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**To:** [Director - FASB](#)  
**Cc:** [Larry C. Henson](#)  
**Subject:** File Reference No. 1810-100  
**Date:** Tuesday, September 14, 2010 3:27:10 PM

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Mr. Russell Golden  
Technical Director  
Financial Accounting Standards Board

Mr. Golden,

I have just been made aware of some proposed accounting changes for the banking industry and that you are currently seeking comments on the "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities" proposal. I am a bank investor. I understand the importance of a transparent financial reporting system to assist me in my investment decisions. I do have a major concern about the section of the proposal that requires all financial instruments to be marked to market. I do not believe this will be in my best interest as an investor.

I believe that marked to market will make it difficult to understand the true performance of the bank's loan portfolio and will not be something used in my investment decisions. I am concerned that local community banks will have to change their business model to respond to this requirement which would affect our local economy and our business. As banking costs are increased these fees are passed on to borrowers which increases everyone's cost of doing business and I believe will reduce investor returns. Due to the cyclical nature of real estate I am very concerned about the impact this will have in a rising real estate market, as well as a decreasing market, and how the cycles we have seen could become even more aggravated.

I understand that the government banking regulators are opposed to fair value/mark to market accounting. I know that fair value accounting is not relevant to the traditional commercial banking business model and will undermine the reliability in bank capital levels as well as decrease comparability between banks. This accounting method will introduce complexity where it is not needed or desired. It will most certainly increase banking costs which correspondingly will reduce investor returns. As I mentioned above, I believe this method will add unnecessary pro-cyclicality to the financial system.

Once again, as a bank investor, I request that you drop your proposal to mark loans to market as I do not believe there is any benefit to me, just a decreased investor return.

Thank you for allowing me the opportunity to express my views. Please feel free to contact me if you would like to discuss.

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