Jonathan G. Katz, Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

SUBJECT: File Number 4-497

Subject: Implementation of Sarbanes-Oxley Internal Control Provisions

Numerous articles that have been written, including the Commission's Call for feedback prior to the Roundtable meeting to be held on April 13, 2005, refer to "feedback on the internal control implementation process." Unfortunately, this is a misnomer; the predominance of companies implemented internal controls many years prior to the enactment of the Sarbanes-Oxley Act. The Call for feedback should be for the "implementation of the testing of controls under the Sarbanes-Oxley Act of 2002."

Internal controls have been in existence for many years. Occasionally human oversight may occur and an individual control (such as an approval signature) may be missed but on the whole most companies have numerous successful controls in place that operate effectively every day of the year. If this was not the case there would be many more companies for which public accounting firms would have to render either a qualified opinion or a disclaimer; and that is not happening.

As an employee of, and an investor in, a small international public company with revenues of $100 million, I find it very difficult to justify expenditures in excess of $1 million to cover the cost of complying with the Sarbanes-Oxley Act of 2002. Where do these costs come from?

External Auditing firm	**$350,000**
Outside consultant	**350,000**
Internal compliance officer (including expenses)	**265,000**
Estimated cost of staff time	**300,000**

The next logical question is: Where is the value derived from this expenditure?

Is it increased shareholder value? To the contrary, it has eroded the value to the individual shareholder to the extent of the cost of complying; this is not an insignificant amount on a per share basis.

Is it from added efficiencies? Yes, to some extent, but that was not the intention of the Act; the Act was intended to validate that controls are operating effectively, not improve efficiency. If companies are operating inefficiently that is impacting their bottom line and is not indicative of weak controls.

Does the failure to pass all of the tests mean the company has reported improper financial statements? No, absolutely not!! It simply means that if a test failed it was because human error got in the way in the transaction tested.

So where is the value? In my opinion there is only one place where there is value, and that is in the hands (or pockets) of the public auditing firms; the same profession that negligently allowed events to occur that resulted in the enactment of an Act that reaches too far into the control of industry. And the PCAOB–that is a bureaucratic boondoggle that has resulted in further costs to businesses to pay overpriced individuals to check up on the auditing firms that are testing the controls of business. We do not need to foster bureaucracy, we need to control it, and this is not the way.

In summary it is my opinion that the vast majority of companies are operated not to defraud shareholders, but rather to enhance shareholder value. I agree that it is necessary to operate according to all of the Generally Accepted Accounting Principles (GAAP), and in doing so companies will present their financial statements properly in a manner that shareholders can understand and rely on to be the results of operating the business in which they invested. Internal controls are necessary, everyone knows that. Spending millions of dollars to validate that ALL CONTROLS FUNCTION CONSISTENTLY ALL THE TIME is not necessary; it is a waste of private funds.

Let GAAP function; this will create consistency of financial reporting.

Signed: Darrell W. Simino
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