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October 24, 2008

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Re: Federal Deposit Insurance Corporation Notice of Proposed Rulemaking,
RIN 3064-AD35

Dear Mr. Feldman:

I am on the senior management team of Quad City Bank and Trust Company. Our bank has assets of \$876.082, 879 and we have four locations in the Iowa Illinois Quad Cities area. We are a member of the Promontory Interfinancial Network and offer CDARS Reciprocal Deposits to our customers. We have found CDARS deposits to be a great source for us for core funding. I strongly believe that CDARS deposits should not be included in the FDIC's definition of a brokered deposit for purposes of the Notice's assessment rule.

CDARS allows us to place our customers' funds in FDIC-insured certificates of deposits at other banks and, at the same time, receive an equal sum of funds from the customers of other banks in the CDARS Network.

Core deposits are defined in our mind as:

- Deposits that stay in the bank. They are not hot money that flows in or out based on the highest rate. They come from established relationships.
- Deposits that come from our customers. 100% of our CDARS deposits are from people we know who work and live in the Quad Cities and surrounding areas.
- Deposits where the rates are set by us, not the other way around, based on our market. Our cost of funds has been much lower than brokered deposits.

Brokered deposits are gathered by someone else for us from individuals or businesses we do not know who want to be paid the highest rate possible. Our competition for those deposits is not local but global. This is definitely not CDARS.

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We strongly believe CDARS deposits should be excluded from the Notice's definition of brokered deposits or for any purpose than what they are which is core deposits. We ask that the FDIC support exclude CDARS deposits from the definition of brokered deposits in the Federal Deposit Insurance Act.

Respectfully,

A handwritten signature in black ink, appearing to read 'P. McAndrews', with a long horizontal flourish extending to the right.

Peter McAndrews
Vice President

cc: Senator Thomas Harkin
Senator Charles E. Grassley
Representative Dave Loebsack