

Exhibit XII – Fraud Element # 14

Wasting Taxpayer Monies with Intimidation Tactics

On behalf of Paragon Commercial Bank, Poyner & Spruill extensively utilized a relatively astonishing amount of resources of the Orange County Sheriff's Office as part of their intimidation tactics, and hence wasted taxpayer monies. They did this by sending multiple copies of the same document via hand-delivery on separate days by one of the Sheriff's law enforcement officers.

For instance, if a document was being served to three of Mr. Young's affiliated companies and to him personally, they would arrange for this identical document to be delivered one at a time on four separate days or sometimes they would deliver multiple copies of the same document, thereby trying to overwhelm Mr. Young with constant reminders of numerous and voluminous "legal attacks"

This became so prevalent, Officer R. Simpson often commented that rarely encountered anything like this before, and never with regard to a residence. Officer Simpson himself was quite frustrated in having to be party to carrying out numerous instances of needlessly time-consuming delivery. Officer Simpson submitted an affidavit to this effect and agreed to testify to this, if requested. The affidavit, as well as an example of one of the many multiple deliveries of the same document is included in this Exhibit.

Addendum to Exhibit Post Issuance And Filing Of The 31-Count Indictment

On two separate occasions (January 29, 2010, and February 2, 2010), the Orange County Sheriff sent a SWAT team of more than a dozen law enforcement officers to execute a FRAUD-based eviction, after being advised of and provided a copy of the 31-count indictment and accompanying evidence (which was also made publicly available) that showed the writ of eviction to be predicated on an audacious FRAUD..

IRREG.

5/15/09

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I, R.A. SIMPSON state that I've received and served several legal documents on Spencer C. Young that were sent to me individually on an average of one document approximately every two weeks. Over the past two months. ~~IN~~ IN my experience, this happens rarely.

R.A. Simpson
05-15-09

Today (5-15-09) I served four copies of a Notice of Hearing on Foreclosure on Mr Young. ^(which is the same document) The above documents mention were issued by the Poyner Spruill Law Firm

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STATE OF NORTH CAROLINA
Orange County

FILED
2009 MAY 12 A 9:13
ORANGE COUNTY
BY MO
File No. 09 SP 187
In The General Court of Justice

Name of Petitioner

SPRUILLCO, LTD., Substitute Trustee

This is just one of the many instances of sending multiple copies of the same document

SPECIAL PROCEEDINGS ACTION COVER SHEET

Rule 5(b), Rules of Practice For Superior and District Courts

Name And Address of Attorney Or Party If Not Represented (complete for initial appearance or change of address)

Poyner Spruill LLP
PO Box 1801
Raleigh, NC 27602

VERSUS

Name Of Respondent 1

Spencer C. Young Investments/Meadowmont Village Condo of Chapel Hill, LLC

Attorney Bar No. 12581

Name of Respondent 2

Initial Appearance in Case

Name of Respondent 3

Name of Firm:

Tax ID No. Telephone No. FAX No.

Counsel for

Petitioner

APPLICATION

(check appropriate box)

- : Adoption (ADOP) : Motor Vehicle Lien G.S. 44A (MVLN)
- : Boundary Settlement (BNDR) : Name Change (NAME)
- : Cartway (CART) : Partition (PART)
- : Condemnation - Private Condemnor/Mill (CNDM) : Protective Services Adult (PRSE)
- : Dec Estate - Sell Land To Create Assets (PESE) : Renunciation of Testamentary Trustee
- : Decedent's Estate - Sell Prsnl Property (SLPS) : Resignation of Trustee (RSNT)
- : Drainage - Individual/Corporation (DRNG) : Surplus Funds - Determine Ownership
- : Drainage District - Establishment (DRDS) : Sterilization (STRL)
- X Foreclosure (FORE) : Unknown Heirs - Proceeding to Determine
- : Incompetency (INCM) : Year's Allowance - Spouse/Child (SSCA)
- : Land Registration - Torrens Act (TORR) : Other (specify)
- : Legitimation (LGMT)
- : Minor's Estate - Disburse Funds (DFND)
- : Minor/Incom Estate - Sale/Lease/Mortgage (MIES)
- : Minor Settlement (MSTL)

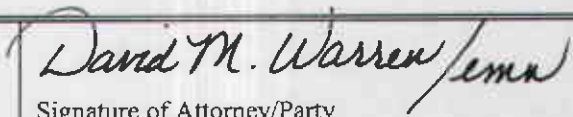
Date: May 7, 2009

David M. Warren / emn
Signature of Attorney/Party

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AOC-SP-550
New 10/96

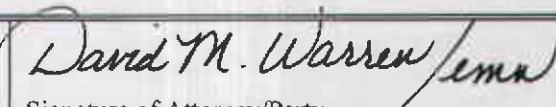
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STATE OF NORTH CAROLINA Orange County		FILED	File No. <u>09 SP 187</u> In The General Court of Justice		
Name of Petitioner SPRUILLCO, LTD., Substitute Trustee		2009 MAY 12 A 9:13 ORANGE COUNTY 260 BY <u>DK</u>	<p style="text-align: center;">SPECIAL PROCEEDINGS ACTION COVER SHEET</p> <p>Rule 5(b), Rules of Practice For Superior and District Courts</p> <p>Name And Address of Attorney Or Party If Not Represented (complete for initial appearance or change of address) Poyner Spruill LLP PO Box 1801 Raleigh, NC 27602</p>		
VERSUS					
Name Of Respondent 1 Spencer C. Young Investments/Meadowmont Village Condo of Chapel Hill, LLC	Attorney Bar No. 12581				
Name of Respondent 2	<input checked="" type="checkbox"/> Initial Appearance in Case				
Name of Respondent 3	Name of Firm:				
	Tax ID No. Telephone No. FAX No.				
	Counsel for <input checked="" type="checkbox"/> Petitioner				
APPLICATION					
<p>(check appropriate box)</p> <table style="width:100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> : Adoption (ADOP) : Boundary Settlement (BNDR) : Cartway (CART) : Condemnation - Private Condemnor/Mill (CNDM) : Dec Estate - Sell Land To Create Assets (PESE) : Decedent's Estate - Sell Prsnl Property (SLPS) : Drainage - Individual/Corporation (DRNG) : Drainage District - Establishment (DRDS) X Foreclosure (FORE) : Incompetency (INCM) : Land Registration - Torrens Act (TORR) : Legitimation (LGMT) : Minor's Estate - Disburse Funds (DFND) : Minor/Incom Estate - Sale/Lease/Mortgage (MIES) : Minor Settlement (MSTL) </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> : Motor Vehicle Lien G.S. 44A (MVLN) : Name Change (NAME) : Partition (PART) : Protective Services Adult (PRSE) : Renunciation of Testamentary Trustee : Resignation of Trustee (RSNT) : Surplus Funds - Determine Ownership : Sterilization (STRL) : Unknown Heirs - Proceeding to Determine : Year's Allowance - Spouse/Child (SSCA) : Other (specify) </td> </tr> </table>				<ul style="list-style-type: none"> : Adoption (ADOP) : Boundary Settlement (BNDR) : Cartway (CART) : Condemnation - Private Condemnor/Mill (CNDM) : Dec Estate - Sell Land To Create Assets (PESE) : Decedent's Estate - Sell Prsnl Property (SLPS) : Drainage - Individual/Corporation (DRNG) : Drainage District - Establishment (DRDS) X Foreclosure (FORE) : Incompetency (INCM) : Land Registration - Torrens Act (TORR) : Legitimation (LGMT) : Minor's Estate - Disburse Funds (DFND) : Minor/Incom Estate - Sale/Lease/Mortgage (MIES) : Minor Settlement (MSTL) 	<ul style="list-style-type: none"> : Motor Vehicle Lien G.S. 44A (MVLN) : Name Change (NAME) : Partition (PART) : Protective Services Adult (PRSE) : Renunciation of Testamentary Trustee : Resignation of Trustee (RSNT) : Surplus Funds - Determine Ownership : Sterilization (STRL) : Unknown Heirs - Proceeding to Determine : Year's Allowance - Spouse/Child (SSCA) : Other (specify)
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Date: <u>May 7</u> , 2009		 Signature of Attorney/Party			

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Name of Petitioner SPRUILLCO, LTD., Substitute Trustee	<p style="font-size: 2em; opacity: 0.5;">FILED</p> <p>2009 MAY 12 A 9: 13</p> <p>ORANGE COUNTY</p> <p>BY <u>mg</u></p>	<p style="text-align: center;">SPECIAL PROCEEDINGS ACTION COVER SHEET</p> <p>Rule <u>5</u>(b), Rules of Practice For Superior and District Courts</p> <p>Name And Address of Attorney Or Party If Not Represented (complete for initial appearance or change of address)</p> <p>Poyner Spruill LLP PO Box 1801 Raleigh, NC 27602</p>		
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