

Exhibit XV

Inadvertent Admission of Guilt & Efforts to Retract

Below is the email to which Mr. Hoose mistakenly attached the confidential Classified Loans Report for Paragon Commercial Bank as of March 31, 2009. Note the revealing comments.

Date: Fri, 3 Apr 2009 15:39:38 -0400 [04/03/2009 03:39:38 PM EST]
From: Jim Hoose <jhoose@paragoncommercial.com>
To: Spencer C Young <SpencerCYoung@scyinv.com>, "Spencer C. Young" <SpencerCYoung@aol.com>, "Spencer C. Young" <SpencerCYoung@att.blackberry.net>
Cc: "Sumner, Lisa P." <LSumner@POYNERSPRUILL.COM>, "Warren, David M." <DMWarren@POYNERSPRUILL.COM>
Subject: Assignment of Rents
Priority: normal
Part(s): 2 Class Loan Trend Rpt - 3-31-09.xls [application/vnd.ms-excel] 93 KB
1 unnamed [text/plain] 1.12 KB

Please be advised that under the terms of the Assignment of Leases, Rents and Profits that you signed as security for your loans, Paragon Commercial Bank has elected to exercise its right to collect all rents received from the property in Durham know as the Pitt Stop. Effective immediately all rents and other income received from that property is to be turned over to Paragon for payment on your loan.

Via separate letter Paragon has notified directly all tenants in the property to forward rental payments to us.

Jim Hoose
Credit Administrator
Paragon Commercial Bank
3535 Glenwood Avenue
Raleigh, NC 27612
(919) 788-7770 Main Line
(919) 534-7384 Direct Line
(866) 357-9557 Direct Fax
(919) 270-4886 Mobile
www.paragoncommercial.com
jhoose@paragoncommercial.com

This is the inadvertently attached Classified Loan Report for ALL loans of Paragon Commercial Bank as of Mar. 31, 2009

Note poor grammar and mangling of property name

There was NO VALIDITY to this action as Paragon's declaration of monetary default on the mortgage loan collateralized by "The Pit Stop of Durham" was a FRAUD -- ergo Paragon had NO such right to exercise

The malicious intent of this action was to deprive Mr. Young of ALL income, so that he could no longer provide financial support to his extended family that has depended on such support for more than two decades.

CONCERNING PARAGON'S INTERCEPTION OF ALL RENTS: It is important to understand Paragon was aware: (1) Mr. Young's ex-wife had been recently diagnosed with advanced pancreatic cancer and had undergone radical surgery; (2) Mr. Young's 83 year old mother had a heart condition; and (3) his ex-wife and mother were completely dependent upon Mr. Young for financial support. Moreover, the malicious intent of Paragon's criminal fraud was to (a) deny Mr. Young's ex-wife desperately needed chemotherapy and radiation treatments, cause destitution and manifest her homeless; and (b) cause similar destitution and homelessness to his elderly mother, such that it would cause their deaths, while making it appear Mr. Young had abandoned them.

IN REALITY, Paragon's criminal fraud constitutes a devious and intricately conspired attempt to effectively commit murder (although this is NOT included in the counts included in the indictment, while destroying a once close and loving family, and framing Mr. Young as the scapegoat responsible for "abandoning" his family. Ergo, Mr. Young is committed to prosecuting CEO Bob Hatley and his fellow henchmen at Paragon and Poyner & Spruill.

Exhibit XV

Inadvertent Admission of Guilt & Efforts to Retract

The Trend Summary of the Classified Loans Report for Paragon Commercial Bank as of March 31, 2009 is reflected below with comments that reveal not only the shoddy and unprofessional analytics, but a grossly flawed conclusion and attempt to cover up the fact that the quality of their portfolio is far worse than their REAL peer group. It seems as though Paragon has cultivated a culture whose foundation is built on fraud and deception.

PARAGON COMMERCIAL BANK
Classified Loan Trend Report
As of March 31, 2009

Note Risk Rating

This report is shoddy and unprofessional, and misrepresents Paragon's non-performing assets on a relative basis. It is fraught with spelling errors and its comparisons with a Peer Group of similarly sized banks nationwide is absurd. This is because Paragon operates in concentrated localized markets in the Southeast, and should perform significantly better than banks in say Las Vegas, Detroit and Southern California which have been hard hit by the economic downturn. A more accurate comparison is with the local market banks noted below, which shows Paragon's Non-Performing Assets to be alarmingly worse on an relative basis - 576.8% worse than TrustAtlantic Bank and INFINITELY worse than CapStone Bank.

Acct Date	O/AEM		Substandard		Total Classified		Total Loans		NonPerforming Assets		Charge Offs		% Loans		OREO	
	Outstanding Bal	% Lns	Outstanding Bal	% Lns	Outstanding Bal	% Lns	Outstanding Bal	% Lns	\$ Amt	% Lns	\$ Amt	% Lns	\$ Amt	% Lns	\$ Amt	% Assets
12/31/2007	\$13,164,889	1.70%	\$0	0.00%	\$13,164,889	1.70%	\$776,352,613	1.70%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
1/31/2008	\$13,260,758	1.60%	\$1,833,675	0.22%	\$15,094,433	1.82%	\$829,621,925	1.82%	\$1,797,917	0.22%	\$0	0.00%	\$0	0.00%	\$0	0.00%
2/29/2008	\$13,760,519	1.63%	\$2,107,847	0.25%	\$15,868,366	1.88%	\$842,098,475	1.88%	\$1,925,917	0.23%	\$0	0.00%	\$0	0.00%	\$0	0.00%
3/31/2008	\$10,422,706	1.20%	\$8,844,896	1.02%	\$19,267,601	2.22%	\$867,629,017	2.22%	\$2,071,917	0.24%	\$0	0.00%	\$0	0.00%	\$0	0.00%
4/30/2008	\$6,260,227	0.71%	\$13,651,824	1.55%	\$19,912,051	2.26%	\$882,930,423	2.26%	\$3,792,156	0.43%	\$0	0.00%	\$0	0.00%	\$0	0.00%
5/30/2008	\$5,930,444	0.65%	\$13,170,464	1.45%	\$19,100,908	2.10%	\$909,620,674	2.10%	\$2,439,550	0.27%	\$0	0.00%	\$0	0.00%	\$0	0.00%
6/30/2008	\$22,146,210	2.44%	\$14,463,588	1.59%	\$36,609,798	4.03%	\$908,978,793	4.03%	\$2,939,069	0.32%	\$100,026	0.01%	\$0	0.00%	\$0	0.00%
7/31/2008	\$27,376,551	3.00%	\$11,875,213	1.30%	\$39,251,764	4.30%	\$912,415,539	4.30%	\$1,454,772	0.16%	\$1,720,111	0.19%	\$0	0.00%	\$0	0.00%
8/31/08	\$36,614,974	3.97%	\$12,977,965	1.41%	\$49,592,939	5.38%	\$922,386,841	5.38%	\$1,275,789	0.14%	-\$264,796	-0.03%	\$83,745	0.01%	\$0	0.00%
9/30/08	\$39,488,987	4.19%	\$7,899,475	0.84%	\$47,388,462	5.02%	\$943,392,768	5.02%	\$1,430,590	0.15%	\$171,302	0.02%	\$528,590	0.04%	\$0	0.00%
10/31/08	\$37,033,160	3.87%	\$8,447,272	0.88%	\$45,480,432	4.75%	\$956,909,378	4.75%	\$2,281,250	0.24%	\$377,805	0.04%	\$1,417,366	0.12%	\$0	0.00%
11/30/08	\$36,967,461	3.83%	\$14,282,113	1.48%	\$51,249,575	5.31%	\$964,840,341	5.31%	\$2,081,250	0.22%	\$100,000	0.01%	\$1,417,191	0.12%	\$0	0.00%
12/31/08	\$35,308,712	3.67%	\$24,857,073	2.59%	\$60,165,785	6.26%	\$961,062,806	6.26%	\$1,237,000	0.13%	\$985,736	0.10%	\$6,266,853	0.51%	\$0	0.00%
1/31/09	\$34,687,723	3.60%	\$26,153,106	2.71%	\$60,840,829	6.31%	\$964,676,906	6.31%	\$10,780,000	1.12%	-\$10,828	-0.00%	\$5,884,536	0.47%	\$0	0.00%
2/28/09	\$35,308,712	3.65%	\$24,857,073	2.57%	\$60,165,785	6.22%	\$966,757,304	6.22%	\$9,620,000	1.00%	\$108,228	0.01%	\$6,978,267	0.56%	\$0	0.00%
3/31/09	\$40,079,726	4.15%	\$28,148,996	2.91%	\$68,228,723	7.06%	\$966,757,304	7.06%	\$23,553,285	2.44%	0	0.00%	\$6,700,158	0.53%	\$0	0.00%
change	\$4,771,014		\$3,291,924		\$8,062,937				Year 2008	-	\$3,190,184	0.33%				
									YTD 2009	-	97,400	0.01%				

Comparison Banks	as of 12/31/08/08	NonPerforming Assets	C/O	OREO
Pier Group *		2.50%		
North State Bank		0.92%	0.74%	0.25%
TrustAtlantic		164.8%	0.27%	0.07%
Crescent State Bank		0.36%	0.10%	0.29%
Capital Bank		576.8%	0.29%	0.18%
CapStone Bank		1.67%	0.30%	0.07%
Gateway Bank		0.94%	0.34%	0.00%
East Carolina Bank		159.2%	0.60%	0.10%
		0.00% Infinitely Worse	0.12%	0.12%
		1.70%		
		43.3%		
		1.85%		
		31.7%		

* group of 297 banks nationwide with assets for \$1B to \$3 Billion

Exhibit XV

Inadvertent Admission of Guilt & Efforts to Retract

The below redacted listing of borrowers from the Classified Loans Report for Paragon Commercial Bank as of March 31, 2009 in the page below reflects Mr. Young's loans as a new classification as of 3/31/09 and having a standardized loan risk rating of 6, which is reported to the bank regulators. Relevant observations follow:

1. Given the low leverage nature of the loans and the fact that they have always had an exemplary payment history, the subject loans should have been risk-rated 1, 2 or 3 throughout their terms of existence.
2. Notwithstanding point # 1, a risk rated loan of 6 is still NOT an "adverse", nor "classified" loan and a loss is not expected, and therefore most certainly NOT a loan a bank would have declared in monetary default weeks earlier and was already pursuing aggressive foreclosure.
3. The report shows that at the time Paragon declared the FRAUDULENT monetary defaults, (3/3/09) the loans were risk-rated 5 or lower (ie., better), and no legitimate bank would ever default and foreclose on a risk-rated 6 loan. Bank regulations may even forbid foreclosure on loans that are risk-rated of 6 or lower. (See page 8 of this Exhibit for the Bank Regulatory Definition of a risk rating of 6, along with appropriate comments.)
4. Loans in monetary default that a bank is aggressively pursuing foreclosure are highly leveraged and typically risk-rated 9 – in the case of Mr. Young's loans, nothing could have been further from the truth, and confirmed by Paragon's own risk ratings.
5. Foreclosure is always an action of last resort, and before foreclosure is even considered, reasonable efforts are made by the bank to amicably resolve or otherwise workout a mutually acceptable modification to a loan that is delinquent. Not only did Paragon NOT make any such overture – Mr. Young's loans were NOT THEN, and NOR EVER WERE DELINQUENT!

CONCLUSION: The Classified Loans Report for Paragon Commercial Bank as of March 31, 2009, in the context of the other overwhelming evidence submitted herein, CONFIRMS BEYOND ALL DOUBT, that the Perpetrators, to wit – Messrs. Hatley, Hoose, Warren, Cahill, Davis and Borden as agents for the Paragon Commercial Bank and Poyner & Spruill engaged in CRIMINAL FRAUD, are now exposed to SIGNIFICANT DAMAGES, and should be PROSECUTED TO THE FULLEST EXTENT OF THE LAW.

Classified Loans Paragon Bank		<i>final</i>			
Listing of Borrowers					
As of March 31, 2009		AsOfDate			
		2/28/09	3/31/09	Change	
Rating	BorrowerName	Outstanding Bal	Outstanding Bal		
6	ANDERES CUSTOM HOMES	\$2,005,519	\$1,479,000	-\$526,519	<i>sale of lot</i>
	ANDERSON HOMES	\$3,081,921	\$3,081,121	\$3,081,121	<i>New classification</i>
	SPENCER YOUNG INVEST	\$4,268,563	\$4,268,563	\$4,268,563	<i>New classification</i>
	SUNBELT HOMES INC	\$789,843	\$789,631	-\$212	
	TALL HOUSE BUILDING CO	\$259,233	\$259,233	-\$259,233	<i>dwn grade 7</i>
	Totals	\$35,308,712	\$40,079,726	\$4,771,014	-\$785,769
Totals		\$60,165,785	\$68,228,723	\$8,062,937	

Exhibit XV

Inadvertent Admission of Guilt & Efforts to Retract

The Perpetrators are well aware their own inadvertently sent report spells “game over” for them, which explains why Jim Hoose tried to hack into Mr. Young’s email systems to retract it 31 minutes after he sent the original subject email. Below is the first of 180 attempts made over roughly 30 hours.

Date: **Fri, 3 Apr 2009 16:10:46 -0400 [04/03/2009 04:10:46 PM EST]**

From: Jim Hoose <jhoose@paragoncommercial.com>

To: Spencer C Young <SpencerCYoung@scyiny.com>, "Spencer C. Young" <SpencerCYoung@aol.com>, "Spencer C. Young" <SpencerCYoung@att.blackberry.net>

Cc: "Sumner, Lisa P." <LSumner@POYNERSPRULL.COM>, "Warren, David M." <DMWarren@POYNERSPRULL.COM>

Subject: **Recall: Assignment of Rents**

Priority: **Urgent**

Jim Hoose would like to recall the message, "Assignment of Rents".

Jim Hoose
Credit Administrator
Paragon Commercial Bank
3535 Glenwood Avenue
Raleigh, NC 27612
(919) 788-7770 Main Line
(919) 534-7384 Direct Line
(866) 357-9557 Direct Fax
(919) 270-4886 Mobile
www.paragoncommercial.com
jhoose@paragoncommercial.com

Based on the time stamps of his emails, it took Mr. Hoose 31 minutes and 8 seconds to realize the enormity of his error and commence his futile efforts to "unsend" the email that he inadvertently attached with the **HIGHLY CONFIDENTIAL** March 31, 2009 Classified Loan Report for ALL loans of Paragon Commercial Bank

NOTE: This was NOT a recall of Paragon's Assignment of Rents, as it might viscerally appear (for they acted on the fraudulent assignment by wrongfully intercepting Mr. Young's income right away) BUT RATHER the first of many futile attempts to recover the noted highly sensitive internal report that was attached BECAUSE IT REVEALS THEIR FRAUD.

Below is the first of 4 email screens listing the initial email titled “Assignment of Rents” which included the confidential Classified Loans Report as an attachment and the first of many attempts to “un-send” or otherwise recall it.

Inbox (78)		Page 14 of 85		
Select:	▼	Mark as:	▼	Move Copy Messages to ▼
Delete Undelete Blacklist Whitelist Forward View Messages				
	#	▼ Date	From	Subject [Thread]
	1425	04/03/2009	Jim Hoose	Recall: Assignment of Rents
	1424	04/03/2009	Jim Hoose	Recall: Assignment of Rents
	1423	04/03/2009	Jim Hoose	Recall: Assignment of Rents
	1422	04/03/2009	Jim Hoose	Recall: Assignment of Rents
	1421	04/03/2009	Jim Hoose	Recall: Assignment of Rents
	1420	04/03/2009	Jim Hoose	Assignment of Rents

Exhibit XV

Inadvertent Admission of Guilt & Efforts to Retract

This is the second screen listing attempts to recall the subject email.

Inbox (78)		Page 13 of 85		
Select:	▼	Mark as:	▼	Move Copy Messages to ▼
Delete <u>U</u> ndelete <u>B</u> lacklist <u>W</u> hitelist Forward View Messages				
<input type="checkbox"/>	#	▼ Date	From	Subject [Thread]
<input type="checkbox"/>	1445	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1444	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1443	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1442	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1441	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1440	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1439	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1438	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1437	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1436	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1435	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1434	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1433	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1432	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1431	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1430	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1429	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1428	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1427	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1426	04/03/2009	Jim Hoose	Recall: Assignment of Rents

Exhibit XV

Inadvertent Admission of Guilt & Efforts to Retract

This is the third screen listing attempts to recall the subject email.

Inbox (78)		Page 12 of 85		
Select:	▼	Mark as:	▼	Move Copy Messages to ▼
Delete <u>U</u> ndelete <u>B</u> lacklist <u>W</u> hitelist Forward View Messages				
<input type="checkbox"/>	#	▼ Date	From	Subject [Thread]
<input type="checkbox"/>	1465	04/04/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1464	04/04/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1463	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1462	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1461	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1460	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1459	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1458	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1457	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1456	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1455	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1454	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1453	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1452	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1451	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1450	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1449	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1448	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1447	04/03/2009	Jim Hoose	Recall: Assignment of Rents
<input type="checkbox"/>	1446	04/03/2009	Jim Hoose	Recall: Assignment of Rents

Exhibit XV

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This is the fourth (and last) screen listing attempts to recall the subject email.

	1480	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1479	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1478	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1477	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1476	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1475	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1474	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1473	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1472	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1471	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1470	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1469	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1468	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1467	04/04/2009	Jim Hoose	Recall: Assignment of Rents
	1466	04/04/2009	Jim Hoose	Recall: Assignment of Rents

Here's the last attempt Mr. Hoose made to retract his original email –to reiterate, that's **180 desperate attempts over 30 hours to un-send the email containing Paragon's Confidential Classified Loan Report as of March 31, 2009.**

Date: Sat, 4 Apr 2009 22:05:40 -0400 [04/04/2009 10:05:40 PM EST]

From: Jim Hoose <jhoose@paragoncommercial.com>

To: Spencer C Young <SpencerCYoung@scynv.com>, "Spencer C. Young" <SpencerCYoung@aol.com>, "Spencer C. Young" <SpencerCYoung@att.blackberry.net>

Cc: "Sumner, Lisa P." <LSumner@POYNERSPRUILL.COM>, "Warren, David M." <DMWarren@POYNERSPRUILL.COM>

Subject: Recall: Assignment of Rents

Priority: Urgent

Jim Hoose would like to recall the message, "Assignment of Rents".

Jim Hoose
Credit Administrator
Paragon Commercial Bank
3535 Glenwood Avenue
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(866) 357-9557 Direct Fax
(919) 270-4886 Mobile
www.paragoncommercial.com
jhoose@paragoncommercial.com

This was the LAST of Jim Hoose's 180 attempts (60 X 3 separate email accounts) over a period of 29 hours 54 minutes and 54 seconds to "unsend" or otherwise recall Paragon's Confidential 3/31/09 Classified Loan Report.

QUESTION: Why would Mr. Hoose go to such astonishing lengths to retract this confidential internal report?

ANSWER: Because anyone who understands banking (an area in which Mr. Young is an expert) can readily see Paragon's declaration of loan defaults and ensuing foreclosures were predicated on CRIMINAL FRAUD.

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Inadvertent Admission of Guilt & Efforts to Retract

Below is the Bank Regulatory definition for loans-risk rated 6, along with relevant comments.

RISK RATING DEFINITIONS			
Risk Rating	Category	Description	Remarks
4	Acceptable	Close monitoring, strong guarantor/weak borrower; increased risk profile in the financial condition of the borrower and/or credit structure.	Generally acceptable asset quality. Primary source of loan repayment is acceptable and secondary sources are likely to be realized, if needed; Acceptable business credit, but borrower's operations, cash flow, or financial condition evidence more than average risk; requires above average levels of supervision and attention from Loan Officer. The source of Increased risk has been identified, can be effectively managed/corrected, and the increased risk is not significant to warrant a more severe rating.
5	Transitory Risk	Strained liquidity and leverage capacity or earnings; covenant violations occasional losses; slow pay; poor reporting.	Transitory Risk. Loan coverage is somewhat erratic, future coverage is uncertain, liquidity is strained and leverage capacity is considered minimal. Indicators of potential deterioration of repayment sources have resulted in uncertainty or unknown factors concerning the status of the credit. Risk Rating 5 is considered transitory in nature. When the factors causing the uncertainty have been clearly defined, a risk rating should be assigned commensurate with the risk characteristics and circumstances that exist. Quarterly memorandums to the Board of Directors regarding action plans for managing the risk of the credit must be developed for credits in this category.
6	Special Mention	Deterioration of repayment is in its earliest stages. Potentially weak primary repayment source. <u>Past due 60 days;</u> constant supervision.	<p>Considerable Risk. A Special Mention asset has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in the deterioration of the repayment prospects for the asset or in the institution's credit position at some future date. Special Mention assets are not adversely classified and do not expose an institution to sufficient risk to warrant adverse classification.</p> <p>Even if the risk rating was accurate, as a rule, Banks do NOT pursue aggressive foreclosures on loans with this risk rating because it is NOT even considered an adversely classified loan, and represents only a POTENTIAL weakness. To be clear, there was no weakness -- only a FRAUD.</p> <p>The subject loans were NOT past due as of March 31, 2009 -- in reality, they were CURRENT, as they have ALWAYS been. Paragon was merely negligent in its loan administration, and simply failed to follow instructions to apply available funds, as they had always done, dating</p>