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September 20, 2010

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

Re: File Reference No. 1810-100 Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities

Dear Mr. Golden:

Legacy Bank is a \$240 million bank that serves the community of Sedgwick County, Kansas. The users of our financial statements are bank management, regulators, and shareholders. Shares of the bank's stock are closely held and not traded. We believe that fair value accounting would not be of any value to our financial statement users, and would significantly increase the cost of preparing the financial statements.

Our bank originates loans in the local community, with the intent to hold these loans until their contractual maturity date. Most of these loans are to small business loans and are not readily marketable. Revaluing these loans for each accounting period, and reporting a theoretical unrealized gain or loss would mislead the users of the financial statements. The users may be misled in believing that the assets are marketable and could be sold and the calculated gain or loss could be realized. Since the intent is to hold the assets to maturity and collect the contractual cash flows, the most appropriate measure is amortized cost.

In addition, remeasuring the present value of core deposits appears to be complex and a costly activity for the bank. The calculation would require significant judgments as to the "alternative funds rate" and "the expense to maintain a branch network". The reporting of a discounted present value of these accounts would have little value to the users of the financial statements.

Comparing financial statements prepared under fair market value accounting between reporting periods may result in significant fluctuations that are the result of market conditions or changes in estimates. Shareholders would find it difficult to determine if these changes were the result of market conditions or management decisions.

We would urge FASB to not go forward with the proposal.

Sincerely,

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Senior Vice President - Finance



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