



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

November 9, 2010

*Via U.S. Mail and Facsimile*

Thomas R. Rosazza  
President and Chief Executive Officer  
Pioneer Bankshares, Inc.  
263 East Main Street  
P.O. Box 10  
Stanley, VA 22851

**Re: Pioneer Bankshares, Inc.  
Form 10-K for Fiscal Year Ended December 31, 2009  
Form 10-Q for Fiscal Quarter Ended June 30, 2010  
File No. 000-30541**

Dear Mr. Rosazza:

We have reviewed your filing and have the following comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter within ten business days by providing the requested information, including a draft of your proposed disclosures to be made in future filings, or by advising us when you will provide the requested response. If you do not believe our comments apply to your facts and circumstances or do not believe future revisions are appropriate, please tell us why in your response.

After reviewing any amendment to your filing and the information you provide in response to these comments, we may have additional comments.

Form 10-K for Fiscal Year Ended December 31, 2009

Item 11. Executive Compensation

Summary Compensation Table, page 10 of Definitive Proxy Statement on Schedule 14A

1. Please tell us why you did not include the stock portion of Mr. Rosazza's 2007 bonus compensation in the "Stock Awards" column of the summary compensation table.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Interest of Directors and Officers in Certain Transactions, page 11 of Definitive Proxy Statement on Schedule 14A

2. We note the disclosure that loans to related persons were made on substantially the same terms as those prevailing at the time for comparable transactions with other persons. Please confirm, and revise future filings to disclose, if accurate, that the loans were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the lender. Refer to Instruction 4.c. to Item 404(a) of Regulation S-K and Regulation S-K Compliance & Disclosure Interpretation 130.05. If loans were made on terms that are available to employees generally, but not available to the general public, please provide the information required by Item 404(a)(5) of Regulation S-K.

Form 10-Q for Fiscal Quarter Ended June 30, 2010

Note 2 Investment Securities, page 10

3. We note the severity and duration of unrealized losses more than 12 months on your equity securities.
  - a. Please provide us with a listing of your equity securities in an unrealized loss position at June 30, 2010 detailing the cost and unrealized loss, as well as the length of time it has been in an unrealized loss position.
  - b. For equity securities that have been in an unrealized loss position for more than 12 months, please provide us with your full detailed analysis of these securities' impairment as of June 30, 2010 that identifies all available positive and negative evidence, explains the relative significance of each piece of evidence, and identifies the primary evidence on which you rely to support your conclusion that the impairment was not other than temporary. Clearly identify the positive evidence you relied on in concluding that the fair value of the equity securities will recover to their cost basis in the "near term". Refer to Staff Accounting Bulletin Topic 5:M.
  - c. Revise your future filings to provide a summary of this analysis as of each balance sheet date presented.
  - d. Tell us and revise your future filings to disclose how you define "near term" in the context of your other-than-temporary analysis.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial Condition – Loan Portfolio, page 20

4. We note your disclosure on page 14 that if an appraisal of the real estate property securing an impaired loan is over two years old, then the fair value is considered Level 3. Please tell us and revise your future filings to:
  - a. Disclose how often you obtain updated appraisals by loan type for your collateral dependent loans.
  - b. Describe any adjustments you make to the appraised values, including those made as a result of outdated appraisals.
  - c. Discuss how you consider the potential for outdated appraisal values in your determination of the allowance for loan losses.
  - d. Disclose the amount of collateral dependent impaired loans with an appraisal over one year old.
5. We note your disclosure that describes allocations of the allowance for loan losses to cover "potential losses". This appears inconsistent with other disclosure which describes your allowance in terms of "inherent losses" present in your loan portfolio. Please tell us and revise future filings to reconcile this apparent inconsistency. If true, clearly confirm that your allowance methodologies are applied to provide for probable losses that are inherent in your portfolio. Additional information is available in Section II.P.1 of the Current Accounting and Disclosure Issues in the Division of Corporation Finance Outline dated November 30, 2006 available on the SEC's web-site.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes the information the Securities Exchange Act of 1934 and all applicable Exchange Act rules require. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In responding to our comments, please provide a written statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;

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- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

You may contact Mike Volley, Staff Accountant, at (202) 551-3437 or Kevin W. Vaughn, Accounting Branch Chief, at (202) 551-3494 if you have questions regarding comments on the financial statements and related matters. Please contact Matt McNair, Attorney-Adviser, at (202) 551-3583 or me at (202) 551-3434 with any other questions.

Sincerely,

Michael R. Clampitt  
Senior Counsel