

Room 4561

June 14, 2006

Alfred H. Racine
President and CEO
Catuity Inc.
37650 Professional Center Drive, Suite 145A
Livonia, MI 48154

**Re: Form 10-KSB for Fiscal Year Ended December 31, 2005
Filed March 31, 2006**

Dear Mr. Racine:

We have completed our review of your Form 10-KSB and have no further comments at this time.

Sincerely,

Kathleen Collins
Accounting Branch Chief