

September 30, 2010

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

File Reference Number: No. 1810-100 Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities

Dear Members of the Financial Accounting Standards Board:

On Behalf of Grand Bank's management, I am writing today to express our concern with and opposition to FASB's proposed changes to the way we mark our financial instruments, namely, the expansion of fair value accounting to all financial instruments.

The changes proposed in No. 1810-100 expand current mark-to-market accounting by requiring us to record all financial assets and liabilities at fair value on our balance sheet. We are a \$390 million community bank that does business in the Dallas area with many owner managed businesses and entrepreneurial individuals. Our focus is on building long term relationships with our customers, and as such the loans we make are intended to be held for the life of the loan on our balance sheet. These loans are typically designed to meet a particular customer's needs, and do not have the uniform characteristics that would facilitate determining fair values for them. We do not make loans with the intention of selling them and the vast majority of our loans have no real "marketability" in the secondary market. We make these loans to serve our customers needs. In our view, the accounting that would result if this proposal went forward would greatly misrepresent the operations of our bank whose primary business practice is to hold financial instruments to collect contractual cash flows, not to trade them on a regular basis

Furthermore, we will have to incur significant costs in order to provide these fair value estimates at what appears to be of questionable value to the customer, the shareholder or the bank. Our current accounting and reporting systems are not designed to implement the proposed changes. Compliance will require adding staff, making significant system changes and hiring an outside consultant to provide valuation assistance. The assumptions used in establishing fair values may differ significantly from those appropriate for another, making it difficult to ensure comparable data. The fair value measurements on which it is based depend on many subjective assumptions. We were under the impression that FASB's intent was to provide consistent accounting globally, better transparency and comparability of financial statements, and we understand the current proposal does not.

Thank you in advance for your time. It is our request that FASB would withdraw this proposal.

Respectfully,

Lee Dinkel

President and CEO