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Subject: Submit Comments to FASB on Mark-to-Market...
Date: Monday, September 27, 2010 8:31:34 PM

September 27, 2010

To: FASB

From: Randy Cox, Ph.D.

Subject: Comments About Mark-to-Market Proposal

I would like to formally submit the following comments to FASB regarding the mark-to-market accounting proposal:

There is substantial evidence that "mark-to-market" accounting practices and policies in the Fall of 2008 and early 2009....greatly contributed to the near destruction of the financial system of this country.

Long time investors and market pros, including Steve Forbes and many others, believed then and believe now that strict "mark-to-market" accounting rules are simply the wrong model to use.

In an economic crisis where markets "freeze-up", how can assets be marked to market

when there is no market?

As a matter of fact, in March of 2009 when it became clear that FASB would suspend "mark-to-market" rules, the stock market ended its downward spiral and the slow recovery started.

It was obvious, even to this casual observer, that mark-to-market was a major culprit in causing many of the problems. I strongly believe that mark-to-market made everything much

worse.

Unless FASB members (or their friends/family/associates) had an interest in making everything worse by actively shorting the stock market....it would make no sense to have a destructive accounting practice of mark-to-market in place. (Did anyone associated with FASB short the market at that time? Did the S.E.C. investigate the possibility of conflict of interest with respect to this?)

It seems to me that FASB should find a way for companies to disclose their assets in some way or another that doesn't require an immediate mark-to-market procedure. Perhaps a "discounted cash flow" model could be used as more appropriate and reasonable.

The next financial crisis will happen again in the future....it's just a question of when.

We need to have a accounting rules in place that will adapt to it.....not make it worse.

Best,

Randy Cox, Ph.D.
