From: <u>Charles Monaghan</u>
To: <u>Director - FASB</u>

Subject: File Reference No. 1810-100

Date: Wednesday, September 22, 2010 9:59:19 AM

To Whom It May Concern:

I am writing to express my complete and total opposition to your exposure draft referenced above. I have been a community banker since 1970; I currently manage a \$170 million institution in Boston, MA. I have long suffered under an ever increasing regulatory and accounting burden that has accelerated in pace and complexity - to no benefit obvious to me or anyone else who truly understands banking over the past decade. If this draft proposal is adopted, I will inform my Board and investors that in my opinion, the community bank, relationship based, banking model is no longer welcomed or able to survive in the current environment and that this institution should be liquidated or sold. My principal assets are not highly liquid with readily available pricing – they are relationships. How I chose to price a loan is based upon a multitude of factors, with little if any concern about what the "market" (whomever that may be) says. I do not sell my assets, i.e. loans, I book them to hold. I care little what the market says my price for deposits should be - I pay what I think is fair and necessary in light of my needs. My investors also express no desire to know if my assets are at "market" (sic) whatever that may be; they are concerned how my loans perform and the reliability of my earnings over time. Your proposal will accomplish nothing more for my bank and similar institutions than to force us to absorb more costs, hire more "professional consultants" (who, by the way, provided and continue to provide the dubious advice that led many community banks into their current stress), and further reduce the viability of community banks who support their local economy. It will certainly enhance the earnings capability of the academic theorists and other such hucksters who love to tinker but never toil, and who think of nothing but their own self-interest when opening Pandora's Box and its unintended consequences.

If your intent is to savage community banks, extinguish credit to small business, and further demolish our economy, by all means pass this proposal. Otherwise, treat it for the piece of crap that it is. Regards,

Charles P. Monaghan
President & CEO
Mercantile Bank & Trust Company

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*** This message originates from Mercantile Bank

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