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**From:** Jose Chaoui [Jchaoui@bellsouth.net]  
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**To:** Comments, Regulation  
**Subject:** FIL-37-2006  
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To whom it may concern:

Unfortunately, we were unable to issue our comments on the subject prior to the deadline. Nevertheless, as an established MSB of over 15 years, we'd like to give our feedback on the subject.

Not much has changed in the way banks look upon MSBs, they do not want to deal with them. The overriding response is that the "risks outweigh the rewards". As an individual whose career has stretched over 25 years, all in banking, I have an insight as to why banks shy away from check cashers such as the one I am working for at this time as a consultant. Most banks feel that dealing with MSBs puts them in a no-win situation with Federal/State examiners. They feel that regulators come into an examination determined on finding deficiencies on how MSBs are being monitored and subsequently levy a monetary fine and go as far as placing the institution on notice and/or under Cease & Desist order for failure to comply with the regulations in place. The problem seems to be in the interpretation of the Reg. It is unreasonable to expect the extreme, which is for MSBs to have a sound proof way of monitoring all their customers' activity. But even if that were the case, banks have shown no interest in taking on the responsibilities associated with MSB account relationships. The consensus is that they have their hands full with their own clientele. What they fail to realize is that MSBs deal with individuals and businesses that maintain account relationships at banks. So, the fact is that, most MSB customers are the same as the ones that banks themselves have to monitor as their own clients.

It is difficult to understand how MSBs can continue to operate when their lifeline, the banks, are constantly cutting off the air supply. Unfortunately, it does not seem to look much brighter in the near future.

Thank you for the opportunity to express our thoughts on the subject.