

From: cmeyer@friendshipstatebank.com
To: [Director - FASB](#)
Subject: Comments on No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities" Exposure Draft
Date: Monday, September 20, 2010 9:13:56 AM

Christopher Meyer
P.O. Box 357
Friendship, IN 47021-0357

September 20, 2010

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

Dear Mr. Golden:

Greetings Mr. Golden:

We are a \$270mm community bank in SE Indiana. In the last 3 years, we have added 2.5 employees to our accounting department and doubled the size of our compliance staff. These additions were not in response to organic growth, but to regulatory demands, and the current burdens of bank accounting. As a rural bank, the labor pool for specialized employees is, at times, limited (especially finance and accounting). Thereby making these acquisitions is a time-consuming endeavor, fraught with risk. This proposal is detrimental to the health of community banks in general and to ours in particular. We care little about how mark-to-market would impact our shareholders' perception of our condition, as we are closely held. It is the additional accounting burden, which would reduce our earnings, while accomplishing nothing. Why nothing? The primary business of our bank is to hold financial instruments to collect contractual cash flows, not to trade them on a regular basis. Why mark-to-market products that will never be IN the market? The loans on our books, and the deposits we guard for our customers are of value to us, not an entity in another market, and therefore, may have NO market value (at least one that reflects their value to us). What a silly exercise to attempt to paste a value in place for the sake of an accounting rule that is an exercise in futility. Not to mention, radically increase the volatility of our balance sheet. So much so, in fact, that the volatility would make an intelligent assessment of the value of our assets and liabilities less than meaningless. Consider us strongly opposed to all aspects of this proposal. I could continue to describe our opposition to each point, and would be happy to discuss them. In the interests of brevity, and as the two points made above are sufficient, I will allow them to stand on their own. Thank you for allowing comments on this issue. I hope that reason will prevail.

Sincerely,

Christopher Meyer
812-667-5101

