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August 17<sup>th</sup>, 2007

**VIA ELECTRONIC SUBMISSION**

Nancy M. Morris, Secretary  
Securities and Exchange Commission  
100 F Street, NE,  
Washington, DC 20549-1090.

**RE: File № S7-10-07**

Ms. Morris:

I am writing in favor of the proposed S3 and F3 modifications that may allow micro and nano cap public companies the ability to have a shelf registration of 20% of the market cap at the time of sale.

I believe that the Commission has taken a step in the advancing the micro cap and nano cap competitiveness in a market sector long neglected. The proposed allowance of shelf registration will allow easier access to capital to develop the burgeoning and next generation of public companies.

However, while I laud the Commission for embedding a trailing 20% of the market cap for companies under a \$75 million market cap, I still fear that the smaller micro and nano cap companies may fall short of realizing capital that will allow real and substantive improvements. For example: a nano-cap company with a market cap of \$12 million would be allowed a shelf registration of \$2.4 million. While \$2.4 million may have been enough in later years to acquire necessary intellectual property and/or physical assets, it is not enough in 2007 dollars to even endure burn rates.

Specifically, micro and nano-cap companies in R&D for intellectual property, such as bio-med devices, have a very long term burn rate before their products hit the market; and as we well know, intellectual property is one of our country's chief exports.

I would humbly propose that the Commission grant friendly amendment to a 33% trailing limit to give the micro and nano cap companies a better chance at developing into tomorrow's mid or large cap public companies.

As we all know, undercapitalization of companies is the leading cause of company failure. Any investor being diluted in the short term for incoming capital, is increasing their long term odds of company success; and thus transforming them from being holders of micro and nano cap companies to being holders of small cap, mid cap, and large cap public companies.

Janis Reyes, Esq.  
August 17<sup>th</sup>, 2007

The argument of free trading securities hitting thinly traded markets and adversely affecting micro and nano cap holders I believe is not fully fleshed out. If holders sell into thinly traded markets, it decreases the price of the securities while simultaneously increasing the book value of the companies from the investment for the securities to begin with. As such this very well may attract more attention to these companies from sophisticated investors looking to purchase at or close to 1:1 P/E rates, and may thus lead to increased volume, true resistance levels and resultant stabilization of prices.

If you have any questions, comments, or concerns, please feel free to contact me at your earliest convenience. Thank you for your time and kind attention.

Yours, etc.,

MARSHAL SHICHTMAN & ASSOCIATES, P.C.

s/ \_\_\_\_\_  
By: Marshal Shichtman, Esq., MBA, LLM