

WILLIAM W. MARSHALL, III. CHAIRMAN AND PRESIDENT

July 26, 2006

LETTER OF COMMENT NO.

Mr. Lawrence W. Smith Chairman of Emerging Issues Task Force Financial Accounting Standards Board 401 Meritt 7 Norwalk CT 06856-5116

Dear Mr. Smith

FIVE POINTS BANK has a single premium key man life insurance policy on my life. At my death, the death benefit will be paid to a life insurance trust. The gain in cash value is accrued on a yearly basis by the bank and taken into income. If the insurance company does not pay the death benefit to the life insurance trust, the bank has no liability to make this payment.

I cannot see any reason why the bank would have to accrue any liability as required by the recommendation of your Emerging Issues Task Force (EIFT) Issue No. 06-4. It is my understanding that if the recommendation becomes a practice, our bank would have to lower its capital by up to 40% of the death benefit due upon my death. I can see no good reason why the bank should have to recognize this liability when it has no obligation to make the payment. I could foresee situations where this type of strange accounting could affect a bank's capital to such an extent that the shareholders would be required to supplement the capital of their bank to satisfy regulatory levels. Perhaps you could enlighten me on your reason for taking this position.

Sincerely,

William W. Marshall III Chairman & President

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CC: David Clark, Clark Consulting

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