

From: JAMES MACPHEE [mailto:jamesmacphee@sbcglobal.net]
Sent: Monday, March 02, 2009 8:26 AM
To: Comments
Cc: Cam; jim macphee
Subject: FDIC Special Assessment

Dear Chairman Bair, and Board of the FDIC,

I am the CEO of the Kalamazoo County State Bank in Schoolcraft Michigan, a \$78 million community bank in the southwest corner of the state. We just celebrated our 100th year in banking in October of 2008, and have worked hard to make good decisions in keeping our bank healthy (14% tier1 capital), and extremely liquid (\$20 million available alternative funding).

I, and the 8,300 community banks in our nation are outraged that we are being burdened with the 20 bp special assessment on our deposits at the same time the to big too fail (TBTF) banks of our nation such as Citi continue to receive bailout money, and hold off-balance sheet liabilities for which they have not paid premiums.

As you are aware, Citi continues to hold \$44 billion in net deferred tax assets, that if required to write-off, would reduce their Tangible Common Equity ratio from 4.3% to 2%. Yet we have community banks around the nation that are being forced to write down assets immediately, and restate call reports sometimes reversing several quarters of accounting without any consideration at all. It is obvious that the TBTF banks continue to enjoy preferred accounting rules, and favorable treatment to avoid the very regulations that we as community bankers must follow.

Chairman Bair, we have been the common sense lenders, we have paid FDIC premiums for our deposits, and we have used solid underwriting practices. For us to be asked to continue to pay for the sins of the TBTF banks is outrageous, and we request that you cancel this increased premium.

For the TBTF banks who have not paid premiums on their off-balance sheet liabilities for years, something that we have brought to your attention time and time again, to now be bailed out by those of us who played by the rules is outrageous.

Sincerely,

James MacPhee
CEO
Kalamazoo County State Bank

Vice Chairman'
ICBA