Quinn DeAngelis, P.C.
Kierland Business Center
15849 N. 71st Street, Suite 100
Scottsdale, Arizona 85254
Telephone: 480.281.1512
Fax: 480.247.4036
qdeangelis@azdox.com
www.azdox.com

March 25, 2009

Via Electronic Transfer To: comments@FDIC.gov

Robert E. Feldman, Executive Secretary
Attn: Comments Federal Deposit Insurance Corporation
330 17th Street, NW.
Washington, D.C. 20429

Re: RIN 3064-AD35
Federal Deposit Insurance Corporation (FDIC)
Emergency Special Assessment

Dear Mr. Feldman:

As a lawyer, bank director and investor I understand the FDIC's need to increase its reserves by imposing an emergency special assessment against insured banks. The banking industry is a critical backbone to our economy and its stability must be carefully guarded. However, I do not understand why the special assessment is being calculated based on deposits and not loans. The proposed assessment against each insured bank's deposits lacks economic substance and simply puts a band-aid on a large open wound. The risk of loss is closer related to a bank's loan portfolio than the amount of its deposits. I recommend that the FDIC use this opportunity to address the underlying problem with its funding by imposing a premium against the amount of each investment or loan made by an institution and not the amount of its deposits.

The FDIC insures deposits. As an insurer, the FDIC analyzes the various risks to a bank's deposits. The FDIC requires each insured bank to file quarterly reports detailing its operations, deposits, investments and loans. Each institution is required to report to the FDIC all loan activity during the prior quarter. The FDIC gathers this information because it is useful in evaluating the activities of the bank and to what degree deposits are at risk. Even though it gathers this information it does not use the information to calculate an insured bank's insurance premium and instead assesses the premium on the total amount of deposits and not the activity which puts the deposits at risk, i.e. bad loans.

As an alternative to applying the special assessment against deposits generally, the FDIC should apply its special assessment against outstanding loans and other investments. Applying the assessment to

Robert E. Feldman, Executive Secretary
Attn: Comments Federal Deposit Insurance Corporation
330 17th Street, NW.
Washington, D.C. 20429

outstanding loans will have the effect of requiring those institutions posing a greater risk to their depositors to pay greater premiums. This shift in premium structure could further be refined to apply risk weighted premiums to the various loan and investment categories. The reporting mechanism is already in place, all that needs to happen is shift the calculation of premiums. If legislation is necessary to get this done, we should do it now, while the attention is on the issue.

The FDIC's proposed emergency special assessment is a knee-jerk reaction to its current financial strains and fails to take into account the true risk to a financial institutions deposits, which is the loan side of the bank, not the deposit side. Just like a life insurance company would assess a higher premium to a cigarette smoker, the FDIC's assessment should be calculated based on the amount of a bank's loans, not its deposits.

Thank you for your consideration and you are welcome to contact me at the above number with any questions or comments.

Sincerely,

Quinn DeAngelis