From: Summit Financial Group, Doug Mitchell

Subject: Reg D, Q, & DD

Comments:

I support the repeal of this regulation and look forward to a fair and competitive market that is no longer manipulated by regulation from the lobbyist of money market funds and large banks.

1. Does the repeal of Regulation Q have significant implications for the balance

sheets and income of depository institutions? What are the anticipated effects on

bank profits, on the allocation of deposit liabilities among product offerings, and

on the rates offered and fees assessed on demand deposits, sweep accounts, and

compensating balance arrangements?

We look forward to the change. The playing field will be leveled between big banks and community banks. It will provide an opportunity to pursue large balance commercial clients that in the past would not consider a smaller institution. The cost of the funds will be considerably less than consumer core deposits, and in spite of the cannibalization of some current deposits the net effect to the bank will be very positive.

-We will no longer have to pay vendors for sweeps.

-Adjustments will be made to the compensating balance system, but no negative impact. Clients will now have both options and instead of disappearing earnings credits they will have the option to receive interest. The proposal will now be able to offer the client the option and they can make a decision between possibly higher earnings credits versus lower interest. Again finally giving smaller banks a chance at some of the larger clients the big banks have dominated.

-No impact on our fees. Now large banks again will have to compete because this allows smaller institutions to provide meaningful differences to the client. Large balance clients always had earnings credit to offset fees, and larger banks had their in house sweeps. Small banks had no chance to competitively price against this due to the vendor costs for sweeps, the "To Big To Fail" concept and the fact earnings credits that disappear after offsetting fees (offering more does not make sense once it exceeds the fees)

2. Does the repeal of Regulation Q have any implications for short-term funding

markets such as the overnight federal funds market and Eurodollar markets, or for

institutions such as institution-only money market mutual funds that are active

investors in short-term funding markets?

Any changes would be limited and short term market adjustments and in our opinion have no long term effects to the markets. Cash investments for companies that are moved through sweeps off the bank's balance sheet will move on balance sheet. The deposits for the first time will actually have market competition which will be good for the company, good for the bank, consumers and overall good for the market. The only complainers will be those that monopolize the business today due to regulation, but they will adjust be either paying more or downsize.

3. Is the repeal of Regulation Q likely to result in strong demand for interest-bearing

demand deposits?

Yes, we believe this is very good for the bank and the business clients. We fully expect to see significant growth in this product category in number of accounts and balances.

4. Does the repeal of Regulation Q have any implications for competitive burden on

smaller depository institutions?

Not to any significant degree. it provides the best opportunity we have seen in decades to pursue business clients. The only institutions that would be negatively affected are those very small institutions in non-competitive markets which have benefited having no large banks compete for funds.

"Service Beyond Expectations"

Doug Mitchell
Summit Financial Group