

7813 Office Park Boulevard • P. O. Drawer 80579 • Baton Rouge, LA 70898 • www.BANKERS-BANK.com

(225) 924-8015

TOLL-FREE 1-800-421-6182 FAX (225) 952-0899

August 31, 2010

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

Dear Mr. Golden,

I am a 41 year banking veteran in the southeastern U.S. with 34 years of service as a bank and holding company CEO. I am writing to express my very strong opposition to the current proposal to apply mark-to-market accounting to most financial instruments (including loans) on a bank's balance sheet. We have 4 banks within our holding company, and while banks like ours must hold some marketable securities for liquidity purposes, we are rarely in the business of purchasing assets or liabilities for quick resale. I suspect that very few community banks if any are in that business. The general business model of our banks, and almost every one of the approximately 650 community banks we serve, is to generate earnings from taking deposits and making loans and holding them until maturity. Since the vast majority of community banks and our banks have no interest in ever selling these loans, and since they are not readily marketable assets, it is not appropriate or beneficial to apply short-term valuations to these illiquid loan portfolios.

Application of mark-to-market will unquestionably lead to diminished reliability and comparative analytics of bank capital though distorted financial statements, since it will be largely dependent on fair values of assets with no active markets. The presence of this type of unnecessary volatility in financial statements will only further erode public confidence by presenting confusing information that in no way indicates how well our banks are managed. As the recent economic crisis taught us yet again, consumer confidence, including investor confidence, is paramount for a healthy economy. Requiring banks like ours to institute mark-to-market would introduce unnecessary volatility in financial instruments and serve to further undermine consumer confidence and overall economic stability.

The mark-to-market proposal is largely based on the premise that investors would benefit from such short term valuation information. However, it is my belief that requiring mark-to-market will only create enormous overhead and audit costs, while only producing confusing information that is not needed or desired by bank investors. Banks could very easily have excellent cash flow earnings, yet have to report large losses based on the proposed mark-to-market. How do investors make sense of this? I firmly believe this is a very dark path that is being considered for us with irreversible and financially lethal consequences.

I appreciate the opportunity to comment on this critical matter being considered. Based on the foregoing, I respectfully request that FASB withdraw the current fair value (mark-to-market) proposal. Thank you for your consideration in this matter.

Sincerely

Joseph F. Quinlan, Jr.

Chairman, President & CEO