LETTER OF COMMENT NO. 176

**Sent:** Tuesday, March 31, 2009 12:56 PM

**To:** Adrian Mills; Diane Inzano; Joseph Vernuccio; Kevin Stoklosa; Kristofer Anderson; Mark Trench; Meghan Clark; Peter Proestakes; Russell Golden; Vita Martin; Wade Fanning

**Subject:** FW: File Reference: Proposed FSP FAS 115-a, FAS 124-a, and EITG 99-20-b.

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**From:** Aldo Columbano [mailto:acolumbano@bankofsmithtown.net]
**Sent:** Tuesday, March 31, 2009 12:00 PM
**To:** Director - FASB
**Subject:** File Reference: Proposed FSP FAS 115-a, FAS 124-a, and EITG 99-20-b.

Dear Sirs:

The Bank took a write-down of $865,000 (about 50%) in the fourth quarter for a trust preferred security (Trust Preferred I) it owns. The Bank has never missed an interest payment on this holding. The Bank fully intends to hold this security at least until the perceived market value recovers, if not till maturity. The absence of any real market should not mandate such a huge write-down. Granted, if the credit quality of the banks included in the pool of issuers deteriorates, by all means a proportionate write-down should be recognized through earnings. However, the vast majority of issuers do NOT have credit issues, why should such a huge write-down be recognized primarily because of the lack of a market, at least for the time being? Credit issues notwithstanding, I feel that any fluctuations in the perceived market value should be recognized through OCI. Additionally, I feel that the methods utilized to arrive at the "perceived" market value are subjective at best. Thank you.

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