



DESOTO ELECTRIC CO., INC.

586-5498
P.O. BOX 386 — DESOTO, MO 63020

August 19, 2010

Mr. Russell Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P. O. Box 511
Norwalk, CT 06856-5116

Re: Accounting for Financial Instruments and Revision to the Accounting for Derivative Instruments and Hedging Activities.

Dear Mr. Golden:

I thank you for the opportunity provided to make comments on the proposal "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities". I am an investor in bank stock and serve as a member of the board of directors of a community bank. I am writing to voice my concern and opposition to the section of the draft that requires that our bank mark to market all loans and debt securities. I do not understand the value that will be derived from creating a "market value" for the bank's loan portfolio.

As an investor I am primarily interested in the quality and the performance of the loans in the bank's portfolio. To now be required to arbitrarily calculate the fair value of individual loans and then mark any differences from book value to the new Other Comprehensive Income Account could have detrimental effect on our bank's capital account. Our bank originates loans without the intention for them to be sold. Therefore, I can only envision negative results from the proposal.

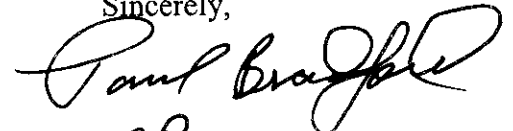
My secondary concern with the proposed accounting change is the requirement to mark to market the bank's securities purchased for long-term investment. Again, any differences in amortized cost and the new fair value basis is to be recorded directly to the new other Comprehensive Income account. In utilizing a post-financial crisis perspective this too, can be very detrimental to the bank's capital.

I am, additionally, concerned with the incurred costs and bank resources that will, out of necessity, be dedicated to create and maintain fair value data. These costs will also be reflected in the bank's profitability and capital.

With the above stated reasons, I ask that the proposed to mark bank loans and long-term securities to market be dropped from consideration.

I appreciate the opportunity to express my views, and thank you for your time.

Sincerely,


V.P.