

From: jtompkins@communitybank.tv
To: [Director - FASB](#)
Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities"
Date: Thursday, September 16, 2010 10:58:08 AM

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Canonsburg, PA 15317-8558

September 16, 2010

Russell Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

Dear Mr. Golden:

Thank you for the opportunity to comment on the exposure draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities."

As COO of Community Bank, a banking institution in Carmichaels, PA with \$470 million in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

I. COMMENTS ON FAIR VALUE

I am strongly opposed to the portion of the proposal that requires all financial instruments - including loans - to be reported at fair value (market value) on the balance sheet.

We have gone through this exercise before with FASB 115 and it immediately prompted the regulators to exclude it from capital. Rates rose and every bank was now undercapitalized.

As both a banker and an investor requiring market to market accounting will do nothing but cloud any true financial picture of a bank. Instead of working to grow our economy we will instead be toiling over what discount rate to use and what maturity to assign to nonmaturity deposits. And all on assets and liabilities we never intend to sell or lose. Very unproductive.

I think this would also open up a whole new market for class action lawsuits because someone does not agree with an assumption used in FMV accounting. I am not sure I would ever be comfortable attesting to the accuracy of FMV accounting.

This is a bad idea

Sincerely,

724-743-0760
EVP & COO
Community Bank

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