February 19, 2007

Nancy M. Norris
Secretary, Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
RE: File No. S7-24-06

Dear Ms. Morris,

This letter is being written in response to your request for comment, specifically the question, "Should the guidance be issued as an interpretation or should it, or any part, be codified as a Commission rule?"

The section titled, "Disclosures About Material Weaknesses," on page 46 deserves some consideration for being codified as a Commission rule. It is suggested that companies go beyond simply disclosing the fact that a material weakness exists and include information regarding the nature of the weakness, its impact on financial reporting, and plans for remediation. This would allow for enhanced interpretation of a company's financial statements, as it would give potential investors more information with which to evaluate the company's value as an investment.

Section 404 was implemented to protect potential shareholders by providing them with assurance that the financial statements they use to make investment decisions are reliable and accurate. One may argue that documents cannot be reliable and accurate without being thorough. Investors cannot form opinions based on a declaration that simply states whether a material weakness does or does not exist. The vagueness of this disclosure can be misleading, which may adversely affect an investor's analysis. The proposed guidance's suggested disclosure of the material weakness's impact on financial reporting would provide investors with the information they need to determine what impact, if any, the weakness should have on their analysis.

In addition to simply providing more information, more elaborate disclosure would give a company more credibility. Being very open and informative about what is happening inside the company can boost the trust of potential shareholders. The proposed guidance's recommendation to disclose management's plans to remedy any material weakness would show shareholders the company is doing what it can to be as accurate and reliable as possible when creating its financial statements. Shareholders would gain a better understanding of management's competency regarding problem solving, obviously an area of concern when considering the stability of a company.

Due to the fact that a lack of information can be just as detrimental to decision-makers as erroneous information, requiring companies to elaborate on their disclosure regarding material weaknesses seems logical.

In order to protect the public interest, companies should not be allowed to vaguely describe their material weaknesses. If an aspect of a company's internal controls can have a significant effect on financial statements, then that information needs to be presented in its entirety.

Because inadequate disclosure can be viewed as a lack of accuracy, a more elaborate disclosure should become a requirement rather than a suggestion. This would allow investors to perform a more detailed, accurate evaluation of a company and, in turn, would help maintain a level of trust between a company and the public.

Sincerely,

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