

Exhibit XII - Fraud Element # 12

PARAGON COMMERCIAL BANK
3535 Glenwood Ave
Raleigh, NC 27612

(800) 837-1059
www.paragoncommercial.com

Member FDIC

Date: April 24, 2009
Account: Document A 3714
Due Date: February 10, 2009
Total Due: \$82,922.45

MAY 02 2009

>01362 5782811 001 008215
SPENCER C YOUNG INVESTMENTS INC
134 MEADOWMONT VILLAGE CIR
CHAPEL HILL NC 27517-7516

Dear Customer:

THANK YOU FOR BANKING WITH PARAGON. THIS IS YOUR FINAL PAYMENT DUE ON THIS NOTE. WE APPRECIATE THE MANNER IN WHICH YOU HAVE HANDLED YOUR ACCOUNT AND LOOK FORWARD TO WORKING WITH YOU IN THE FUTURE.

Account Information
Acct 3714
Prin Bal 81,643.78

Payment Information
Due Date 02/10/2009
Past Due 812.50
Int Due 433.10
Prin Due 81,643.78
Lt Chg 33.07
Other Due .00
Total Due 82,922.45

WRONG - PARAGON
FRAUDULENTLY CREATED
A SERIES OF LOAN
DEFAULTS BY MIS-
APPLYING FUNDS TO
PAY DOWN
THIS LINE OF CREDIT
INSTEAD OF APPLYING
TO NORMAL SCHEDULED
MONTHLY PAYMENTS AS
THEY HAVE ALWAYS
DONE AND AS DIRECTED

PARAGON ALSO ABRUPTLY CANCELLED
ALL ACCT AGREEMENTS WITH MR YOUNG
BASED ON (1) BOLD FACE LIES, AND (2) A

RATIONALE THAT DEFIES COMMON SENSE

PARAGON COMMERCIAL BANK
3535 Glenwood Ave
Raleigh, NC 27612

Please Remit Payment to

Paragon Commercial Bank
PO Box 3069
Johnson City, TN 37602-3069

Due Date February 10, 2009
Account 3714

THESE ACTS
ONLY SERVED TO PREVENT
THE RECEIPT OF FUNDS \$82,922.45

SPENCER C YOUNG INVESTMENTS INC
134 MEADOWMONT VILLAGE CIR
CHAPEL HILL NC 27517-7516

FROM WHICH IS USANE

A RISK MANAGEMENT
STANDPOINT.

Additional Principal: \$ [] [] [] [] [] [] [] [] [] []
Amount Enclosed: \$ [] [] [] [] [] [] [] [] [] []

5555 7120

3714 20

0008292245

01362 5782811 001365 002727 00001/00001