



John C. McGee
Chairman & CEO

October 16, 2012

Martin J. Gruenberg
Acting Chairman
Federal Deposit Insurance Corporation
10 Tenth Street, Suite 800
Atlanta, Georgia 30309-3906

2012 OCT 22 AM 10:30
FDICP
S&I Office

Dear Chairman Gruenberg:

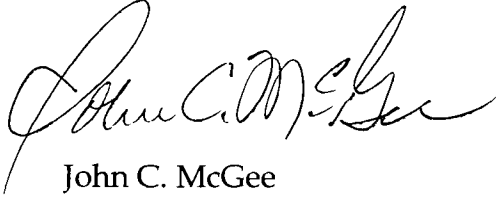
First City Bank of Florida was the first bank chartered south of Eglin Air Force Base in Fort Walton Beach, Florida. That was over 64 years ago, and today, *First City Bank of Florida* remains the oldest independent bank on the Emerald Coast. The distinction of being the oldest independent bank on the Emerald Coast is in serious jeopardy due to the proposed Basel III regulations

First City Bank of Florida is writing today to voice our concerns regarding the Basel III Notices of Proposed Regulations. Basel III was intended to mandate a larger capital cushion to help the global financial markets deal with the top financial institutions worldwide that pose a major risk to the financial markets. Basel III was aimed to specifically target international, systemically-significant institutions, not the hometown community banks like those located in small towns like Fort Walton Beach, Florida.

The community bank and the vital role it plays within communities around our country is constantly underestimated. I understand that community banks may represent only 10% of banking assets in the country, but they account for more than 40% of all small business loans made nationwide. These small business loans are made every day to individuals trying to live the American dream by owning their own businesses, and, in turn, creating jobs for their neighbors. If we move forward with Basel III as it stands, it will be a devastating blow to the entire banking industry, stifling economic growth and destroying our country's one true source of job creation.

If we continue on the current path, one thing is certain: community banks, especially *First City Bank of Florida*, will cease to exist.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. McGee". The signature is fluid and cursive, with the first name "John" being the most prominent.

John C. McGee
Chairman & CEO

cc: Senator Marco Rubio
Senator Bill Nelson
Congressman Jeff Miller