From: John K. Reinke
To: Director - FASB

Subject: File Reference N. 1810-100 Mark to Market

Date: Friday, September 24, 2010 10:52:46 AM

September 24, 2010

Mr. Russell Golden-Technical Director

Financial Accounting Standards Board

Dear Mr. Golden:

I am writing to express my concerns about the FASB mark to market proposal. As a shareholder and officer of a \$275 million dollar bank that makes predominantly illiquid commercial loans, the process of pricing illiquid assets is very daunting. It is difficult to determine market pricing for this asset class because of lack of marketability. Some of our best performing loans would be difficult to price in terms of transparency for a particular industry and the companies as well. There is no secondary market available to sell these loans. The great majority of our commercial and industrial loans are performing well but I can't honestly say we could find buyers to prove out any pricing models. A sale of an asset is the true test of valuation and that is unlikely unless a bank is failing.

In addition, the market it isn't always a good indicator of value. A case in point is the pricing of non agency collateralized mortgage securities over the past 18 months. The rating agencies downgraded many of them very harshly in spite of good fundamentals. Prices in our limited portfolio came in at 60 to 70% at best. One year later, the metrics didn't change but the values had come back to 95% of par. Selling or marking them down last year would have been disastrous and yet market forces could have driven us to do that if we weren't willing to hold based on the underlying fundamentals that were being ignored by the rating agencies.

Overall our investors in this privately held bank would have a difficult time understanding and accepting these changes in value and the resultant comprehensive income and equity changes. Capital is at a premium in the banking business. This proposal could significantly alter our capital structure from our current well capitalized level. I respectfully submit that this proposal is unnecessary for our type of institution.

Sincerely yours,

John K. Reinke

President

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