JOHNSON
FINANCIAL GROUP®

December 12, 2005

Richard E. Feldman, Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

Re: Proposed FDIC rule-making on parity for state banks
12 CFR Parts 331 and 362

Dear Mr. Feldman:

Thank you for the opportunity to comment on the FDIC's proposal to further clarify the applicability of state laws to interstate operations of state banks like ours.

Johnson Financial Group, Inc. is a $3.6 billion financial holding company headquartered in Racine, Wisconsin. Johnson Financial Group owns banking units in Wisconsin and Arizona. In addition, our company provides a full range of financial services to clients through a number of non-banking affiliates.

Johnson Bank is a $2.8 billion Wisconsin state-chartered bank headquartered in Racine, Wisconsin, approximately 25 miles north of the Illinois state line. Twenty-two of our bank's 39 offices are within 30 miles of the state border. Eight of them are located in counties immediately abutting the state line. Today, an ever-increasing level of economic activity transcends the state line, as growing numbers of area residents live in one state and work in the other. Additionally, Johnson Bank is contemplating a merger with its Arizona bank (currently a National Bank).

In short, Johnson Bank's size and location make it one of those state-chartered institutions to which the kind of clarification that the FDIC proposes to make in the Notice of Proposed Rule Making published in the October 14, 2005 Federal Register is particularly important.

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We at Johnson Bank believe that our Wisconsin state charter has served both the bank and its customers well. We appreciate and respect the professionalism of our Wisconsin state regulators, and we like to think that we have earned a good working relationship with them. But as we consider strategic options and weigh the possibilities presented by expanded interstate operations, the state charter we have enjoyed becomes a liability in the absence of clarification of the kind the FDIC has proposed.

We were pleased to see Congress adopt Riegle-Neal II in an effort preserve the dual banking system by providing a level of parity that helps maintain the value of a state charter for an institution like ours. We are equally pleased to see the FDIC propose to further clarify Riegle-Neal's provisions in the manner set out in its October 14 notice.

We appreciate the FDIC's work to provide the further clarity needed by state banks that find themselves in positions like ours. Without action of that kind, state banks like Johnson Bank will continue to face unnecessary costs and risks that might be avoided only by changing to a national charter.

We urge the FDIC to proceed to adopt a final rule covering the matters addressed in the October 14 notice in substantially the manner proposed.

Very truly yours,

Richard A. Hansen
President and CEO, Johnson Financial Group

cc: Lorrie Keating Heinemann, Secretary WI Department of Financial Institutions