12 month, 100% loan-to-cost financing, and knowingly waiving the payment of past due property taxes) without carrying out Phase II, which encompassed refurbishing working capital, and financing the improvements, upon which future leasing hinged. They also reneged on a critically important collateralized line of credit.</p>

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Subsequent to that time, Paragon became aware through public records of various credit issues related to Mr. Young, including notices of liens being placed on various properties he owned and foreclosure proceedings by other lenders.

It is because of such bombastically false statements as this, and the belief that this level of deceit is pervasive throughout Paragon Commercial Bank that Mr. Young now seeks the dissolution of Paragon Commercial Bank as a going concern for they are clearly dangerous to the general public. Paragon was apprised of ALL aspects of Mr. Young's finances, and acknowledged their understanding and were comfortable with: (1) the personal credit events, which were those of his now ex-wife that were beyond his control at the time; and (2) Mr. Young's Project Lemonade solution to the parking lot blockade at The Courtyard of Chapel Hill