



June 22, 2007

Nancy M. Morris, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington DC 20549-1090

Securities and Exchange Commission Release No. 34-55816,
File No. SR-DTC-2006-16, Notice of Filing of
Proposed Rule Change Amending FAST and
DRS Limited Participant Requirements for Transfer Agents

Dear Ms. Morris:

We are a mid-size bank which transfer's only our own bank holding company's stock. In addition, we have qualified for and obtained the Small Transfer Agent exemption under the SEC Rule 17Ad-4(b).

We recognize that since FAST was implemented in 1975, FAST agreements have been revised several times to reflect changing contractual requirements between Fast Agents and The Depository Trust Company (the "Depository" or "DTC"). It is understandable that the Depository desires to standardize the FAST agreement for all companies to work within the same guidelines, and we applaud this effort. However, we are concerned about the costs that small and mid-size organizations will be burdened with in complying with the insurance, safekeeping, and audit requirements of the Proposed Rule Change.

Following are our comments regarding the specific Proposed Rule amendments to the FAST requirements:

With respect to Item 1 and Item 14, Transfer Agents can have different regulators. Depending upon the appropriate regulatory authority's confidentiality requirements, availability to receive a copy of a regulator's report may be limited. Issuers, as well, would deem these reports as highly confidential. Further, DTC is requesting in Item 11 a Certified Public Accountant's report that would certify that the Transfer Agent is complying with (a) all of DTC's requirements relating to FAST, (b) certifying that the agent meets SEC requirements for business continuity planning, and (c) attesting to the soundness of the Transfer Agent's controls (pursuant to Exchange Act Rule 17Ad-13, Annual Study of Evaluation of Internal Accounting Controls). According to SEC Rule 17ad-13(d)(1)(i) and (iii) and SEC Rule 17Ad-13(d)(2)(i) certain registered Small Transfer Agents and banks which transfer only their own bank's stock or their own holding company's stock are completely exempt from the Annual Study and Evaluations Report. We feel that the SEC requirement would supersede the DTC requirement for the external certified accountant report for those exempted Transfer Agents. We believe that such an exemption is in keeping with the spirit of the Regulatory Flexibility Act of 1980 (the "RFA").

With respect to Item 6, we agree that Transfer Agents should carry insurance for not only their own protection, but for the protection of every shareholder record on their books. The premiums associated

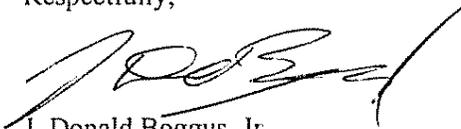
with carrying the low deductible amounts required in the Proposed Rule Change will be yet another economic burden to a transfer agent that could be eliminated where the transfer agent can demonstrate its existing coverage and/or capitalization would provide similar protections to DTC, in which case DTC would grant a waiver of the deductibles. We propose that the last sentence in Item 6, "DTC shall have sole discretion as to whether or not to grant any such waiver" be eliminated.

With respect to Item 12, Transfer Agents currently follow SEC Rule 17Ad-12 -- Safeguarding of Funds and Securities. This rule states that the Transfer Agent has custody or possession of funds and securities related to its transfer agent activities and shall assure that such securities are held in safekeeping and are handled, in light of all facts and circumstances, in a manner reasonably free from risk of theft, loss or destruction (other than following the certificate destruction procedures pursuant to 17Ad-19). Although this SEC rule requires appropriate internal routines and controls to be implemented by a Transfer Agent, it deals in generalities, rather than specifics. That which is "required" is to be determined on a case-by-case basis, "in light of all facts and circumstances." Responsible discretion is to be exercised by the registered Transfer Agent, which may take into consideration the costs involved in implementing specific internal routines and controls. We feel that the SEC Rule 17Ad-12 supersedes the Depository's specific requirements regarding internal routines and controls that are contained in the Proposed Rule Change, particularly with respect to Item 12, a. which requires that a Transfer Agent maintain a theft and fireproof safe of no less than 350 pounds with a minimum anti-theft test rating of UL 687 and a minimum fire rating of UL 72.

Direct Registration eligibility, which is mandated as of January 1, 2008, for all issuing companies listed on a securities exchange, should permit the "Balance Certificate" as required in the Balance Certificate Agreement with DTC (an archaic approach of requiring a physical certificate to emulate a custodial responsibility as well as to satisfy issuer by-laws that, pre-Direct Registration, required that physical certificates be issued) to be eliminated, thereby eliminating many of the insurance, safekeeping, and audit requirements contained in the Proposed Rule Change and their attendant costs to the Transfer Agent.

Thank you for considering our comments to the Proposed Rule Change.

Respectfully,



J. Donald Boggus, Jr.
President and CEO
Crescent Bank and Trust Company
Crescent Banking Company

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