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Florence E. Harmon
Acting Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Commission Guidance on the Use of Company Web Sites (the guidance)
File No. S7-23-08

Dear Ms. Harmon,

This letter is in response to the request for comments on the Commission Guidance regarding the Use of Company Web Sites under Regulation Fair Disclosure (Reg. FD). To give you some background on my company, Q4 Web Systems is a software firm founded in 2005 that provides on-demand solutions to help public companies in the management and distribution of corporate material information. We are committed to using emerging Internet technologies to help public companies reduce costs, manage risks and build better relationships with their investors and stakeholders.

Introduction

We fully support the SEC's guidance regarding the use of company web sites for the disclosure of material information. Since the original Reg. FD ruling, we have seen a dramatic transformation in how individuals and the market communicate with one another. As the penetration of the Internet surpasses 70% in North America, and with the emergence of new web services and capabilities, we now live in a world where the distribution of information is immediate, free and democratized. In the past, only media companies, newswires and their partners had the ability to move information through the market. Today a combination of web sites, RSS, email, search engines, social networks and emerging communication platforms like Twitter now moves information throughout the world at a rapid pace and at no cost for distribution. With the pace of innovation on the Internet increasing, this trend of immediate connectivity will only continue. The recent guidance is an important step in recognizing and supporting this key trend.

Our comments related to this recent guidance are outlined below.

Comments

1. The Internet has replaced proprietary networks for the distribution of information

The recent guidance has laid the ground work for allowing companies to use web technologies to disclose information under Reg. FD. We fully support this decision because the Internet has now replaced proprietary networks for distribution and the recent guidance clearly demonstrates support of this evolution.

This change to Reg. FD is based on the fact that technology has advanced beyond the need for newswire distribution. Newswires were founded on infrastructure; they were a required intermediary for companies in the pre-Internet era because they provided a necessary service. By using a newswire, companies could have their press releases delivered directly to the journalists of publications. This was initially accomplished through telegraph (hence the wire in newswire), which then evolved to private networks and satellites. However, today this entire infrastructure has been replaced by the Internet. Newswires no longer own their infrastructure and in fact rely on the Internet to provide the backbone of their distribution. Newswires (just like you and I) pay nothing for the privilege of using the Internet (beyond connection fees) to distribute information. For the same reason that newswires now rely on the Internet for distribution, we believe that companies should also have the right to use the same technologies and methods to connect with their stakeholders and the market in general. The new guidance ensures that companies have this option, should they wish to pursue it.

In speaking with numerous issuers across the U.S. since the release of the SEC's recent Reg. FD guidance, it is clear that they are interested in alternate distribution channels for their disclosure - not only to save costs, but to build better relationships with their stakeholders.

According to our clients and those individuals we have informally surveyed, annual press release distribution costs range from $60,000 to $300,000 per year. By adopting a web disclosure model, companies stand to save a considerable amount of money while improving their level of engagement with the market. The Internet enables the distribution of information for free – meaning a more level playing field for issuers who may not have large communication budgets.

We believe that all companies should have the right to communicate directly to their stakeholders and the market at large using web technologies like web sites, RSS, email alerts and social networking services such as Twitter. By following the guidance and transitioning to a web disclosure model, we believe that significant improvements can be made to the disclosure system while dramatically reducing costs for issuers.

2. Social Media has redefined how the world communicates and is doing the same to corporate disclosure

The explosion of social media has redefined communications. Blogs, RSS, Twitter, Facebook, LinkedIn and other social networking sites now provide an interactive two-way method to distribute, discuss and comment on information in real-time. In the past, companies would communicate in a “broadcast” method, pushing information out – similar to how an issuer pushes information out to the market now via a press release. Social media differs in that it permits a 'conversation' with a broader group of interested parties. It goes beyond even a two-way dialogue and allows an entire community of individuals, corporations, and media to participate in a conversation with an issuer, which in turn informs issuers as to the information most relevant to its audiences. These conversations define transparency between the issuer and its audiences. Any interested party can plug in to this conversation simply by subscribing to a company’s RSS feed, email alerts, or by following them on Twitter or any number of similar social networks.

Social Media’s impact can be seen explicitly in how the media is now notified of breaking stories. In the past, journalists relied heavily on press releases to write their stories, however, in today’s world, services such as Twitter, which are able to instantly notify large groups of people, are now *key* to breaking news stories. In fact, CNN anchors now track twitter conversations live on-air during broadcasts and many leading companies currently use Twitter to release breaking information as an important element in how they communicate to the market.

Social media services have created the infrastructure that allows for relevant content to be easily found, subscribed to and followed. With the recent SEC guidance supporting social media and with it being an integral component of how companies will disclose information, we believe the SEC has taken a significant step forward in ensuring that regulation can and will support emerging communication options for companies and investors.

3. Interactive data (XBRL) and Web Disclosure are intrinsically tied to market transparency and efficiency

The broad adoption of XBRL will provide a significant improvement to the transparency and utility of financial information. With the new guidance supporting web disclosure, companies will now have the option to notify the market of the release of this information and have it posted on their web sites and distributed to interested parties through their RSS feeds, Email Alerts and Social Networks.

This approach to releasing material information will support the ongoing conversation between investors, companies and the market in general because the information will be easily shared, distributed and then discussed in the market using web technologies.

Once information begins to be disclosed in this fashion, aggregators will establish new methods to obtain the content from issuers and redistribute it to their content partners such as Yahoo!Finance or Bloomberg. These aggregators are not bound to exclusive contracts with newswires and will quickly follow the market to obtain the necessary information in order to remain relevant.

We applaud the leadership position of the SEC regarding XBRL and web disclosure and believe that the combination of these initiatives will usher in a large number of new and innovative services that will benefit investors, issuers and the market in general.

4. The principles based guidance has been written to drive innovation & transparency. We support not adopting "bright line" tests which would result in built-in demand for specific technologies.

The use of the Internet continues to increase, and the speed and options for communication continue to expand. The SEC, with its current guidance, has opened the playing field and broadened the channels by which issuers can communicate under Reg. FD. The Commission needs to continue to provide guidance that drives innovation and challenges the market to create new ways to improve transparency and interactions between a company, their stakeholders and the market at large.

Already, since the SEC's recent announcement, we have seen great activity in the market as issuers look to educate themselves and consultants and technology providers look to fill the gap.

The current guidance, as it exists, encourages a transition to a web disclosure model – which we believe is a very effective and responsible way of moving the market forward. While issuers are taking steps to notify the market of their disclosure channels, they will also be looking to improve their own disclosure processes, technologies and delivery systems.

Many of the early concerns expressed by newswires (regarding universal and simultaneous disclosure) will be quickly addressed as the market moves toward a web disclosure model. Doing anything to impede the direction that the SEC has taken, would be to deny the enormous potential the Internet has for leveling the playing field and improving communications between an issuer and its stakeholders.

By adopting a principles-based approach rather than bright line tests, the Commission is allowing the market to determine what is acceptable and ensures that certain technologies and/or companies are not able to create protected industries. This is in the best interest for investors, companies and the market at large.

5. The market is already using the Web to consume disclosure and those that are not will quickly adapt.

The fact of today's market is that the Internet and web technologies are being used by virtually all stakeholders (including newswires) in the distribution and consumption of corporate disclosure. Newswire's make many claims about the value of their systems and how the media, investors, markets, etc. will not be able to function without them. Although we agree that newswires move a great deal of information in today's world, their current model of distribution is quickly growing irrelevant as Web technologies and social networks surpass the value they provide.

Although newswires are currently responsible for the initial distribution of press releases from a company to an aggregator such as Yahoo! Finance, it is then the Web and all of its interconnectivity that spreads that news around the world. Whether by RSS, Email alerts, Twitter, etc. news spreads around the world in a split second using the Web as the platform – not the newswire. The newswires are well aware of this and in fact, use the same technologies such as RSS, Email, Twitter and social networking to distribute their press releases around the world.

The key aspect of the guidance that we support is the right for each company to use the same technologies to interface directly with the end user. The need for companies to have an intermediary transmit information from them to the market has been replaced by the Internet and all related web technologies.

Financial websites such as Yahoo and Google and many others have already begun to post blogs alongside press releases. As companies leverage the web to disclose information, it will also enable a more direct relationship between the companies and the aggregators. The same reasons why companies should have the right to communicate directly with end users also apply to communications between companies and aggregators. With today's technology there is no longer a need for an intermediary between a company's information and that of its stakeholders – no matter if these end points are people, web sites or other systems.

On that note, some institutional investors currently consume full-text press releases in their trading and/or investment systems. As such, there is an argument that these stakeholders will be at a competitive disadvantage to the retail investor if information is disclosed through the web and not in a full-text press release delivered by a newswire. This argument is weak considering the competitive nature of automated trading - as companies begin to disclose information through the web, these systems will quickly adapt to consume the information, whatever and wherever its source may be.

In fact, there are numerous technologies already emerging in the market today that provide institutional investors with a rich set of structured information to drive their investment and trading strategies. Next generation Bloomberg's such as FirstRain, Kapow, InfoGen and SkyGrid instantly search and acquire web content from issuers and stakeholders, then apply advanced filtering, ranking and analysis and present it through various methods to their subscribers. As issuers begin to disclose through the web, these platforms and the current dominant players will be quick to adapt.

6. In order for this guidance to be adopted the stock exchanges need to be brought on board.

Due to the major exchanges having their own set of disclosure policies, it is important that the commission work to bring them on board with this new guidance. Exchanges should not be allowed to force companies to use any specific newswire or any newswire at all. The SEC needs to make this a priority as it is contradictory to the guidance and a source of confusion amongst stakeholders at all levels.

Conclusion

The growth of the Internet and web technologies has fundamentally changed how companies communicate with their stakeholders and the market at large. The principles-based guidance endorses a transitional process of moving from the established systems to one that fully leverages all available web technologies.

We ask that the commission remain focused on the benefits that web disclosure provides for companies, their investors and stakeholders and that it continue to utilize principles-based guidance that is focused on driving innovation and market improvements.

On behalf of the team at Q4 we appreciate the opportunity to comment on the guidance and would be pleased to discuss any of our comments at your convenience. Please feel free to contact me at any time.

Sincerely,

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