



Corporate Offices

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March 11, 2009

Robert Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

RE: Proposed Special Assessment; RIN 3064 AD35

Dear Mr. Feldman:

I am the CEO of Pacific Valley Bank and I am writing in response to the FDIC's proposal to impose an emergency special assessment equal to 20 basis points of insured institutions' assessment base on June 30, 2009, and possibly further special assessments if necessary. At Pacific Valley Bank, we understand that these are difficult times and that the deposit insurance fund is being depleted. However, a special assessment of the size proposed, which comes on top of the recent resumption of premiums and assessment increase, would have a significant impact on our bank's 2009 net income. The assessment will make it more difficult for our bank to provide needed credit in our community and to build capital when most needed.

With our bank's estimated deposit assessment base of \$150 million, we estimate that our 2009 regular and special assessment will be \$780,000. This compares to \$162,000 in 2008. We estimate that our 2009 assessment would reduce our capital ratios at the end of 2009 from 10.92% to 10.50% and erase all of the profit that we are projecting for 2009.

Given the impact that the proposed assessment will have on my bank and my community, I strongly urge the FDIC to consider alternatives that would reduce our burden and provide the FDIC the funding it needs in the short term. I support a reduction in the amount of any special assessment to 10 basis points, if not lower, which I understand that the FDIC will consider if its credit facility with the Treasury Department is increased from \$30 billion to \$100 billion. Legislation has been proposed to effect such an increase and I would work to support that.

Finally, I support allowing institutions to spread any obligation over a reasonable period of time, and that the FDIC will commit to lower the assessment if the projected loss to the fund is decreased.

I thank you for this opportunity to provide comments.

Sincerely,

David Warner
Chief Executive Officer, Pacific Valley Bank