

From: jszyperski@chesbank.com
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: Monday, September 27, 2010 11:43:22 AM

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September 27, 2010

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

Dear Mr. Golden:

Dear Mr. Golden:

The current exposure draft on Accounting For Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities is ill thought out and ill timed. As a bank CEO and former Big Eight CPA, I feel as though I understand both sides of the argument well. Though the initiative is being purported as driven by investor concerns, the proposal would make investor analysis more difficult than it is now.

The pro-cyclical nature of the proposal would add a vast amount of volatility to the banking system. Bankers would have no choice but to slim down the offerings of products to control this volatility. Simply put, the proposed accounting change would affect reality rather than report it. With the VAST majority of our industry holding loans until maturity, the proposal would detrimentally affect customers, our industry as well as the economy in general.

The regulatory burden with the systems and man hours needed to comply would have a disparate impact on smaller institutions such as mine. In an era with too big to fail being a controversial issue, this proposal would exacerbate this problem and give investors fewer choices going forward.

Please do not go forward with this exposure draft! It is bad for all parties involved.

Sincerely,

Jeffrey M. Szyperski
CEO and President
Chesapeake Financial Shares
Kilmarnock, Virginia 22482

Sincerely,

804-435-4249
CEO
Chesapeake Financial Shares