

Pinnacle Bank

Member FDIC

March 27, 2009

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

RE: Assessments, RIN 3064-AD35

Dear Sir:

Please allow this letter to voice Pinnacle Bank's concern as well as my concern as the bank's President and C.E.O. regarding the proposed FDIC special assessment.

The 20-basis point assessment would affect our bank's earnings by cutting them in half. A 10-basis point assessment would reduce them by 25%. Year-end capital will likewise be impacted in a substantial, negative way.

The FDIC premiums have already significantly increased from 2008 to 2009 for our bank. To add any special assessment at all on top of that would make an undue increase in our expenses at a time when our profit margin is already squeezed from the unfair competition from banks accepting bail out money to prop up their deposit rates.

In the event of a special assessment, Pinnacle Bank will have much less funding available to foster economic growth in our local community through donations and promotions. The final result of a special assessment would be to contribute to the economic downturn in our area.

To try to offset the proposed negative impact on our bottom line, Pinnacle Bank will be forced to reduce other expenses which will again negatively impact the economic health of other businesses with whom we have relationships. The domino effect of all community banks bearing the burden of propping up the FDIC insurance program to rescue the big institutions that made unwise business

decisions will compound the frustrations of our nation's financial recovery efforts and increase the public's growing distrust of the banking system and the United States government.

The FDIC needs to seriously consider other ways to replenish the Deposit Insurance Fund that more fairly puts the financial burden on those banks that have a higher risk of needing the fund. This would include banks that are taking TARP money. Banks that caused the problem should have a greater responsibility to repair the problem.

If a special assessment is levied, financial institutions need to be allowed to amortize that amount over a period of years to lessen the negative effects on the income statement and the balance sheet.

The American way has always been to be responsible for your own actions. Don't compromise the profitability of the sound community banks to pay for the bail out of mega banks that failed to follow sound business principles. The very core of our financial system depends upon justice and fairness.

Sincerely,



Peter G. Bennis
President and C.E.O.

PGB:jg

cc: Senator Kay Bailey Hutchison
Representative Chet Edwards