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March 6, 2009

Mr. Neil Barofsky, Special Inspector General
Office of the Special Inspector General
Troubled Asset Relief Program
1500 Pennsylvania Ave., Suite 1064
Washington, D. C. 20220

Re: Response to Your Letter dated February 6, 2009

Dear Mr. Barofsky,

I am writing in response to your request for information regarding Crosstown Holding Company's ("CHC") use of the \$10.650 Million in TARP Capital Purchase Program funds ("TARP funds") which we received on January 23, 2009. Below is the information you requested in your letter:

1a.) We anticipated using the funds for growing CHC's Bank subsidiary, 21st Century Bank's ("Bank") loan portfolio and meeting the credit needs of our community.

1b.) The Tarp funds were mixed with CHC's general funds, but the activity level in that account allows for easy separation for identifying the use of the funds by CHC.

1c.) Shortly after receiving the funds, our main correspondent bank, (b) (4)

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its customers. The remaining \$950,000 is currently in the CHC deposit account.

1d.) We expect to use the additional money to purchase loans from the Bank to assist customers with longer and more lenient repayment terms than the Bank could offer. The infusion of the funds allowed us to repay our credit line and now those funds actually have taken over the former funds that U.S. Bank lent the CHC. This has allowed us to be more cooperative and flexible to our borrowers, several of which are home developers who need time to liquidate their inventories that serve as collateral for the loans.

(b) (4)

b(4), b(8) b(4), b(8)

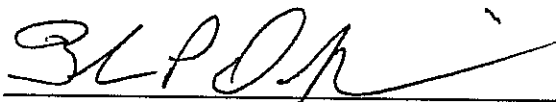
We are appointing two of the Bank's outside Directors to review the compensation of the Bank's five highest earning officers twice per year. We will comply with a non-binding Shareholder vote regarding the Officers who earn over \$100,000 per year. This will be finalized at our next regular Board of Directors' Meeting on March 19, 2009.

The Bank issued several statements on its website regarding the receipt of TARP funds – see www.21stcenturybank.com. The Bank has received limited press coverage of its receipt of the Tarp funds because of the Bank's size and the relatively large metropolitan area in which we serve. We were contacted by a taxpayer watchdog group from Washington D.C. that sought information, and we complied. The financial publication, *SNL*, wanted to confirm the number of shares the Bank issued to the Treasury. Beyond those inquiries which actually came as a result of the Treasury Release List, we have only had one request from the local Minneapolis Press, who then wrote a small story on the TARP program.

We will segregate and preserve all documents that reference the use or anticipated use of TARP funds. We will attach supporting information in the mailing of the materials.

I, Thomas P. Dolphin, Sr., President and Controlling Shareholder of Crosstown Holding Company, do hereby certify the accuracy of all statements, representations and supporting information provided subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001.

Crosstown Holding Company



Thomas P. Dolphin SR., President and Controlling Shareholder
Crosstown Holding Company