



October 19, 2012

The Honorable Ben S. Bernanke, Chairman
Board of Governors of the Federal Reserve System
regs.comments@federalreserve.gov

The Honorable Martin J. Gruenberg, Chairman
Federal Deposit Insurance Corporation
comments@fdic.gov.

Ref.: Implementation of Basel III

Dear Sirs;

Southern Bank is a small, closely held, state chartered bank. We have always serviced our community and its citizens. This task has been very trying since the downturn of the economy in 2008. The Dodd-Frank Act has also put the biggest burden on Small Community Banks, in low income areas. Even under these new regulations we have been able to survive, even though they have put adverse conditions on the Small Community Banks in servicing our community.

Now comes Basel III. I have been in this industry 40 years and still see Leverage Capital as the main working tool for daily management. We then saw the creation of Risk Base Capital and now the Basel III formula. This Basel III formula will have adverse affect on the community banks. This change could not have come at a worse time. It has the potential to chill the modest real estate recovery we are seeing in our area.

Our capital is above regulation requirements and we want it to stay there. I am asking that small community banks, under one billion dollars, be exempt from the is new capital requirements. We are the size banks that service the majority of the smaller communities. A better solution would be to repeal the whole Basel III section.

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Any consideration you will give to this request would be Very much appreciation. If there are any questions please do not hesitate to call me at 706-437-9977, ext. 329.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Preston Conner". The signature is fluid and cursive, with the first name "J. Preston" and the last name "Conner" clearly distinguishable.

**J. Preston Conner
CEO**

cc: Representation John Barrow