



March 26, 2009

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW.
Washington, DC 20429

Dear Mr. Feldman:

I am writing to you in regard to interim rule (RIN 3064-AD35) which proposes to impose a 20 basis point special assessment.

I am the CEO of First Foundation Bank (the "Bank"), a federally chartered thrift which opened in October of 2007. In the 18 months since we opened, we have had been able to meet our growth objectives while making prudent lending decisions. However, we continue to incur operating losses as a result of being a de novo institution. At a time when the market needs fresh capital in the banking system, we are being forced to reduce our capital to shoulder the burden of legacy issues created before we were even granted our charter.

In our opinion, applying this proposed special assessment to banks while they are in their de novo period is not appropriate. This special assessment is to replenish the insurance fund for losses realized by the FDIC as a result of inappropriate actions by other financial institutions. We were not even in existence while most of the activities creating the losses being realized by the FDIC occurred.

Regulations require de novo banks to be funded with high levels of capital to provide for their initial operating losses and provide for growth which is needed for the bank to reach a breakeven status. In addition, de novo banks face severe restrictions on their activities which limit their ability to grow to generate enough income to reach a breakeven status. Now, with an assessment of 20 basis points, (which will result in a cost equal to 1% of our capital) our losses will



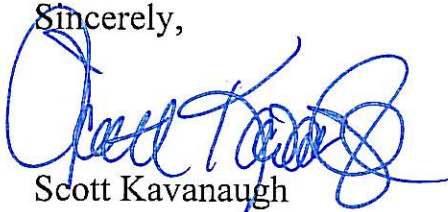
increase and our ability to reach breakeven and to continue to grow and originate loans will be adversely impacted.

Your response to comments from complaints from community banks regarding this assessment has been "For risk-based assessments, our statute restricts us from discriminating against an institution because of size." However, in reviewing the statutes, we noticed that there are regulations that provide for different treatment of institutions that are considered a "new depository institution." Therefore it appears that you would have a basis to treat "new depository institutions" in a different manner and we strongly recommend that you not impose this special assessment on these institutions which did not create any of the problems leading to the need for the special assessment. In fact, our de novo Bank is not saddled with legacy issues and we are one of the few institutions that can focus solely on providing new lending which is essential to turning the economy around.

Finally, while this proposed assessment is significant to our capital levels, the exclusion of de novo banks from this assessment will not have any material impact on the overall level of reserves held by the FDIC. As a result, the FDIC could exclude de novo banks from this special assessment without impacting the level of reserves or requiring a higher assessment on other institutions.

Thank you for the opportunity to provide our comments on this issue and for your consideration of our views.

Sincerely,



Scott Kavanaugh
Chief Executive Officer