JOHNSON
FINANCIAL GROUP®

April 3, 2006

Financial Crimes Enforcement Network
P.O. Box 39
Vienna, VA 22183

Re: RIN 1506-AA85
Money Service Businesses (MSBs)

Dear FinCEN Representative:

Thank you for the opportunity to comment on FinCEN's advanced rule making proposal regarding provision of banking services to MSBs.

Johnson Financial Group, Inc. is a $3.8 billion financial holding company headquartered in Racine, Wisconsin. Johnson Financial Group owns banking units in Wisconsin and Arizona. In addition, our company provides a full range of financial services to clients through a number of non-banking affiliates.

In Response to Question #1

Johnson Bank's business approach is building long-term, comprehensive relationships. The position of Johnson Bank is that we will not open *new* relationships for individuals or entities *primarily* engaged in a money service business. These relationships tend to be limited to a single account that is generally transactional in nature.

The bank continues to service MSBs whose account relationships precede the guidance issued in April 2005. The bank will also accept a new MSB relationship when the money services are provided as an ancillary service by a client within the context of a much broader relationship with the bank. For example, a grocery store chain who happens to conduct limited MSB activities at the customer service window.

The background to this position is two-fold, regulatory risk combined with profitability. Clearly, the recent guidance has set expansive expectations for maintaining and monitoring the activities of an MSB. Combined with the limited opportunity to create a broad-based banking relationship and high maintenance costs associated with a high volume transaction account, we believe our position is most appropriate.

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In Response to Question #2

Johnson Bank has declined the opportunity to open an account relationship for a MSB willing to provide supplementary information. The account did not meet the criteria outlined in Response to Question #1 above.

In Response to Question #3

Yes, when considering the requirements set forth in the guidance, combined with high monitoring and maintenance costs, and limited opportunities to build a broad-based relationship, the bank has decided not to open MSB accounts.

In Response to Question #4

In general, the bank would reconsider its current position if the guidance provided for requirements that could be conducted in a manner that did not materially diminish the profitability of the account and limits liability to the bank for actions, or inaction, of the account holder to maintain proper policies and procedures in accordance with the objectives of the federal government.

More specifically, additional guidance would be appreciated as to how the current FinCEN registration status of the MSB impacts the direction a bank should take for maintaining, approving, or removing a depositor from the bank's CTR exempt list. For example:

- Should the bank continue to exempt customers where the MSB registration has expired but MSB activity continues?
- Should the bank continue to exempt customers during the period of an expired registration where the customer has provided copies of renewal documentation that were purported to be filed, but the approval of the renewal is pending or cannot be documented (from the FinCEN website or by the customer being able to provide appropriate correspondence from FinCEN)?

In Response to Question #5

No – See In Response to Question #6 below.

In Response to Question #6

What would be most beneficial would be a commitment from the regulatory agencies to do two things:

- Provide assurance that the current guidance will be consistently applied across all regulatory agencies and across all geographies of the country.

- Provide a "good faith" statement similar to the one provided for Suspicious Activity Reports (SARs) that represents the bank's SAR program will be judged as a whole, not by any one specific case taken out of context.

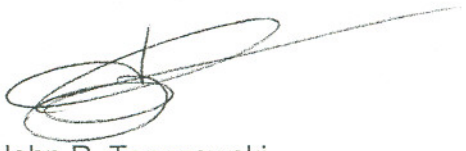
In Response to Question #7

Decrease – as discussed above, the bank has tightened its requirements for opening MSB accounts.

Summary

Johnson Bank remains a very willing partner with the federal government to fight "the War on Terrorism." However, we must make prudent business decisions along the way. The costs and risks of opening, maintaining and monitoring an MSB account, in our judgment, to not warrant an adequate return on our resources.

Very truly yours,



John R. Topczewski
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cc: Richard A. Hansen, President and CEO, Johnson Financial Group
Kurt Bauer, Executive VP, Wisconsin Banker's Association