Fifth Street Bank
(In Organization)

October 10, 2006

VIA EMAIL DELIVERY

Mr. Robert E. Feldman
Executive Secretary
Attn: Comments
Federal Deposit Insurance Corporation
550 17th Street N.W.
Washington, D.C. 20429

Re: Notice and Request for Comment regarding Industrial Loan Companies and Industrial Banks ("ILC")

Dear Mr. Feldman:

Fifth Street Bank, a proposed Nevada thrift company (ILC), whose application for insurance has been accepted by the Federal Deposit Insurance Corporation ("FDIC"), subject to the moratorium imposed by the FDIC, respectfully submits its comments in response to the Notice dated August 23, 2006.

I have spent my entire professional life in the financial services industry, including organizing and being CEO of a de novo Nevada thrift company (ILC), President and CEO of an OTS regulated federal savings bank, National Director of Marketing and Business Development at Fannie Mae, and Vice President of Corporate Finance and Institutional Business Development for Citicorp/Citibank Investment Bank. In addition, I served many years as a Director of the California Independent Banker's Association, Director for the State of Nevada, Independent Community Bankers of America, and Director of the Independent Community Bankers of America, including service on the Tax and Regulation committees.

Personally, and on behalf of our proposed organization, we respectfully request you accept our endorsement of the comments submitted by the Utah Association of Financial Services and the California Association of Industrial Banks.

The industrial bank/industrial loan company/thrift company (Nevada) charters have served small businesses and the consumers for decades. Assurance of the safety and soundness of these insured depository institutions is the principal responsibility and concern of the FDIC and the appropriate state licensing and regulatory departments, in order to protect the insurance fund and maintain the public's confidence in the regulated and insured depository institutions, including industrial banks. The record of the FDIC's successful bank centric supervision is remarkable.

376 E. Warm Springs Road, Suite 110, Las Vegas, NV 89119 (702) 492-6220 phone (702) 492-6228 fax

The FDIC has shown its resiliency in absorbing industrial banks as part of its regulatory responsibility and requiring the same compliance as commercial banks with all applicable statutory and regulatory requirements, including relationships with affiliates.

We believe the FDIC response in September 2005 to the GAO report regarding industrial banks and bank holding company supervision continues to be valid, which stated:

> ". . . the FDIC does not believe that consolidated supervision of an ILC's corporate owner is necessary to ensure the safety and soundness of the ILC itself. The FDIC disagrees with the GAO's finding that our regulatory authorities may not be sufficient to effectively supervise, regulate, or take enforcement action to insulate insured institutions against undue risks presented by external parties.
>
> . . . The FDIC believes that bank-centric supervision, as applied by the National Bank Act and the FDIC Act, and enhanced by Sections 23A and 23B of the Federal Reserve Act and the Prompt Corrective Action provisions of the FDIC Improvement Act, is a proven model for protecting the deposit insurance funds, and no additional layer of consolidated federal supervision of ILC parents is necessary."

Fifth Street Bank (In Organization) greatly appreciates this opportunity to submit comments for your consideration. If you have questions or would like to discuss our comments in further detail, please contact me.

Very truly yours,

Philip D. LaChapelle
President and CEO

cc: Stan Ivie, Regional Director, FDIC Dallas Regional Office
Carol A. Tidd, Commissioner, Financial Institutions Division, Nevada
Board of Directors, Fifth Street Bank (In Organization)
Bernard B. Nebenzahl, Moldo, Davidson Fraioli Seror & Sestanovich LLP