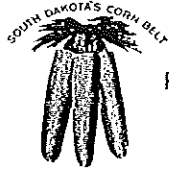


# Commercial State Bank



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October 20, 2012

VIA e-mail to [comments@FDIC.gov](mailto:comments@FDIC.gov)

Robert E. Feldman  
Executive Secretary  
Attention: Comments/Legal ESS  
Federal Deposit Insurance Corporation,  
550 17th Street, N.W.  
Washington, D.C. 20429

## **RE: Basel III Capital Proposals.**

Dear Mr. Feldman:

Thank you for the opportunity to provide comment on the Basel III proposals.

Commercial State Bank is a small family-owned community bank of \$131 million in a South Dakota rural farm community population 1600 hard working residents. In a 60 mile radius of Wagner, Commercial State Bank is considered a large bank. There are several smaller banks in our area that would not be able to handle the capital volatility of Basel III. I can only see Basel III adding an additional cost for expertise of a high-price accounting firm guidance and new software to manage and calculate this volatility. Small banks are finding it increasingly difficult to take on more costs especially during this historic drought we are now in. Small Banks need to be in their community to service Main Street.

Basel II is not for the small community bank. Please exempt them.

Sincerely,

A handwritten signature in black ink, appearing to read "Marcia R. Honomichl", with a long horizontal flourish extending to the right.

Marcia R. Honomichl  
President/CFO