From: <u>donaldg@thestatebank.com</u>

To: <u>Director - FASB</u>

Subject: Comments on No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for

Derivative Instruments and Hedging Activities" Exposure Draft

Date: Wednesday, September 22, 2010 2:55:26 AM

Donald Grill 175 N. Leroy Fenton, MI 48430-3805

September 21, 2010

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

Dear Mr. Golden:

I am writing to provide input on FASB's Exposure Draft: Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities. It is my strong belief that FASB ahould not go forward with the proposal.

The impact from this proposal would likely distort and misrepresent the financial condition of our bank and other community banks.

The primary business of community banks is to take in deposits, grant loans and collect the cash flows from payments and return the funds to depositors as requested. We are not in the business to trade or market these financial instruments.

Establishing fair values for the types of loans held by our bank would be costly and the underlying assumptions potentially unreliability.

The proposed accounting changes will likely make our financial results more volitale due to the greater reliance on fair value measurements and valuations that will be less accurate than current accounting requirements.

I thank your for the opportunity to comment on this proposal.

Sincerely,

Donald Grill 810-714-3985