

2/6/09

Spencer C. Young

From: Spencer C Young [SpencerCYoung@scyinv.com]
Sent: Friday, February 06, 2009 11:16 AM
To: 'Jim Hoose'
Subject: RE: Late loan payments

The instructions to Paragon to process ALL requisite debt service payments and ensure ALL loans were brought current couldn't have been more clear.

Jim -

I have just now seen this email, as I have been consumed in efforts to prevent a corruption laden and orchestrated dismissal of the Chapter 11 filing for The Courtyard of Chapel Hill, a necessary step to prevent foreclosure on this property by Wachovia Bank.

Based on your letter of Feb 4 to Durham County, I am authorizing you to make the payments as noted below from account 0016535, thereby bringing all of these loans current. I presume loan # 3857 is already current. Please revert & confirm.

This is a one-time authorization for expediency; however, I would like you to explain why ACHs were processed on tenant bank accounts after you advised in writing that the operative ACH agreements were being cancelled, and you had removed this feature from my on-line banking.

Sincerely,

Spencer

Spencer C. Young
President
Spencer C. Young Investments, Inc.
134 Meadowmont Village Circle
Chapel Hill, NC 27517

Office: 919-370-7544
Cell: 919-357-2844

Fax: 919-869-1817
Email: SpencerCYoung@scyinv.com

From: Jim Hoose [mailto:jhoose@paragoncommercial.com]
Sent: Wednesday, January 28, 2009 3:36 PM
To: Spencer C. Young; Spencer C Young; Spencer C. Young
Subject: Late loan payments

Mr. Spencer Young
Spencer Young Investments, Inc.

Re: Loan number 2147, 3714 and 2346

Dear Spencer,

Your note payment of \$295.45 on note 3714 due on January 10, 2009, as well as your payments of \$10,469.83 on note 2147 and \$1,489.04 on note 2346 both due on January 15, 2009, has not been received by us. The total amount now due is \$12,250.50 including late charges on note 3714 of \$11.77.

Instructions ONCE AGAIN given to process loan payments to ensure ALL LOANS WERE CURRENT

1/10/10 4:14 AM

Your Intentions Are Fraudulent & Malicious

From: Spencer C. Young
(SpencerCYoung@att.blackberry.net)
Sent: Tue 2/10/09 8:04 PM
To: Jim Hoose
(jhoose@paragoncommercial.com)

Cc:
Robert Mueller (robert.mueller@ic.fbi.gov); Maria Jocys (maria.jocys@ic.fbi.gov); John Spears (john.spears@ic.fbi.gov); Agent Houston (charlotte.public@ic.fbi.gov); Bob Hatley (bhatley@paragoncommercial.com); Michael Young (michaelyoung2727@gmail.com); Kevin Young (kevin.young@duke.edu); Ryan Young (ryoung15@umd.edu); Jim Holmes (jholmes@trisure.com); Liz Holden (LHolden@trisure.com)

Jim --

I've not dealt with a more unethical, mendacious and reprehensible person than you -- your now chronic engagement in lies and prevarications has reached the point of comedic relief.

I expressly told you NOT to reverse the ACH's because I indicated they were already reversed at the other counterparty bank. And I gave you explicit instructions via email to bring all Paragon loans current with those deposited funds. Contact each bank to correct your error, and report back when you've brought each of the loans current.

I also expressly advised you the lien was RELEASED on Friday, and Durham County said they faxed it to you on Friday and mailed it on Monday.

Once again, this is an error YOU have intentionally procreated to be deliberately disruptive and to cultivate vexation. But, in so doing, you are negatively impacting others by your inane charades. And your transparent antics are now bordering on tortious interference.

Please contact Jim Holmes or Liz Holden of Trisure (copied herein) to ameliorate your fraud in knowingly rejecting the premium payment, which you knew to be money good, or merely failed to take reasonable measures to verify that such was the case.

After you correct the administrative quagmire you've deliberately created, I forbid you to have anything to do with any of my accounts.

Note to my sons, Michael, Kevin and Ryan: Bob Hatley is principally responsible for the horrors you and your mother have had to endure -- and he is not only devoid of a conscience, he is a monster -- for he has relished the pain and suffering he's brought to our family. He is also one of the colossally stupid CEO's I've told you about before. For he is the one who directed his drone Hoose to be as much a prick as possible, and he has ended up implicating his bank in criminal activity and exposing his institution to possible extinction in the process.

Messrs. Hatley and Hoose are poster-boys for what is wrong with our economy -- for they deal strictly in deceit to further their insidious agenda, and the resultant lack of trust stifles productive achievement

Spencer a/k/a Dad

From: "Jim Hoose"
Date: Tue, 10 Feb 2009 16:37:47 -0500
To: Spencer C Young<SpencerCYoung@scyinv.com>; Spencer C. Young<SpencerCYoung@att.blackberry.net>; Spencer C. Young<SpencerCYoung@aol.com>
Subject: FW: NO Items Should Be Returned

Mr. Young - we received the release from the City of Durham this afternoon. It was post marked 2/9/09. We have released the hold that was on the account effective today. Unfortunately the cut off for returning items presented against the account is before noon, so we are unable to go back and

Exhibit XII - Fraud Element # 2

Windows Live Hotmail Print Message

1/10/10 4:14 AM

retrieve the two Travelers' ACH's, \$1812.08 and \$1206.75, and check number 1119 for \$1319.00 that were returned this morning.

We have also reversed the three remaining ACH deposits that were credited to your account in error as previously communicated to you by Ms. Horton (see attached email).

Lastly we debited your account today for the following payments as per your instructions:

Note Number	Debtor	Payment Amount	Date Due
2147	Spencer C. Young Investments	\$10,469.83	Jan. 15, 2009
2346	Spencer C Young Investments	\$1,489.04	Jan. 15, 2009
3714	Spence C. Young Investments	\$294.45	Jan. 10, 2009
3857	Spencer C. Young Investments / The Courtyard of Chapel Hill, LLC	\$2,669.63	Jan. 10, 2009

Please note that there will be another payment due on note 3714 as of the close of business today as well as payments on note 2147 and 2346 due on the 15th. Additionally, note 3857 matures today.

You should have received the billings on these notes. Please let me know if you want us to debit your account for any of these payments as well.



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

Note: in the second paragraph of his Response to Mr. Hoose, ABOVE, Mr. Young responded by REITERATING to bring EACH OF THE LOANS current, after he's corrected his many errors.

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Exhibit XII - Fraud Element # 2 Document C

Once again, express instructions to apply funds to ensure all loans maintained their current status NOW and prospectively.

Date: Feb. 11, 2009
To: Bob Hatley – CEO, Paragon Commercial Bank
From: Spencer Young – President, Spencer C. Young Investments, Inc.



The purpose of this memo is to:

- (1) reiterate my instructions given to process debt service payments to ensure ALL of my loans with Paragon are kept current as they have always been since their inception;
- (2) ensure Paragon does NOT reverse any ACH Deposits as I have expressly articulated to your staff on many occasions (and you were also copied). As the duplicate deposits were reversed at the other receiving bank, they should NOT be reversed by Paragon, as those funds are necessary to make the February 2009 debt service payments – there is no basis nor legitimacy for doing so, and you do NOT have my authorization to do so. And if you did in fact do so, it would indicate you are fraudulently trying to orchestrate unlawful loan defaults
- (3) reinstate automatic debt service payments on all of my loans

In closing, I wish to register my dismay at the actions of you and your staff that are seemingly perniciously intended – I respectfully ask that you cease and desist.

Exhibit XH
PARAGON
 COMMERCIAL BANK

Fraud Element # 2

Document D

ITSD

MAR 04 2009

RECEIVED

THE BANK FOR BUSINESS
 3535 Glenwood Avenue
 Raleigh, NC 27612

ACCOUNT ANALYSIS

PAGE 1

2/27/09

000030-1-0003
 SPENCER C YOUNG INVESTMENTS INC
 134 MEADOWMONT VILLAGE CIR
 CHAPEL HILL NC 27517-7516

Questions?
 Please call
 (800) 837-1059

Though Paragon continues to be a very strong financial institution, many are interested in having greater FDIC coverage. Paragon has a program that can increase your FDIC coverage on CDs up to \$50 million. It is a perfect time to consolidate all your deposit accounts to Paragon for a safe and competitive return.

Account Summary	Account Type	Account Number	Statement Date	Branch ID
	SPENCER C YOUNG INVESTMENTS INC	0000016535	2/27/09	001

ACCOUNT ANALYSIS			
	Beginning Balance	2/01/09	11,767.96
	Deposits / Misc Credits	22	44,581.27
	Withdrawals / Misc Debits	36	48,957.08
	** Ending Balance	2/28/09	7,392.15 **
	Service Charge		64.30
	Interest Paid Thru 2/28/09		.00
	Interest Paid Year To Date		.00
	Average Balance		10,937
	Average Collected Balance		10,937
	Minimum Balance		773-
	Average Rate / Cycle Days		.00000 / 28
	Enclosures		2

MISC. CREDITS	Date	Deposits	Withdrawals	Activity Description
	2/02	6,500.70		Paragon Bank/ACH Offset
	2/02	3,117.88		Paragon Bank/ACH Offset
	2/02	2,491.56		Paragon Bank/ACH Offset
	2/02	2,166.90		Paragon Bank/ACH Offset
	2/03	1,812.08		Rev: TRAVELERS INSUR/CL PAYMENT
	2/03	1,206.75		Rev: TRAVELERS INSUR/CL PAYMENT
	2/03	700.00		Rev: CHECK
	2/03	500.00		Rev: CHECK
	2/03	500.00		Rev: CHECK
	2/04	1,319.00		Rev: CHECK
	2/05	110.00		Rev: BLUES OF NC/IND DRAFT
	2/05	9.95		Rev: QUICKEN BILL PAY/BILL PAY
	2/06	7,064.70		DEPOSIT
	2/09	1,812.08		Rev: TRAVELERS INSUR/RDP CL PAY
	2/09	1,319.00		Rev: CHECK
	2/09	1,206.75		Rev: TRAVELERS INSUR/RDP CL PAY
	2/13	800.65		Rev: ALLIED WASTE/BILL PAY
	2/17	1,476.00		Rev: CHECK

MAR 04 2009

SPENCER C YOUNG INVESTMENTS INC

(Continued from previous page)

In response to Paragon's blocking of ACH deposits, Mr. Young instructed Mr. Hoose to cease the standing monthly \$5,000 transfer of funds to Mr. Young's MVC account, so that all ALL debt would be serviced from this primary operating account. Mr. Hoose also ignored those instructions.

MISC. CREDITS	Date	Deposits	Withdrawals	Activity Description
	2/19	800.65		Rev: ALLIED WASTE/BILL PAY
	2/20	1,476.00		Rev: CHECK
	2/24	800.65		Rev: ALLIED WASTE/BILL PAY
	2/27	7,389.97		AAA CAROLINAS/PAYABLES

MISC. DEBITS	Date	Deposits	Withdrawals	Activity Description
	2/02		64.30	ACCOUNT ANALYSIS SERVICE CHARGE
	2/03		1,812.08	TRAVELERS INSUR/CL PAYMENT
	2/03		1,206.75	TRAVELERS INSUR/CL PAYMENT
	2/05		2,491.56	ACH REJECT/BLISS BOUTIQUE/ACCT C
	2/05		110.00	BLUES OF NC/IND DRAFT
	2/05		9.95	QUICKEN BILL PAY/BILL PAY
	2/09		1,812.08	TRAVELERS INSUR/RDP CL PAY
	2/09		1,206.75	TRAVELERS INSUR/RDP CL PAY
	2/10		5,000.00	transfer to xx7715 per s young
	2/10		110.00	BLUES OF NC/IND DRAFT
	2/10		9.95	QUICKEN BILL PAY/BILL PAY
	2/11		10,469.83	loan #2147 payment
	2/11		1,489.04	loan #2346 payment
	2/11		294.45	loan #3714 payment
	2/11		320.00	MEADOWMONT/DUES
	2/13		6,500.70	ACH RETURN SPICE N CURRY
	2/13		3,117.88	ACH RETURN CHOSUN OK
	2/13		2,166.90	ACH RETURN SWADES IMPORT EXPORT
	2/13		800.65	ALLIED WASTE/BILL PAY
	2/13		3.00	1st Continuous Overdraft Charge
	2/17		3.00	Recurring Overdraft Charge
	2/19		800.65	ALLIED WASTE/BILL PAY
	2/20		3.00	1st Continuous Overdraft Charge
	2/20		28.00	Overdraft/NSF Charge
				# 1120
	2/24		800.65	ALLIED WASTE/BILL PAY
	2/24		28.00	Overdraft/NSF Charge

In Mr. Hoose's Feb 10 email to Mr. Young, he stated ACHs were reversed on that day despite express instructions to NOT do so -- this being the case because they were reversed at Gateway Bank. Mr. Hoose did so anyway, but LIED about when it was being processed. As the Bank Statement shows the ACH deposits were WRONGFULLY reversed 3 business days LATER than Mr. Hoose said they were, AND A WEEK AFTER being instructed to bring all loans current. They did this to give the FRAUDULENT impression that there were insufficient funds to make the payments (i.e., on Feb 13, 2009).

As clearly evidenced here, Paragon did NOT make the debt service payments on Feb 6, as expressly instructed

ATM TRANSACTION SUMMARY	Date	Deposits	Withdrawals	Location
	2/02		215.59	ELECTRONIC/POS TRANS 006018 Staples, Inc. CHAPEL HILL NC
	2/02		123.32	ELECTRONIC/POS TRANS 128167 HARRIS TEETER #0120 CHAPEL HILL NC

In Mr. Young's Feb 6, 2009 email to Mr. Hoose, Paragon was instructed to service the debt on ALL loans to "ensure ALL were current THROUGH FEBRUARY. Paragon did NOT do so -- they instead made only the January payments, and delayed until Feb. 11 to do so. Moreover, Paragon EXCLUDED payment on the Graham St. Mortgage (Loan # 3857) [more on this later as to why] -- and they did not attempt to make the February debt service payments on ANY of the loans -- that is until they wrongfully TRANSFERRED roughly \$17,000, so as to artificially reduce the account balance in order to give the FALSE impression that there were insufficient funds to service the loans. These acts are not merely vexing, they are DIABOLICAL.

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000030-1-0003

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SPENCER C YOUNG INVESTMENTS INC

(Continued from previous page)

DAILY BALANCE SUMMARY	Date	Balance	Date	Balance	Date	Balance
	2/02	25,641.79	2/09	30,214.93	2/19	730.18
	2/03	25,641.79	2/10	25,094.98	2/20	699.18
	2/04	25,641.79	2/11	12,521.66	2/24	671.18
	2/05	23,150.23	2/13	733.18	2/25	2.18
	2/06	<u>30,214.93</u>	2/17	730.18	2/27	7,392.15

Note that when Paragon was instructed ON THIS DATE to make debt service payments on ALL loans to ensure they were ALL CURRENT through February, the balance in the account was certainly sufficient to make the required payments. It is OBVIOUS Paragon FAILED follow these express instructions in order to FABRICATE loan delinquencies and perpetuate their CRIMINAL FRAUD.