



FEDERAL
RESERVE
BANK
of ATLANTA

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January 26, 2011

Neil J. Gillespie
8092 SW 115th Loop.
Ocala, FL 34481

Re: Park Avenue Bank, Valdosta, GA

Mr. Gillespie:

This letter is in response to your letter, dated January 5, 2011, requesting information about Park Avenue Bank and its parent company. Specifically, you requested answers to the following questions:

(1) Is it permitted for a Georgia state-chartered bank to operate branches in Florida?

Yes. Federal law, as well as the laws of Florida and Georgia, authorize a Georgia-chartered bank to operate branches in Florida.

(2) Did Park Avenue Bank receive "TARP" funds?

Information that has been made publicly available concerning the institutions that received funds authorized by the Troubled Asset Relief Program ("TARP") is available at:

<http://www.treasury.gov/initiatives/financial-stability/briefing-room/Pages/briefing-room.aspx>

Further information concerning TARP is available at:

<http://www.treasury.gov/initiatives/financial-stability/investment-programs/cpp/Pages/capitalpurchaseprogram.aspx>

(3) Was Park Avenue Bank's holding company eligible to receive TARP funds?

All financial institutions were eligible to apply to the Treasury for TARP funds. For further information please see the resources listed in response to question No. 2.

- (4) Did either the bank or the holding company participate in any programs established under the Emergency Economic Stabilization Act of 2008 (“EESA”)?

Publicly available information about the programs instituted under the EESA is available at:

<http://www.treasury.gov/initiatives/financial-stability/investment-programs/Pages/default.aspx>

- (5) A series of questions related to supervisory actions taken by the Federal Reserve, including a “Prompt Corrective Action” directive, concerning the Institution.

Regulatory information that the Federal Reserve receives about the institutions that it examines is legally protected by the bank examiner privilege. This privilege extends to the information you have requested concerning the Federal Reserve’s reasoning behind certain supervisory actions and consideration of possible future supervisory actions. Therefore, the Federal Reserve cannot respond to the questions posed in your letter.

Please contact me if you have any further questions.

Sincerely,



Rebecca F. Wasserman

VIA FAX (404) 498-7356 and US Mail

January 5, 2011

Mr. Allen Stanley
Assistant Vice President
Federal Reserve Bank of Atlanta
1000 Peachtree St., N.E.
Atlanta, Georgia 30309-4470

RE: Park Avenue Bank, Valdosta, Georgia

Dear Mr. Stanley:

This is a request for information about Park Avenue Bank (PAB), Valdosta, Georgia, of which I am a former client. Apparently PAB is a Georgia state-chartered bank that is a member of the Federal Reserve System. PAB also has a branch in Ocala, Florida where I banked. How is it possible for a Georgia state-chartered bank to operate in Florida?

Concerning the Troubled Asset Relief Program (TARP), did Park Avenue Bank receive any TARP funds? Was the holding company PAB Bankshares eligible to receive TARP? Did either the bank or the holding company received any other bailout-type funds?

In the Matter of Park Avenue Bank, Docket No. 10-231-PCA-SM, December 13, 2010, the Federal Reserve found the bank was significantly undercapitalized and the bank was ordered by the Federal Reserve's board of governors to raise investor cash or sell itself within 90 days. Recently Park Avenue withdrew a proposed \$80 million stock sale.

In July 2009 the Federal Reserve and the Georgia Banking Commissioner entered into an agreement with Park Avenue Bank, PAB Bankshares, and their institution-affiliated parties to strengthen credit risk management practices and improve assets, etc., Docket Nos. 09-084-WA/RB-HC and 09-084-WA/RB-SM.

Given the Federal Reserve's actions it appears the bank is at risk of failure. Public records show the bank has lost millions of dollars. Last month Nicole S. Stokes resigned as Executive Vice President and CFO. Public records also show that Thompson Kurrie Jr. is Vice Chairman of the Board of PAB Bankshares and a partner with the law firm Coleman Talley LLP which also represents the bank in legal matters.

Mr. Allen Stanley, Assistant Vice President
Federal Reserve Bank of Atlanta

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Given the above, I was surprised to read that Reuters reported Bradford Burnette was paid \$1,809,870 in 2009 by PAB Bankshares at a time when the bank was loosing millions of dollars. Mr. Burnette is Director of PAB Bankshares. Does this account for items 2, 4 and 5 of the Federal Reserve's Prompt Corrective Action Directive of December 13, 2010? With Mr. Kurrie on the board of PAB Bankshares it appears Coleman Talley is complicit in this activity. What is the view of the Federal Reserve? Does the Federal Reserve plan any corrective or punitive action?

In another matter, does the Federal Review have oversight of Community Bank of Manatee, Lakewood Ranch, Florida?

You may respond to my queries as provided below. Thank you.

Sincerely,

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