

From: George Guarini [mailto:George.Guarini@baycommercialbank.com]
Sent: Monday, March 02, 2009 1:24 PM
To: Comments
Subject: FDIC Special Assessments



March 2, 2009

The actions of Mega Banks or to quote the current buzzword "Systemically Important Banks." continue to benefit at the expense of community banks. Community Banks struggle to compete for deposits, with the large bank concentrations impossible to ignore, yet, when clients have credit needs, the community banks are there to listen. In spite of this reality, the community banks are thrown into the same bucket and are mandated to pay special assessments.

The FDIC chairman has stated that there has been weakness in the community banking sector and as recently as last evening has indicated that there have been 41 banks closures. I believe the comment was that "we do a pretty good job in that area". While it is easy to get lost in the number of banks versus the assets managed, I believe we must compare the total assets of the banks on the systemically important list to the total assets of the 41 banks closed. Why aren't the same regulatory standards applied to larger institutions? Why have the larger institutions been allowed to go on life support? Why are the larger institutions permitted to access the deposit markets so freely while on life support? Finally, why must the insurance fund be subsidized by the banks trying to operate under the old fashioned safety and soundness premise?

Again, the special assessment is unfair, it underscores the "too big to fail" premise, and it penalizes the smaller institutions who for the most part engage in the simple practice of knowing and serving its client base.

Regards,

A handwritten signature in black ink, appearing to be "G. Guarini", written over a horizontal line.

George J. Guarini
Chief Executive Officer

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