February 13, 2012

VIA EMAIL

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal
Reserve System
20th Street and Constitution Ave NW.,
Washington, DC 20551
regs.comments@federalreserve.gov
Docket No: R-1432 and RIN 7100-AD82

Re: Proposed Rule on Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds; OCC Docket ID: OCC-2011-14; FRB Docket No: R-1432 and RIN 7100-AD82; FDIC RIN 3064-AD85; and SEC File Number S7-41-11

Dear Ms Johnson:

I appreciate the opportunity to comment on the proposed rule regarding the restrictions on proprietary trading and certain interests in, and relationship with, hedge funds and private equity funds (a/k/a Volcker Rule).

I recognize that the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (FRB), Federal Deposit Insurance Corporation (FDIC) and Securities and Exchange Commission (SEC) (collectively, the Agencies) have issued the proposal as means to implement section 619 of the Dodd-Frank Act (DFA) which contains certain prohibitions and restrictions on the ability of a banking entity and an FRB supervised nonbank financial company to engage in proprietary trading and have certain interests in, or relationships with, a hedge fund or private equity fund. I also recognize the complexity of the issues surrounding this proposal and appreciate the Agencies' previous extension of the comment period to review the proposal.

The Agencies know first-hand of the complexity and intricacy of issues presented under DFA section 619 and believe the Agencies must take this into consideration when promulgating the rule—especially for Wisconsin community banks that do not engage in the types of activities and/or transactions contemplated under the proposal.

For the reasons outlined below, I ardently request the Agencies withdrawal the proposal and reissue it with: (1) specific, bright-line definitions of what will be considered prohibited activities and/or transactions under the rule; (2) no requirement to revise existing compliance programs for banking entities that do not engage in covered activities or investments; and (3) no requirement for such entities to prove they have not violated the rule.

The Agencies must provide specific, bright-line definitions of what is prohibited under the proposal.

The complexity of the proposal's underlying issues is understood and I appreciate the Agencies' concerns regarding the delineation of what constitutes a prohibited or permitted activity under Section 13 of the

Bank Holding Company Act (BHCA), as amended by DFA section 619. However, the proposal has resulted in uncertainty concerning what constitutes prohibited activities and/or transactions under the proposal.

The proposal does not provide specific, bright-line, workable definitions and provides no guidance on how to apply the proposed criteria to particular activities and/or transactions. Because of such obscurity, I am concerned that the proposal would require all financial institutions to incur substantial costs merely to identify whether or not they are engaged in prohibited actions. The costs would further be increased for all institutions as each works to implement the requirements of the mandatory compliance program imposed under section _.20 of the proposal, as applicable.

These costs will create a significant burden for Wisconsin community banks, as most do not have the necessary staff and resources to fully review the breadth of the proposal and its impact. Instead, many would be required to hire tax, securities and legal counsel experienced with such matters—again, adding to the costs to comply with the rule.

I also believe that the potential costs and cloudiness created by unclear definitions will result in financial institutions electing to not engage in even those activities and transactions which are permitted under BHCA. We do not believe this is a result the Agencies, nor Congress, intended.

To alleviate such uncertainty and to reduce the costs which will result under the Agencies' proposal, I am recommending the Agencies withdraw the proposal and reissue it with specific, bright-line definitions of what is considered prohibited activities and/or transactions under the rule. All other activities and transactions not identified as prohibited should, therefore, be considered acceptable and permitted under Section 13 of BHCA, as amended by DFA.

A banking entity not engaged in covered trading activities and/or covered fund activities or investments should not be required to revise existing compliance programs to monitor and prevent activity it does not participate in—nor should it be required to prove how it did not violate the rule.

Under the proposal, a banking entity engaged in covered trading activities or covered fund activities and investments is required to establish a compliance program which contains specific elements identified within the proposal and must meet a number of minimum standards. The compliance program is required to be suitable for the size, scope and complexity of activities and business structure of the banking entity.

If a banking entity does not engage in covered trading activities and covered fund activities and investments, compliance with the requirements under the proposal would still mandate the entity to: (1) ensure that its existing compliance policies and procedures include measures that are designed to prevent the entity from becoming engaged in such activities and making such investments; and (2) develop and provide for the required compliance program prior to engaging in such activities or making such investments. In addition, a banking entity that has identified it does not engage in prohibited activities and/or transactions must bear the burden to prove that it does not conduct the prohibited actions and must retain records of that proof.

I believe that if a banking entity is not engaged in covered trading activities and/or covered fund activities or investments—that banking entity should not be required to revise its compliance program to address procedures which are not applicable to the entity. I also believe that a banking entity should not be required to create and implement procedures to prevent actions in which it does not engage. It should not be the burden of the banking entity to have to prove a negative in this fashion. Finally, it do not think that it was not the intent of Congress to impose compliance with the Volcker Rule on community banks which do not engage in prohibited activities and/or transactions.

Therefore, to minimize the costs which will result under the Agencies' proposal, as well as to be certain that the proposal does not broaden Congressional intent, I recommend that the reissued proposal not impose any requirement to revise existing compliance programs for banking entities that do not engage in covered trading activities and/or covered fund activities or investments. Likewise, I recommend the

proposal should not impose on any such entities a requirement to provide how the entity has not violated the rule.

The proposal will result in substantial costs which will increase costs to financial institution customers, and will likely result in the reduction of current available services.
The proposal is very onerous and would impose significant regulatory burden and costs on all financial institutions, including those institutions that do not engage in covered trading activities and covered fund activities and investments.

I also believe substantial compliance costs will very likely increase costs to financial institution customers, and will result in the unfortunate reduction of current available services. I do not believe that such results are intended by the Agencies or Congress. Thus, I strongly request the Agencies carefully consider these unfortunate results when promulgating the rule.

Conclusion
Again, I recognize the complexity of the issues surrounding this proposal and of the sophistication and intricacy of issues presented under Section 13 of the BHCA, as amended by DFA section 619; however, the Agencies must take this into consideration when promulgating the rule.

I fervently recommends the Agencies withdrawal the proposal and reissue it with specific, bright-line definitions of what is considered prohibited activities and/or transactions under the proposal. All other activities and transactions not identified as prohibited should, therefore, be considered acceptable and permitted under Section 13 of BHCA, as amended by DFA. I also recommends that the reissued proposal not impose any requirement to revise existing compliance programs for banking entities that do not engage in covered trading activities and/or covered fund activities or investments. Likewise, the proposal should not impose on any such entities a requirement to prove how the entity has not violated the rule.

Once again, we appreciate the opportunity to comment on the Agencies' proposal.

Sincerely,

Ryan T. Kamphuis