CONTINENTAL BANK

November 26, 2008

Federal Deposit Insurance Corporation
550 17th Street NW
Washington DC, 20429
Attn: Robert Feldman

RE: Comments on RIN 3064-AD35

To Whom It May Concern:

Thank you for the opportunity to comment on issues surrounding the proposed rule to increase FDIC premiums for brokered deposits.

We are a state-chartered commercial bank. However, our business model looks more like that of an industrial loan bank. We only recently emerged from "de-novo" status.

As I review the proposed rule, I consider the negative impact it will have for us in the future and would have had on our bank during our "de-novo" period.

Our strategic business plan presented to the FDIC at the time of our application relied primarily on "brokered deposits" as the source of deposits for funding our commercial loans and leases. Projected growth rates in our plan were outside those allowed in the present rule.

We have grown carefully and deliberately. We feel we have had quality growth. However, a de-novo bank with a plan similar to ours would be greatly impacted by the restrictions in the current proposal.

Most importantly, **not all brokered deposits are created equally**. Historically, brokered deposits have been "hot money" and potentially very volatile. Asset-liability and liquidity management were very difficult because of the unsure nature of actual maturities. All our of deposits are certificates and come from commercial sources. Most of our brokered deposits are issued through registered broker/dealers in book-entry form at the Depository Trust Company (DTC). The beauty of the DTC deposit is their **inability to be withdrawn before maturity**. A clause in the certificate states that early withdrawals are not permitted (only that portion attributable to the death of an individual certificate holder). This makes for excellent asset-liability and liquidity management. An FDIC examiner during an examination was so impressed with this aspect that he recommended that we increase our bank policy to require that a significant portion of brokered deposits be made up of DTC deposits.

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Another advantage of DTC deposits for a bank is the ease with which they are administered. Our DTC certificates with maturities greater than one year require only semi-annual interest payments. Monies arrive by wire transfer and are returned by wire transfer. Our DTC certificates with maturities of less than one year have interest due at maturity. The effort associated with other types of brokered deposits (a much larger number of certificates and the time to manage them, monthly interest checks and the effort associated with them, etc.) are fractional in terms of time and energy.

We strongly recommend that the FDIC carefully examine and understand the difference between DTC brokered deposits and other brokered deposits before making a final ruling. We also request that the FDIC carefully consider the implications of the proposed rule on de-novo banks with a business model built upon the issuance of brokered deposits.

I would be happy to discuss this further with those who may be interested. I may be reached at (801)595-7000.

Thank you for your consideration.

Sincerely,

Dennis L. Higbee
Vice-Chairman/Chief Financial Officer