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Young Loan Officer Discovers Ed Whitehouse Loan Fraud

Knoxville, TN – Thanks to Lisa Warren, a newly hired lender trainee at the time, Clayton Bank & Trust did not suffer losses from loans to Ed Whitehouse and Procynet. A recent newspaper article indicated that Clayton Bank and two other local banks lost millions due to fraud.

“The report that we lost \$1.7 million could have been correct had Lisa not become skeptical of Whitehouse early on and required additional safeguards,” said Jim Clayton, President. “It worked! Clayton Bank & Trust, to our knowledge, was the only one of Mr. Whitehouse’s banks to be adequately collateralized and paid in full.”

Ms. Warren now successfully manages a \$46 million loan portfolio of primarily business loans.

Clayton Bancorp has an asset size of \$950 million with 20 locations. Serving 16 communities with a staff of 300, Clayton operates three separate banks including Clayton Bank and Trust (East and West Tennessee), American City Bank (Tullahoma and Manchester), and Bank of Camden (Camden). Additionally, the Clayton’s operate the Clayton Foundation with assets of \$100 Million which expects to award grants of \$50 Million to community organizations over the next decade.

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