

From: Larry Ellington [mailto:LarryE@kcbbank.com]
Sent: Wednesday, October 23, 2013 11:05 AM
To: Director - FASB
Subject: ALLL

Dear Sir: Just a brief comment on the proposal to change the basis of calculation for banks' ALLL. After 42 years in banking, I have experienced both elaborate models, as well as simple "seat of the pants" guessing with respect to future losses. Both methods work equally well (or badly). In an era when governance, economics, employment projections, and most any other endeavor fails to work, it seems highly problematic that thousands of individually managed banks will successfully project future losses in their portfolios. If you want something to actually work, simpler is better, and history still remains the best predictor.

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