



December 12, 2008

Mr. Christopher Cox  
Chairman  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Re: File No. 4-573 - SEC Study of Mark-to-Market Accounting

Dear Mr. Cox:

My calling is that of portfolio manager. The analytical component of portfolio management relies heavily on the insights into financial condition afforded by the balance sheet. I fully support the migration to fair value accounting model; however, the scale of synchronized global deleveraging is exposing a one-size-fits-all flaw in Financial Accounting Standard(FAS) 157.

Under FAS 157 the only permitted method for fair value is the exit price. The methodology ignores the intent of the holder. Most assets are not sold in the near term. Industry specific guidance is needed. How can we as informed market participants endorse a system that derives fair value from outliers?

Without industry specific guidance FAS 157 becomes an enabling element in a downward spiral. It exacerbates the need to hold cash and limits the effectiveness of the Treasury's Trouble Asset Relief Program. The U.S. needs to find solutions to the current crisis beyond those taken by the Federal Reserve and the Treasury. The mandated 90 day study due January 3<sup>rd</sup> under the Emergency Economic Stabilization Act creates an unusual opportunity to take a corrective step that avoids unnecessary capital shortages and the use of exit values that artificially suppress fair values. Enhancements to the principal bases guidance of FAS 157 that became effective on January 1, 2008 will also allow more public funds to be diverted to fiscal stimulus. Thank you for the opportunity to comment.

Sincerely,

*Niall H. O'Malley*

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