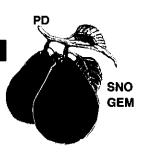
NDEPENDENT WAREHOUSE, INC.

September 21, 2010

Mr. Russell Golden
Technical Director
Financial Accounting Standards Board
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File Reference: No. 1810-100 Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities

Dear Mr. Golden:

Thank you for the opportunity to comment on the exposure draft *Accounting for Financial Instruments* and *Revisions to the Accounting for Derivative Instruments and Hedging Activities* ("exposure draft"). I am a community bank investor. As such, I rely heavily on the financial reporting of banks to determine their financial position and the soundness of my investment decisions.

For this reason, I am disturbed by the sections of the exposure draft that require all financial instruments to be marked to market. From my perspective, that of a bank investor, marking all financial instruments to market will render bank financial statements less useful, less transparent, and much more confusing. It will allow swings of a sometimes irrational and volatile market to affect reported bank capital in ways that ultimately will have nothing to do with the actual financial position of the company.

The exposure draft requires banks to record loans on the balance sheet at market value. That does not make sense to me. As a bank investor, I care how a bank's loan portfolio performs. I care about a bank having a robust and adequate loan loss reserve. And I care about a bank making rational and appropriate loans to the individual borrowers they serve. Marking loans to market will threaten my ability to assess whether any of that is occurring.

It is true that a loan's intrinsic value may change because of either current interest rates or because of problems the borrower may have. However, it would be much more useful to have that information reported as a disclosure rather than in the bank's balance sheet. From my perspective, a bank's balance sheet should reflect the realizable financial position of a company as a going concern. Thus, it should not report unrealizable increases or decreases in market value for assets that will never be sold. It should also not have the value of the most significant asset held by the company be an estimate, subject to multiple assumptions and inputs, fraught with consistency issues, and often, having no reliable market on which to base those assumptions.

Also, I am deeply concerned about the potential unintended consequences the exposure draft may have on the business model of banks. As do many of my fellow bank investors, I seek stability and low volatility in my bank investments. That is unlikely to change anytime soon. Regardless of accounting requirements, we will not want to see swings in earnings, swings in capital, and swings in asset value from period to period. Thus, it is very likely that bank management will be under pressure from us to reduce those assets that are more sensitive to market value fluctuations, even though such investments may have continued to be extremely sound and stable investments, if only they could have been reported under amortized cost. I also anticipate that if community banks are forced to report their financial position as if their most significant assets were up for immediate sale, then they will likely start putting those assets up for immediate sale. They might as well realize the gains and losses they've been forced to report anyway. And as a result, accounting requirements will be driving changes to a business model. This is not the right thing to do for community bank investors.

Lastly, I must ask myself at what cost will all of this occur? Small community banks do not and will not ever have the resources to perform the sophisticated analysis necessary to estimate loan (much less other instrument) fair value. Their costs will rise. Their reliance on outside consultants and outsourced models will increase. This will increase costs to investors for financial information that will not help us in any way.

Please drop your proposal to mark loans to market. It will not improve financial reporting. It will only make it less reliable and more confusing.

Thank you for considering my comments. Please feel free to contact me if you would like to discuss my concerns.

Sincerely,

Kent Christensen