

January 19, 2006

Fax (212) 937-3670  
Room 4561

Jeffrey A. Tischler  
Chief Financial Officer  
Acies Corporation  
14 Wall Street, Suite 1620  
New York, NY 10005

RE: Acies Corporation  
Form 10-KSB for Fiscal Year Ended March 31, 2005  
File No. 000-49724

Dear Mr. Tischler:

We have reviewed your response to our letter dated December 5, 2005 in connection with our review of the above referenced filing and have the following comment. Please note that we have limited our review to the matters addressed in our comment below. We may ask you to provide us with supplemental information so we may better understand your disclosure. Please be as detailed as necessary in your explanation. After reviewing this information, we may raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Note 1 - Summary of Significant Accounting Policies

Revenue Recognition, page F-6

1. We note your response letters dated August 26, 2005 and December

5, 2005 regarding the Company's revenue recognition policy for merchant services accounts. With regard to this information, please

explain the following and although the Staff may refer specifically

to the agreement with Chase or Paymentech, your response should address each arrangement, as applicable:

\* Your letter dated August 26, 2005 indicates that the "marketing agreement" with Chase Merchant Services is from the standpoint of Chase selling certain services as a vendor to Acies relating to the processing of merchant accounts. The marketing agreement, however, indicates that the decision as to whether to enter into a Merchant Agreement shall be at the sole discretion of Chase. Furthermore, Chase will perform credit reviews of prospective Merchants and can refuse to accept Merchants who do not meet their credit standards. We further note that the Merchant Application and Agreement is signed by the merchant and a representative of Chase Merchant Services but not by the Company. Therefore, explain your position that the purpose of the marketing agreement is for Chase to sell services to Acies rather than for Acies to market Chase's services to the merchant customers.

\* Your August 26, 2005 letter also indicates that the merchant

accounts have the characteristics of portability. For example, Acies may change the merchant account's processing platform, or sell the account to a competitor of the Company, which may or may not utilize the same vendor/partners as did the Company for that Merchant account. Please explain how this complies with section 8(c) of the Marketing Agreement, which states "all Merchant Agreements, Merchant accounts and records relating thereto shall be and remain the exclusive property of the Service Providers (e.g. Chase Merchant Services). ISO (Acies) acknowledges and agrees that all Merchant Agreements are owned by the Service Providers and may not be transferred, assigned, sold or exchanged by ISO. We note your reference to paragraph 10(b), however, this appears to mean that the Company may assign its rights to service the merchant portfolio, however, the actual merchant accounts would remain with the service provider as per paragraph 8(c). Please explain.

\* Also, your August 26, 2005 letter indicates that at any point in time, and solely at Acies' discretion, Acies may change vendor/partners for any outsourced services. Considering the merchant agreement was signed by the service provider, would the customer be required to sign a new merchant agreement with the new vendor (service provider) designated by the Company? Considering the Company does not appear to be a party to the Merchant Agreements, where does it state that the Company has the authority to require the merchant to change service providers.

\* Please explain how the merchant transactions are funded. Tell us what responsibility both the Company and the service provider have in this process. If the merchant accounts are not credited timely or for the correct amount, tell us who is contractually and legally liable to the customers. Tell us how you considered the funding arrangements in determining which party has fulfillment obligations.

\* Explain how you considered the funding arrangements and the responsibilities of each party in determining who bears the credit risk in these transactions. For instance, we note in section 6.2 of the Paymentech agreement that Paymentech agrees to be responsible for uncollected merchant debt, except in situations where the Company attributed to the loss due to their negligence.

\* Also, explain how the discount fees charged to the merchant customers are paid to both the Company and the service provider. For instance, does the Company remit the fees owed to the service provider or does the service provider remit the fees collected from the merchants net of their portion retained?

\* We further note on page 10 of the Chase Marketing Agreement that all promotional materials used by the Company shall clearly disclose that the Merchant Agreement is between the Service Providers and the Merchant. Tell us how this would support the fact that the Company would appear to the merchants to be the primary obligor in these arrangements.

\* Tell us how you considered Example 9 in EITF 99-19 in your analysis as we believe the facts and circumstances in this example are similar to those of the Company.

\* \* \* \* \*

As appropriate, please amend your filing and respond to these

comments within 10 business days or tell us when you will provide us with a response. Please submit all correspondence and supplemental materials on EDGAR as required by Rule 101 of Regulation S-T. You may wish to provide us with marked copies of any amendment to expedite our review. Please furnish a cover letter with any amendment that keys your responses to our comments and provides any requested information. Detailed cover letters greatly facilitate our review. Please understand that we may have additional comments after reviewing any amendment and your responses to our comments.

You may contact David Edgar, Staff Accountant, at (202)-551-3459 or the undersigned at (202) 551-3730 if you have any questions regarding comments on the financial statements and related matters.

Sincerely,

Kathleen Collins  
Accounting Branch Chief