



July 10, 2008

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

Re: Securities and Exchange Commission Release No. 34-57959
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 small bank who transfer's only our own bank holding company's common stock. In addition, we have qualified for and obtained the Small Transfer Agent exemption under the Securities and Exchange Commission ("Commission") Rule 17Ad-4(b). More than seventy percent of our common stock shares outstanding are registered on our books in the names of individual shareholders. The vast majority of our shareholders, whether registered or beneficial, reside in the communities for which we provide banking services. We take pride in offering personal as well as professional service to our customers and shareholders.

We appreciate the opportunity to once again comment on the Proposed Rule Change of the Depository Trust Company ("DTC") referenced above (the "Proposal").

Also, we support the comments on the Proposal that were submitted to the Commission by the Securities Transfer Association ("STA") on July 9, 2008. The STA has comprehensively expressed concerns that we share, particularly as they regard small transfer agents who are issuer-agents like us.

Custody and Dematerialization

As a transfer agent, we do not custody stock certificates for registered shareholders. Rather, we are a record keeper of our holding company's registered shareholders' positions and transactions. Only blank or cancelled stock certificates are maintained on our premises. Certificates reflecting actual or "live" securities are issued to registered shareholders whose responsibility it is to safeguard their certificates.

Relative to DTC's position as a registered holder under its FAST system, as transfer agent we maintain a record of their book-entry position and transactions. What differentiates DTC from other registered shareholders' positions on our books is DTC's requirement that we as a FAST

agent maintain a legended certificate that references their book-entry position on our books. Nowhere on the certificate is printed DTC's actual position or balance on our books, which is impossible given that their share balance changes from day to day. DTC's balance certificate has no separate value distinct from their position as recorded on our books.

DTC's balance certificate is an anachronism that harkens back to the recent past when issuing companies were prohibited in their bylaws from issuing shares in book-entry form. With the advent of dematerialization and mandatory book-entry eligibility, issuing companies have amended their bylaws to accommodate the issuance of book-entry shares. This begs the question, "Why is a balance certificate necessary?"

DTC's Usurpation of the Commission's Jurisdiction

Irrespective of DTC's position that it does not want to regulate or supervise transfer agents, their Proposal, if adopted, will have the effect of doing just that. Congress did not vest DTC, a private sector entity, with such authority. Congress gives exclusive authority for regulating and overseeing transfer agents to the Commission. DTC is less concerned with protecting investors than it is with protecting its own commercial interests. To adopt DTC's Proposal will, in effect, promote the commercial interests of DTC to the detriment of other commercial entities who will be required to adhere to DTC's "rules" or be tossed out of the game by them.

DTC's Unfettered Discretion

Various provisions of the Proposal give DTC in effect unfettered discretion to decide which transfer agents are eligible for DRS, to terminate any agent at any time, and to impose significant changes to both the FAST System and DRS regardless of the cost to transfer agents. In particular, small transfer agents and issuer agents will be hardest hit by costly programmatic changes and infrastructure investments required by this and future proposed rules changes by DTC. Adopting the Proposal will institutionalize DTC's economic power over transfer agents.

Satisfying the Regulatory Flexibility Act of 1980

There is no evidence in the Proposal that DTC has assessed the impact of the Proposal on small transfer agents. The Regulatory Flexibility Act of 1980 (the "RFA") ensures that small businesses are given due consideration when agencies promulgate regulations. We urge the Commission to perform such an examination in its review of the Proposal.

Auditor Reports

The Proposal would require transfer agents to provide to DTC an annual independent accountant's audit of internal controls. DTC is a registered shareholder and, as such, has no right to impose this requirement on a transfer agent. Further, the Commission does not require a small registered transfer agent and bank such as ours to submit this study (Rule 17Ad-13(d)(1)(i) and

(iii) and Rule 17Ad-13(d)(2)(i)). The existing regulatory requirements should be sufficient to satisfy any of DTC's concerns.

Insurance Requirements

A small bank such as ours does not necessarily carry a \$10 million financial institution bond. To meet DTC's FAST Balance Certificate contract requirement that we carry this amount to be a FAST agent, we had to double our coverage which increased our annual premium significantly.

DTC has failed to establish any relevant loss history or potential risk, particularly with regard to book-entry securities. And again, requiring a balance certificate seems to be a contradiction to mandated book-entry eligibility and the movement toward dematerialization. In a DRS and dematerialized world, why is there a requirement for a balance certificate? In a book-entry environment, what is being insured?

Safekeeping Requirements

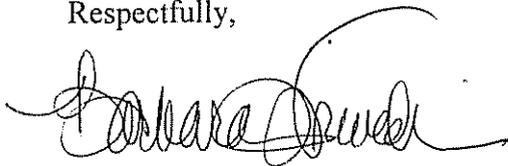
Rule 17Ad-12 requires appropriate internal routines and controls to be implemented by a transfer agent to hold securities in a manner reasonably free of risk of theft, loss or destruction. A transfer agent may exercise reasonable discretion, and may take into consideration the costs involved in implementing specific internal routines and controls. The Commission Rule is sufficient and renders the Proposal's safekeeping requirements superfluous.

Conclusion

Book-entry eligibility, which has been mandated for all issuing companies listed on one of the three Exchanges, renders the balance certificate as required in DTC's Balance Certificate Agreement an archaic practice which should be eliminated, thereby eliminating many of the insurance, safekeeping, and audit requirements contained in the Proposal and their attendant costs to a transfer agent.

Thank you for considering our comments.

Respectfully,



Barbara J. Trivedi
Shareholder Services Manager
Crescent Banking Company
Crescent Bank and Trust Company, Transfer Agent