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**FORMER COMMUNITY BANK EXECUTIVES, EXCAVATING COMPANY OWNER  
CONVICTED OF DEFRAUDING COMMUNITY BANK**

BIRMINGHAM, AL - Alice Martin, United States Attorney for the Northern District of Alabama and Carmen S. Adams, Special Agent in Charge, Federal Bureau of Investigation announce that a federal jury returned guilty verdicts late this afternoon against KENNON R. PATTERSON, SR., 62, formerly of Blountsville, Alabama LARRY E. BISHOP, 59, of Blountsville, Alabama, and JIMMIE D. CHILDERS, 52, of Oneonta, Alabama.

PATTERSON was found guilty of fifteen counts of conspiracy, bank fraud, causing false entries in bank records, and filing false tax returns; BISHOP was convicted of thirteen counts of conspiracy, bank fraud, causing false entries in bank records; and CHILDERS was convicted of seven counts of conspiracy, bank fraud, and causing false entries in bank records. PATTERSON was found not guilty of six counts of submitting false loan applications to a financial institution.

PATTERSON, BISHOP and CHILDERS were indicted on October 31, 2003 on charges that they engaged in a scheme to defraud to Community Bank from December 1997 until January 2002. PATTERSON was the former Chief Executive Officer of Community Bank and owned Heritage Valley Farms, a 1,100 acre parcel located in Blountsville. During the time period of the scheme, BISHOP served as Community Bank's vice president of Construction and Maintenance. CHILDERS owned and operated J&M Materials, Inc. ("J&M"), an Oneonta excavating company.

Evidence presented during the seven-week trial established that CHILDERS and other subcontractors, including Dewey and Linda Hamaker of Morgan City, Alabama and their company, Morgan City Construction, Inc. ("MCC") performed construction services on Heritage Valley Farms and then submitted invoices to Community Bank for those services. BISHOP approved those fraudulent invoices and in excess of \$1.9 million of Community Bank were paid to J&M and MCC, primarily to fund construction at Heritage Valley Farms. Foremost among the projects funded with Community Bank money was a 17,000 square foot house PATTERSON was constructing at Heritage Valley Farms. Evidence at trial revealed that the scheme also resulted in Community Bank money being paid to fund construction services provided at various other locations owned by PATTERSON and his family, including residences in Auburn and Leeds and a separate farm in Blountsville owned by PATTERSON and another individual.

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A federal jury convicted Dewey and Linda Hamaker of conspiracy and bank fraud in October 2002.

“Corporate executives are subject to the same laws as others, and this crime was simply another way of “robbing a bank”, and will be met with severe consequences of federal prison,” said U. S. Attorney Alice H. Martin. “Today’s victory sends the message that we will invest the time, money and resources it takes to pursue complex white collar fraud.”

The case was investigated by Special Agents of the Federal Bureau of Investigation, the Internal Revenue Service - Criminal Investigation Division, and the Federal Deposit Insurance Corporation, Office of Inspector General. The case was prosecuted by United States Department of Justice Trial Attorneys William C. Athanas and Malinda R. Lawrence.

United States District Judge Sharon Lovelace Blackburn did not set a specific date for sentencing, but estimated that it would be held in approximately three months. Bank fraud, the most serious of the offenses the defendants were convicted on, carries a possible maximum sentence of 30 years in federal prison and a fine of \$1,000,000. The government will seek restitution in this case in excess of \$1.9 million.

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