

February 19, 2007

Subject: Proposed Rule for Management's Report on Internal Control Over Financial Reporting (File No. S7-24-06)

Dear Commissioners,

I am presenting to you my comments concerning the above proposal. From what I have recently learned of the Sarbanes Oxley Act, the excessive costs and requirements are allegedly forcing many businesses to go private, or even bankrupt. Those businesses affected most are the small stock exchange companies who are having a difficult time complying with these requirements.

At first glance, it seemed that the proposal would provide considerable assistance to small companies. However, the SEC's proposed guidance left these businesses only slightly better off by exempting only the smallest public companies from Section 404.

The major problem that I noticed in the proposal is that much of the guidance is not specific. Because of broadly used terms, interpretation may differ among corporations. For example, on page 15, the proposal states, "...the terms 'reasonable,' 'reasonably' and 'reasonableness' in the context of Section 404 implementation do not imply a single conclusion or methodology, but encompass the full range of appropriate potential conduct, conclusions or methodologies upon which an issuer may reasonably base its decisions." Consequently, the determination of a company's fulfillment of the Sarbanes Oxley requirements can be very unclear.

Another issue that I noticed in the proposal concerns the flexibility. On page 15, the proposal states, "Further, it does not explain how management should design its ICFR to comply with the control framework it has chosen. To allow appropriate flexibility, the guidance does not provide a checklist of steps management should perform in completing its evaluation." This may be done to "tailor to the company's individual circumstances," but some more specific framework could be set.

Protecting the public interest is the most important goal that most everyone can agree on. There is always room for improvement on this issue. The proposal may have large corporations in mind, but it is the smaller firms that need the most assistance from the Sarbanes Oxley requirements. Also, by using specifics to make requirements clear and by making a more formal framework, confusions and mistakes may be avoided in the future.

Thank you for your time,

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