



Mark Roberts
President/Legal Counsel

February 12, 2014

Office of the Comptroller of the Currency
400 7th Street, SW., Suite 3E-218,
Mail Stop 9W-11
Washington, DC 20219
Docket No. OCC-2014-0003; RIN: 1557-AD79
By e-mail: regs.comments@occ.treas.gov

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW.
Washington, DC 20551
Docket No. R-1480; RIN: 7100 AE-11
By e-mail: regs.comments@federalreserve.gov

Federal Deposit Insurance Corporation
550 17th Street, NW.
Washington, D.C. 20429
RIN:3064-AE11
By e-mail: comments@fdic.gov

Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW.
Washington, DC 20581
RIN: 3038-AD05
By regular mail

Securities and Exchange Commission
100 F Street, NE.
Washington, DC 20549
RIN: 3235-AL52
By e-mail: rule-comments@sec.gov

Re: Treatment of Certain Collateralized Debt Obligations Backed Primarily by Trust Preferred Securities with Regard to Prohibitions and Restrictions on Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds

Dear Sirs and Madams:

I am writing to comment on the Proposed Interim Rule regarding the treatment of TRUP securities. Our bank is a community bank with its primary location in Malvern, Arkansas, currently with assets of \$452,472,000. In 2004 and later in 2005, our bank purchased a total of \$4,000,000 of trust preferred securities, identified as I-PreTSL01B3 and I-PreTSL02B3. The securities have remained in our portfolio since. It is my understanding that these insurance backed securities are not covered by the proposed interim rule and requiring us to mark them to market as of December 31, 2013 and dispose of them before July of 2015.

In the time that the bank has held the securities, it has suffered no loss as a result of ownership and while we have conducted regular OTTI tests on the securities, we have no reason to anticipate any loss if we continue to hold them in our portfolio.

During the economic downturn, our bank has done its best to play by the rules, in that we have reduced our substandard assets, strengthened credit quality, refused to chase rates in purchasing investments, controlled our interest rate risk by not lengthening the duration of our investments or

loans, maintained our ALLL at a rate above peer and kept our capital ratios high. Some of these actions have been at the expense of current earnings, but we felt that the need for safety and soundness far exceeded any pressure for earnings.

What we didn't expect was a change in the rules that would undermine all our efforts over the last several years. Marking the subject securities to market will result in a charge of over \$400,000 for us immediately. With annual income for 2013 of approximately \$2,500,000, that is a significant number. Even more concerning is what happens between now and the middle of 2015. The knowledge that this particular type of security will have to be sold by the banks holding them will surely have a negative impact on the market that has nothing to do with the actual credit quality of the security.

I can only assume that the purpose of the rule was to limit risk of loss in the banking system from TRUP securities. I firmly believe that the result has been to guarantee loss in the banking system by the actions that our bank and banks like ours would be forced to take under the Volker Rule and the subsequent Proposed Interim Rule.

I suggest that a more reasoned approach would have been to declare this type investment to be prohibited for banks in the future, but to grandfather in the investments that were already in a financial institution's portfolio. This would allow banks to remove this type investment from their portfolios without the impact on the market that will occur from the imposed deadlines.

I understand the risks that come from operating a bank and we do our best to monitor and control them. What I did not understand and surely did not anticipate was that the biggest risk to our bank would come from our government and regulators.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Roberts', written over a horizontal line.

MARK ROBERTS,
President/Legal Counsel