

September 15, 2010

Mr. Russell Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P. O. Box 5116
Norwalk, CT 06856-5116

Re: Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities

Dear Mr. Golden:

As an investor in bank stock and a community bank board director, I am opposed to the section of the proposal to require our bank to mark-to-market all financial instruments in the bank's asset portfolio. This is an opinion I share with many investors, as evidenced in a recent Stifel Nicolaus newsletter that reported that none of the 100-plus investors participating in a July 29 OCC conference call on the FASB proposal spoke in favor of the changes—"especially as the changes relate to both loans and deposits on balance sheet of banks."

Since we, as investors and bank management, normally do not manage our long-term loan portfolios on a fair value basis, the proposal will result in less relevant information than amortized cost. Additionally, the bank will incur drastically higher cost to provide these fair value estimates without benefit.

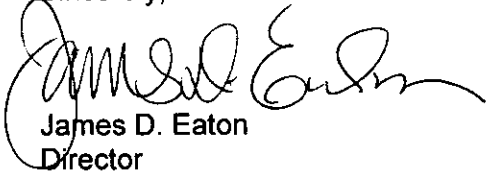
In a community bank environment, I fail to understand what the perceived fair value of the loan portfolio will accomplish. Does a "fair value" truly represent the amount of funding the bank would receive if the loans were sold? The performance of the portfolio should be and does represent a stronger basis for value.

I concur with the opinion of Sheila Bair, FDIC Chairman, made to Forbes magazine editor Steve Forbes, "it's going to artificially depress prices far below what their intrinsic value is." We have seen, as exhibited during the recent financial crisis, valuations can fluctuate irrationally and those assumed loan valuations could impact our bank's capital structure in an extremely negative manner.

Therefore, I ask that this proposal to mark loans to market value be dropped from consideration by the Financial Accounting Standards Board.

Thanks for your timely consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "James D. Eaton". The signature is fluid and cursive, with a large initial "J" and "E".

James D. Eaton
Director

First State Community Bank
3 East Springfield
Sullivan, MO 63080