September 8, 2004

Jonathan G. Katz, Secretary
Securities and Exchange Commission
450 Fifth Street N.W.
Washington, DC 20549-0609

RE: File Number S7-30-04 Registration Under the Advisers Act of Certain Hedge Fund Advisers

Dear Mr. Katz:

I manage a small hedge fund that has provided a decent income for my family for ten years. In addition to my job, I have created two other well-paying jobs. While this might seem quite modest in relation to the U.S. economy, there are thousands of other funds like mine and it has truly been one of the growth areas of the economy. The proposal to impose additional regulations on hedge funds directly threatens my business and the health of the industry.

The burden of this proposed regulation will be enormous on a small firm such as mine. The cost to comply will be 15-20% of our modest revenues, which will clearly mean the difference between profit and loss. What other industries in this country could survive with a sudden cost increase comprising up to 20% of revenues? I would venture to guess that the vast majority of hedge funds are very small in size and would have a difficult time absorbing the additional expense. I cannot change the fee structure of the Fund to compensate for the increased expense since we have a legal document with the partners specifying the fees. Not only can I not afford the cost of hiring a firm to assist in the completion of the massive ADV form, I cannot afford the time required to assist in the completion of the form and the multi-day SEC audits. This proposal, if enacted, will discourage entrepreneurial activity and imperil my livelihood.

The need for this regulation is questionable. Other than the Long Term Capital Management debacle and the rare instance of fraud (which is covered by existing statutes), there has not been a problem with hedge funds. There was an obvious problem with mutual funds, so why should the regulatory sledgehammer fall on hedge funds? If it isn't broken, don't fix it. The proposed compliance regulations are also redundant for us and unnecessary. We are audited annually by Deloitte & Touche and provide an annual report to all partners. As a Chartered Financial Analyst, I am bound by the CFA Institute's Code of Ethics and Standards of Professional Conduct. We have no personal outside accounts; the Fund is our sole account.

Consider that hedge funds are beneficial to the capital markets. They add liquidity and depth to markets, particularly in the smaller and thinner stocks in which big funds won't get involved. Hedge funds are a source for debt and equity capital that companies need in order to expand and grow. Hedge funds have provided superior performance for investors and have made a positive contribution to the overall economy. Not only have funds such as ours created jobs in our advisory firm, but also collectively they have added a huge number of jobs in the prime brokerages, trading desks, and research providers with whom funds conduct business. Ill-advised burdensome regulations will have an adverse effect on the entire industry.

Lastly, you will undoubtedly receive comments from a variety of constituents. Please pay close attention to the input from those people who are most directly affected as opposed to disgruntled individuals who lost money in the bear market and have some kind of axe to grind. No less an authority than Alan Greenspan recently commented in a letter to Senator Crapo that the proposed regulations were unnecessary and unlikely to achieve their objectives. During an administration whose professed philosophy is to ease excess regulations on business, it is bewildering that a department of the executive branch would seek to impose an incredible burden on an entrepreneurial-driven industry. Please reconsider your initial vote to proceed with this unnecessary and onerous plan.

Sincerely,

C. Peter Marin, CFA
Superior Capital Management LLC
Managing Member

cc: President George W. Bush
Honorable Michael G. Oxley
Honorable Richard H. Baker
Honorable Michael B. Enzi