

From: Don Gilles [mailto:DGilles@valleybusinessbank.net]
Sent: Monday, March 02, 2009 1:59 PM
To: Barr, David
Subject: FDIC's New Assessment

To Whom It May Concern:

Why, Why, Why.....What am I doing so wrong that I have to "bail out" other poorly operated banks? New rules need to be addressed to recognize the burden of propping up poorly run banks at the expense to those banks that operate in a safe and sound manner.

The problems with providing FDIC insurance coverage indiscriminately over the years is now coming back to roost. In our market I've seen three institutions over the last year who were kept afloat and allowed to attract deposits, not with just the high interest rates they advertised, but simply because they could say to depositors that they had the safety net of FDIC insurance. Now our shareholders have to pay the price. I feel taken advantage of.

A change in rules is needed. If the community bank segment of our financial industry is not deemed to be a viable way to meet the banking needs of the public, maybe that is what should be said loud and clear instead of placing a financial burden that cannot help but drive down earnings, depress stock prices, and reduce jobs even further

Would we be in better financial shape as a country if we had only CitiBank and Bank of America to choose from? I think we all know the answer to that question.

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