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

Re: File Reference #1810-100

Dear Mr. Golden:

I am writing to you in regards to the exposure draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities". I am the CFO of a \$165 million privately held, family owned community bank in Oklahoma. I am also a CPA, a director of the Bank, and a shareholder of the Bank.

The proposed mark to market accounting <u>would not benefit our shareholders</u>. It would <u>only</u> <u>serve as a requirement</u> that we must comply with. It would be a major exercise of satisfying a mandate that someone else is requiring, but not serving as a benefit to the primary users of our financial statements.

It is mind boggling how we could even implement a system that would quickly mark to market our loans and deposits at the end of a reporting period. These mark to market calculations would have to be done before we "close out our books". All other regulatory and accounting reports would then have to be subsequently completed in a very tight reporting window. The costs to implement such new reporting requirements could be extremely high. But costs aside, there is still no meaningful benefit.

Why do we need to mark to market a loan made to a farmer that will never be sold? How about an equipment loan to a small business owner in our community? For many of our customers we are their lender because there is no national or standard "market" for the types of loans they

desire. These circumstances make it even more challenging to determine "market value". Again, who does this benefit? The shares of our bank are not publicly or actively traded. None of our shareholders would want these "mark to market" computations to be recorded in our financial statements. This requirement would be confusing and again, not useful. The potential ripple effects on our capital, liquidity, and how we would possibly structure new loans could be staggering.

Please drop the mark to market proposal. Thank you for your consideration.

Sincerely,

Donald N. Sherman, II

EVP/CFO

McClain Bank

Purcell, OK