



LETTER OF COMMENT NO. 2

**Subject:** FW: File Reference: Proposed FSP FAS 107-b and APB 28-a."

**From:** Jennifer Champagne [mailto:JChampagne@CORNERSTONENATLBANK.com]  
**Sent:** Tuesday, February 10, 2009 9:34 AM  
**To:** Director - FASB  
**Subject:** File Reference: Proposed FSP FAS 107-b and APB 28-a."

**Fair value disclosures are not working now and disclosing them more often will not improve information provided to investors. For many investors in small public companies, disclosures have become so lengthy and complex that investors do not read any of them. They avoid them because they are too difficult to understand without a degree in accounting. All of the assumptions are just that, and investors don't understand the impact of changing the assumptions even if they read the assumptions and disagree with them. Without access to the models that created the fair value estimates in the first place, figuring the impact of changing the assumptions to something you might agree with is impossible. This proposal simply increases burden without providing any useful information. We should have learned by now that providing more and more complex information does not help investors. It simply makes them dislike and avoid reading any financial information. If a company does not properly identify risks, no amount of disclosures, audits, or laws like Sarbanes-Oxley are going to improve the quality of financial reporting or avert crises like the ones we are currently experiencing.**

**Banks are already one of the most regulated industries and we provide a lot of financial information in financial statements, SEC filings, call reports, etc. More complex information has not helped investors in the past, and it won't help now. Clear, simple disclosures applied with consistency help investors, and companies that appropriately identify risks, especially risks associated with highly complex financial instruments are more likely to have an impact. Small public companies, especially small public banks, and their investors will not at all benefit from this proposal. Therefore, I would not require all companies and all instruments to be covered by more FAS 107 disclosures to quarterly financial statements. The companies that are failing now didn't identify risks and include them in their annual FAS 107 disclosures. Why would quarterly ones have helped???**

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