



July 25, 2008

Regulation Comments
ATTN: OTS-2008-0004
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552

Re: OTS-2008-0004

I am writing to express my opposition to the current proposal that is being evaluated by the Office of Thrift Supervision relating to overdraft protection programs. Though I realize the Office of Thrift Supervision is feeling mounting pressure from Congress for increased regulation with a well-intended vein of consumer protectionism, I can personally speak that the vast majority of our customer base appreciates our current overdraft protection program.

Due to our program, we are able to pay many overdrafts that save our customers multiples those amounts charged had we returned those checks. We see it as a service that we are able to provide our customers, and our customers see it as utilization of a service which is entirely within their control. Utilization of the program is only triggered by their action and has nothing to do with any action on the bank's part.

In addition to the service feature related above, the current proposal has several technicalities which would be extremely onerous to the bank if they were to be implemented. Specifically, the proposal for partial opt-out of ATM and debit card transactions while retaining coverage for checks and ACH items is not possible with our current core processing system. Additionally, it could possibly have severe negative effects for a large majority of our customers who use debit cards for recurring payments. It basically is not well thought out based on the current operating environment for financial institutions. Additionally, the current proposal covering debit holds is far too complicated and would also become increasingly complicated upon implementation.

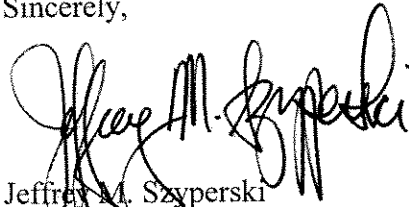
As I mentioned previously, though well-intentioned, the unintended consequences of this proposal will increase our bank's regulatory compliance burden over and above

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what it already is. Further, with it being an optional program for customers (i.e., they only participate if and when they overdraw their account), its opt-in/opt-out requirements unduly complicate what is an effective system at this time.

I sincerely hope that the Office of Thrift Supervision adequately weighs these concerns as they evaluate this proposal. Especially now, regulation which can directly or indirectly add to the current credit crunch is ill-advised.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey M. Szyperski". The signature is fluid and cursive, with a large initial "J" and "S".

Jeffrey M. Szyperski
Chairman, CEO & President
Chesapeake Financial Shares, Inc.

JMS:sld