April 27, 2011

To Whom It May Concern;

I would like to register my comments regarding the Volcker rule which is part of the Dodd-Frank Financial reform legislation.

I represent an investor group that is currently negotiating for the possible acquisition of a community bank. I believe that this rule will go far in destroying capital formation activities in this country, many of which are coordinated by US banks. My biggest concern is that the rule will discourage capital formation in areas where it is most needed to create economic growth by those entities that have a vested interest in creating it, which are community banks. While I understand that the intent of the rule is to discourage irresponsible investment activities by the largest banks, the approach that was used in the designing of this rule is the equivalent of using an axe to fix a problem, where a scalpel would have been the perfect instrument.

I would therefore like to propose that those banks that can PROVE they are engaged in economic development in the markets that they serve, should receive some form of waiver from having to meet the Volcker rule requirements of only being able to invest 3% of their capital in private investment opportunities. This would work especially well for those so-called community development financial institutions (CFSIs).

I have requested a face-to-face meeting with one of your representatives to further discuss this proposal, and would be happy to further discuss this email with anyone from your office.

I look forward to your feedback, and ongoing discussions.

Respectfully,

John Tally,
Founder, Managing Member
The Tally Group, LLC