From: Mike Allen
Sent: Friday, September 15, 2006 9:26 AM
To: Comments
Cc: jbrannen@gabankers.com; Dave DeVenny

Upon reviewing the FDIC's proposal and assessment plans for "new banks", I find it particularly interesting that your justification for doing so seems based upon an arbitrary process and presumes "guilt" or weakness because we are a de novo. In fact, there have been numerous studies done that document a direct link between a bank's CAMELS rating and its probability of failure. This evidence suggest to me that the examination process is sound and appropriately identifies weaknesses in institutions.

While we agree that a new institution's risk profile is different from an older, more established bank, to impose higher premiums based upon the general categorization seems to be discriminatory. Furthermore, increased premiums place further financial burden on the satisfactorily performing de novo. These kinds of unplanned for expenses coupled with numerous GAAP accounting changes and the impact of Sarbanes-Oxley compliance make it more and more difficult for a de novo to reach that important point of cumulative profitability within the expected time frame.

Rather than implement increased assessments on all "new banks", we encourage you to re-think this general categorization approach. We feel a more proper way to address this is through a solid bank examination-based approach. We would prefer to be judged on the merits of the safety and soundness profile of our bank.

We appreciate your consideration.

Sincerely,

J. Michael Allen
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