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October 20, 2008

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Re: Federal Deposit Insurance Corporation Notice of Proposed Rulemaking,
RIN 3064-AD35

Dear Mr. Feldman:

I am the President and CEO of Fieldpoint Private Bank & Trust. We opened in April 2008 with a focus on high net worth individuals, families and related businesses. We have one location in Greenwich, CT and presently have approximately \$77 million in assets. With our high net worth focus, most of our target clients have deposits above FDIC insurance thresholds. In order to serve our clients effectively, we have joined the Promontory Interfinancial Network and offer CDARS Reciprocal Deposits. Funds placed through the CDARS reciprocal program represent a core relationship based source of funding for our bank. Pursuant to the request for comments under the proposed rulemaking referenced above, we believe CDARS deposits should not be included in the FDIC's definition of a brokered deposit for purposes of the Notice's assessment rule.

For our business model, CDARS Reciprocal deposits are clearly core deposits. For traditional community bank operations, we believe CDARS also have the three characteristics that define core deposits. First, CDARS CDs have a high reinvestment rate. This year, the average reinvestment rate for CDARS deposits across the network has exceeded 83 percent. Second, CDARS deposits are overwhelmingly gathered within the geographic footprint of participating banks for established customer relationships. Eighty percent of CDARS placements are made by customers within 25 miles of a branch location of the relationship institution. Third, each participating bank sets its own rates, which reflect local funding needs and market conditions. As a result, depending on maturity, CDARS deposits are gathered at a cost of 20 to 40 basis points less than the cost of traditional brokered deposits.

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Because CDARS deposits are built on established customer relationships, they demonstrate a high degree of "stickiness" and are insulated from the rate volatility in the national certificate of deposit market.

Moreover, CDARS Reciprocal deposits actually reduce the FDIC's exposure to bank failures and minimize the costs to the deposit insurance fund when a failure occurs. CDARS deposits reduce the likelihood of bank failures by enabling banks to better accept and retain large-dollar deposit accounts. And through CDARS, banks can hold large dollar customers without having to pledge collateral, leaving banks in better positions to handle liquidity emergencies that can arise in times of stress.

CDARS deposits lower the FDIC's cost in the event a bank fails because they have genuine franchise value, being based on solid customer relationships with significant cross-sell potential. The FDIC can easily market these relationships in the event of a bank failure.

The Notice appears to justify its treatment of CDARS deposits by pointing out that call reports do not distinguish between CDARS deposits and brokered deposits. It would be a simple matter for the Bank to separately report its CDARS deposits if this would address the FDIC's concerns.

In conclusion, CDARS deposits should be excluded from the Notice's definition of brokered deposits. In fact, CDARS Reciprocal deposits should not be considered brokered deposits for any purpose. We therefore request that the FDIC give its support for legislation that would exclude CDARS deposits from the definition of brokered deposits in the Federal Deposit Insurance Act.

Thank you for your consideration of these comments that address why deposit placement services, such as CDARS, should be exempted from the definition of brokered deposits.

Sincerely,



Kevin A. McCabe
President and CEO

KAM:js

cc: Sen. Joseph I. Lieberman
Sen. Christopher J. Dodd
Rep. Christopher Shays

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