

September 21, 2010

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

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

Dear Mr. Golden:

Thank you for the opportunity to comment on the exposure draft Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities. I am a shareholder in stock of a privately held community bank in Chicago, Illinois. I review its financial reporting to gauge performance in assisting me in making investment decisions. The proposal requiring all financial instruments to be marked to market concerns me as an investor, since the market value on loans will be very subjective, with a strong chance of misrepresenting the true value, impacting bank capital.

I am concerned how loans perform, not how the market views loan performance. I feel there is relevance to report mark to market if the institution aggressively sells loans; however, this institution does not sell of any of its loan portfolio. Even if the institution does sell loans, with individualized terms, collateral, structures, etc. the majority of commercial bank loans have no reliable market in which they could be sold, further calling into question the reliability of using fair value as the basis for financial statements. What is projected as market does not necessarily guarantee at what the loan will actually sell.

I understand that a loan's value may change because of current interest rates or because of problems the borrower may have. But if there is a problem in repayment, the bank's process is to work the problem out with the borrower rather than sell the loan. So, even if there is an accurate market value, that market value is irrelevant, since the bank would not sell the loan. As I previously indicated, bank capital will be affected by market swings that cannot reasonably be expected to ever be realized by the bank.

By marking all financial instruments to market, there will be an appearance of high volatility, which I consider as part of my deciding to hold or sell my investment. This will cause some uncertainty since this is not reflecting the true financial position of the institution. Some investors could possibly put pressure on banks to reduce volatility, forcing management to limit loans to those that are sheltered from market volatility, not the best way to manage.

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Finally, in the current economic market, all businesses are making efforts to reduce expenses. I feel the costs and resources that will need to be dedicated to produce and audit such data will have an adverse impact on the bottom line. In the end, the additional costs to make estimates that my fellow shareholders and I feel will not provide benefit for investment decisions will reduce the value of my investment.

I am requesting you reconsider the proposal to mark loans to market, as, from my perspective as an investor, it does not improve financial reporting.

I appreciate the opportunity provided to voice my concerns.

Lake

Sincerely,