

David Seleski
President
Chief Executive Officer



October 24, 2008

Mr. Robert E. Feldman
Federal Deposit Insurance Corporation
550 17th Street North West
Washington, D. C. 20429

Re: Notice of Proposed Rulemaking (RIN 3064-AD35)

Dear Mr. Feldman:

Stonegate Bank appreciates the opportunity to comment on the Federal Deposit Insurance Corporation (FDIC) Notice of Proposed Rulemaking proposing changes to the FDIC's deposit insurance assessment regulation.

Specifically we would like to respond to the request for comments on whether "deposits received through a network on a reciprocal basis that meet the statutory definition of brokered deposits be excluded from the definition of brokered deposits for purposes of the adjusted brokered deposit ratio or the brokered deposit adjustment?"

We are headquartered in Fort Lauderdale, Florida and we have slightly more than \$300,000,000 in assets and 4 branches. Our bank has served the people of southeast Florida for 3½ years. We offer a full range of products and services, including the Certificate of Deposit Account Registry Service (CDARS), which meets the description of a reciprocal placement service in your proposal.

Because CDARS deposits are stable sources of core funding that do not present the risks and other characteristics of traditional brokered deposits, we strongly believe CDARS Reciprocal deposits should be excluded from the definition of brokered deposit for the purposes of this proposal.

Traditional brokered deposits chase national interest rates, compared to CDARS CDs, where interest rates are set for Stonegate depositors by Stonegate management. Brokered deposits rarely renew or roll over. On the other hand CDARS deposits have extremely high reinvestment rates.

1430 North Federal Highway ■ Fort Lauderdale, Florida 33304

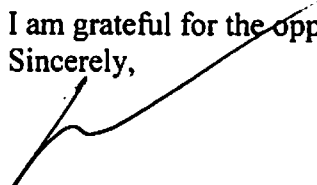
phone: 954.315.5500 ■ fax: 954.315.5519 ■ WWW.STONEGATEBANK.COM

Our customers renew their CDARS deposits 93% of the time. This renewal percentage is extremely high by any standard and no different from the roll-over rate in traditional CD programs. It also should come as no surprise since our customers do not seek out our bank's CDARS program because we pay the highest interest rates in the market. Rather, our customers take advantage of our CDARS offering because they find it more convenient to maintain a single banking relationship with us than to deal with multiple banks only to obtain deposit insurance protection. CDARS is a deposit swapping service that basically relieves the depositor of the burden of going to multiple banks to fully insure all balances. Whether the depositor uses CDARS or travels from bank to bank, the FDIC is "on the hook" for insurance coverage on all the depositor's balances. There is no question in my mind that other than customer convenience there is no material difference in a depositor utilizing CDARS versus using the bank to bank method for obtaining deposit insurance protection. Convenience becomes the driver.

Since CDARS deposits do not exhibit any of the characteristics of traditional brokered deposits, CDARS deposits should not be treated like brokered deposits for purposes of the proposed assessment regulation. For banks, separately reporting CDARS deposits on the Call Report would be simple. Such reporting could be achieved by simply amending the Call Report or allowing us to report figures separately. In addition, we strongly urge the FDIC to support legislation explicitly exempting CDARS Reciprocal deposits from the definition of brokered deposit in the FDI Act definition, which would conclusively settle any uncertainty as to the status of CDARS.

I am grateful for the opportunity to comment on this proposal.

Sincerely,



David Seleski
President and
Chief Executive Officer

cc: Sen. Mel Martinez

Sen. Bill Nelson

Rep. Debbie Wasserman Schultz

Rep. Ron J. Klein