



Southern Insurance Consulting

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September 13, 2010

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

File Reference: No. 1810-100

Dear Mr. Golden:

As a stockholder in several small banks, I am writing to express my concern and opposition to the portion of the *Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities* that requires all financial instruments to be marked to market. As an investor in these banks, it is very important to me that I have a clear understanding of the banks' financial statements, especially their capital. I believe your proposal will make this more difficult by forcing banks to value loans in a manner that may not be indicative of or even relevant to what I would consider to be their real worth.

I am also very concerned about the additional costs and resources that would be required to comply with the proposal. It is already very challenging for small banks to compete in today's marketplace. The burden caused by the proposal would be disproportionate and unfair to these banks. In addition, how could a small bank be expected to place a realistic "market value" on something that is not for sale and for which there is probably not a market for if it were?

Please consider withdrawing your proposal to mark loans to market as I feel it is unnecessary, confusing to investors and would be yet another regulation making it more difficult for our banks to survive and prosper in a global economy.

I appreciate your consideration.

Sincerely,

Van E. Hedges
CPCU, CIC, CRM, CLU, ChFC



Expert Testimony, Agency Planning and Mergers & Acquisitions
