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FR Y-6
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Approval expires September 30, 2018
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MAR 31 2016

Board of Governors of the Federal Reserve System

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FRB RICHMOND

Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2015

Month / Day / Year

5493008M6846E2FNAU09

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

I, **Robert C. Hatley**

Name of the Holding Company Director and Official

President/CEO

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Reporter's Name, Street, and Mailing Address

Paragon Commercial Corporation

Legal Title of Holding Company

3535 Glenwood Avenue

(Mailing Address of the Holding Company) Street / P.O. Box

Raleigh

NC

27612

City

State

Zip Code

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Steven E. Crouse

EVP/CFO

Name

Title

919-534-7404

Area Code / Phone Number / Extension

866-741-4642

Area Code / FAX Number

scrouse@paragonbank.com

E-mail Address

www.paragonbank.com

Address (URL) for the Holding Company's web page

Signature of Holding Company Director and Official

03/28/2016

Date of Signature

For holding companies not registered with the SEC—
Indicate status of Annual Report to Shareholders:

is included with the FR Y-6 report

will be sent under separate cover

is not prepared

For Federal Reserve Bank Use Only

RSSD ID 3021800

C.I. _____

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.

The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No

Form FR Y-6

**Paragon Commercial Corporation
Domestic Bank Holding Company
Annual Report of F.R. Y-6
For the fiscal year Ended on December 31, 2015**

Report Items

Report Item 1: Bank Holding Company Financial Statements

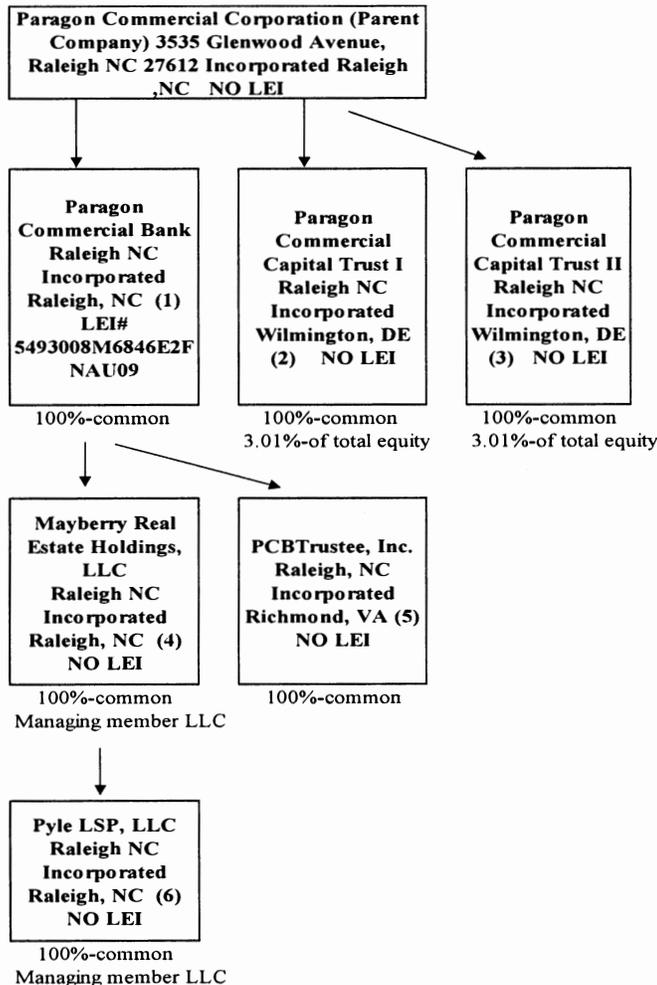
A. Form 10-K filed with the Securities and Exchange Commission

The Company's duty to file Form 10-K with the Securities and Exchange Commission has been terminated per Rule 12h- (b)(1)(1) Rule 12h-3(c) and Rule 121-3d.

B. Annual Report to shareholders

The Company's Annual Report was e-mailed to the Federal Reserve's secured web site on March 21, 2016.

Report Item 2a: Organization Chart



Note: Mayberry Real Estate Holdings, LLC (4) and Pyle LSP (6) are not reportable entities on FR Y-10

Results: A list of branches for your depository institution: PARAGON COMMERCIAL BANK (ID_RSSD: 2806626).
 This depository institution is held by PARAGON COMMERCIAL CORPORATION (3021800) of RALEIGH, NC.
 The data are as of 12/31/2015. Data reflects information that was received and processed through 01/07/2016.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the **Effective Date** column.

Actions

OK: If the branch information is correct, enter 'OK' in the **Data Action** column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
 If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:

To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of Change, Close, Delete, or Add.
 The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
ok	12/31/2015	Full Service (Head Office)	2806626	PARAGON COMMERCIAL BANK	3535 GLENWOOD AVE.	RALEIGH	NC	27612	WAKE	UNITED STATES	74679	0	PARAGON COMMERCIAL BANK	2806626	
ok	12/31/2015	Full Service	4758297	CARY BRANCH	5000 VALLEYSTONE DRIVE SUITE 110	CARY	NC	27519	WAKE	UNITED STATES	Not Required	Not Required	PARAGON COMMERCIAL BANK	2806626	
ok	12/31/2015	Full Service	3633566	CHARLOTTE BRANCH	6337 MORRISON BOULEVARD	CHARLOTTE	NC	28211	MECKLENBURG	UNITED STATES	458040	4	PARAGON COMMERCIAL BANK	2806626	

Report Item 2b: Domestic Branch Listing – See attached

Report Item 3: Shareholders – Items 1a, 1b, 1c

Current Shareholders with ownership, control, or holdings of 5% or more with power to vote as of 12-31-15		
(1)(a)	(1)(b)	(1)(c)
Name and Address (City, State, Country)	Country of Citizenship or Incorporation	Number and Percentage of Each Class of Voting Securities
Banc Tenn Corp. Johnson City, TN USA	USA	800,125 shares of common stock 17.46% percent of total outstanding shares

Report Item 3: Shareholders – Item 2

There were no shareholders holding 5% or more share in the Company during 2015 other than those listed above.

**Paragon Commercial Corporation
Board of Directors & Executive Officer List for Federal Reserve Form Y-6**

(1)	(2)	(3)(a)	(3)(b)	(3)(c)	(4)(a) Percentage of Voting Shares in the Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries	(4)(c) Other Companies (including Partnerships) where 25% or more of the voting securities are held & % owned
Name and Address (City, State, Country)	Principal Occupation if other than with Bank Holding Company	Title and Position with Bank Holding Company	Title and Position with Subsidiaries	Title and Position with Other Businesses			
Robert C. Hatley Raleigh, NC USA	N/A	Director, Paragon Commercial Corp CEO, Paragon Commercial Corp	Director, Paragon Commercial Bank President & CEO, Paragon Commercial Bank	N/A - None	2.34%	N/A - None	N/A - None
Curtis C. Brewer, III Raleigh, NC USA	Retired	Director/ Paragon Commercial Corp	Director, Paragon Commercial Bank	Mayo Lake Ptns., LLC-Manager Brewer Properties, LLC	1.29%	N/A - None	Brewer Properties , LLC-70% Mayo Luke Partners, LLC-33.3%
K.Wesley M.Jones Charlotte, NC USA	Managing Partner Five Oaks Capital Partners LLC	Director/ Paragon Commercial Corp	Director, Paragon Commercial Bank	Chairman-CEO, Egolf, LLC Investor - Board Member, EEI, LLC	1.16%	N/A - None	FiveOaks Capital, LLC-90% Egolf.com, LLC-90% Pyramid Partners LLC - 33.3% Koupis, LLC - 50%
Howard Jung Raleigh, NC USA	Vice President Ace Hardware Stores, Inc.	Chairman of the Board Paragon Commercial Corporation	Chairman of the Board Paragon Commercial Bank	N/A - None	1.47%	N/A - None	Ace Hardware Stores, Inc.-49%
Roy L.Harmon, Jr. Kingsport, TN USA	Chairman Bank of Tennessee	Director, Paragon Commercial Corp	Director, Paragon Commercial Bank	EVP & Director BancTenn Corp.	0.96%	N/A - None	N/A - None
Alton Russell Raleigh, NC USA	Attorney	Director, Paragon Commercial Corp	Director, Paragon Commercial Bank	Chairman & General Counsel The Title Company of NC SVP, Old Republic National Title Company	0.65%	N/A - None	N/A - None
Steve Crouse Cary, NC USA	N/A	CFO	EVP/CFO-PCB	N/A - None	0.24%	N/A - None	N/A - None
Banc Tenn Corp Johnson City, TN USA	N/A	N/A	N/A	N/A	17.46%	N/A	N/A