



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Mail Stop 3561

September 24, 2009

Via U.S. Mail

Helen Xiao Duan
Chief Executive Officer
China Cattle Holding Corporation
The NorthEast Corner of Fengqing Park
South Taoyuan Road
Xi'an City, Shaanxi Province 710077
People's Republic of China

**Re: China Cattle Holding Corporation
Form 10
Filed August 28, 2009
File No. 000-53777**

Dear Ms. Duan:

We have reviewed your filing and have the following comments. Where indicated, we think you should revise your document in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure. After reviewing this information, we may raise additional comments. Please provide us with a fax number, if available, to facilitate our review.

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.

General

1. We note your disclosure that you plan to conduct operations in the Middle East. Iran and Syria, located in the Middle East, are identified by the State Department as state sponsors of terrorism, and are subject to U.S. economic sanctions and export controls. Please describe to us the nature and extent of your past, current, and anticipated contacts with the referenced countries, if any, whether through subsidiaries, resellers, retailers, distributors, or other direct or indirect arrangements. Your response should describe any products, equipment, components, technology, and services you have provided to those countries, and any agreements, commercial arrangements or other contacts you have had with the governments of those countries or entities controlled by those governments.
2. Revise throughout your disclosure to provide substantiation for factual statements concerning the quality, effectiveness or position in industry of your business or products. Examples include your statement in the third bullet point on page 3 that you control the market for the cattle described.
3. Revise to define or remove industry jargon that may not be understood by an investor. Examples include “Cassou,” “OEM Factories,” and “flesh beef.”

Item 1. Business, page 3

4. Revise to briefly discuss the reasons for the reincorporation in 2009.
5. Please revise your disclosure throughout to remove marketing language. Examples include references to “high-quality” cattle semen and “comprehensive and financially sound” management systems and that Mr. Zan is “widely recognized” as a leading expert. These are examples only.

Government Support for the Beef Industry in China, page 4

6. Please reference a specific source for your statistics indicating an upward trend in beef consumption in China. Provide similar references for other quoted statistics.

Our Products, page 5

7. Explain whether the maximum amounts detailed in the second paragraph are legal maximums or are based upon your capacity.

Competition, page 8

8. You state that the company’s strategy is to be “the leading brand in China” for its beef products and later state that “[d]ue to the lack of logistics capabilities” there are no national market leaders in the PRC meat industry. Please revise these sections to include a discussion on the company’s strategy to overcome the lack of logistics capabilities in China in an effort to become the leading brand in China.

9. You name your competitors but do not state what products the competitors produce which compete with yours. Please revise.

Our Products, page 5

10. Refer to the final paragraph on page 6. Please update to confirm whether you still expect your new facilities to be in place by December 2009.

Regulation, page 10

11. Revise significantly to discuss how regulation affects you specifically, rather than just including general statements about Chinese regulation. In addition, discuss Chinese regulation related to foreign ownership.

Item 1A. Risk Factors, page 13

12. You disclose that the company has received approximately \$8.5 million in support from the Chinese government in furthering the company's development of Qinchuan cattle production. Please include a risk factor discussing the business risk associated with your performance and a loss of government assistance or support, such as subsidies, no-interest loans, and interest-bearing loans.
13. Revise to include a separate risk factor discussing the fact that current beef prices may not be sustainable in the future, and that your most recently reported results are based upon prices that have reached "multi-year highs."

Risk Relating to Our Business and Industry, page 13

14. In your discussion of credit risks, you note the existence of major customers in each of your company's business segments. For example, you note that during the most recent fiscal year, the "top three customers accounted for 38%, 24% and 22% of sales of live cattle." Please include in your discussion of risk factors any risks associated with the loss of business from any of your major customers within each segment in which you do business.

Risks Related to Conducting Our Business in China, page 17

15. You state that "[t]he nature and application of many laws of China create an uncertain environment for business operations and they could have a negative effect on us." Please address how China's legal system may affect the ability of U.S. shareholders to bring an action in China or to enforce a judgment against your company, directors or management.

If the Chinese Government Finds, page 18

16. Expand your discussion to explain how you believe your current structure complies with present regulations and highlight areas of your structure that might put you at risk of violating Chinese ownership laws.

Our bank accounts are not insured, page 18

17. Quantify the amount that is not insured.

Risk Related to an Investment in Our Common Stock, page 21

18. This is not an offering document. Please revise this section and all of the risk factors to remove any suggestion that stock is being offered by this document. In addition, revise to discuss any plans to seek a listing of your stock.

Item 2.B. – Management’s Discussion and Analysis of Financial Condition and Results of Operations, page 24

19. Your MD&A contains a very limited and vague discussion concerning results of operation, liquidity and capital resources. Based on the significant growth you experienced in the most recent fiscal year and the anticipated continued growth you expect in future periods as well as the significant changes that have occurred in results of operations and financial condition in fiscal 2009, we believe that your discussion can be significantly enhanced to be more informative so that an investor can look at the company through the eyes of management. The MD&A is intended to provide material disclosure and analysis enabling investors and other users to assess the results of operations and financial condition both on a historical and prospective basis with information so one can judge the quality of earnings, changes in liquidity and capital resources and the likelihood that past performance is indicative of future performance on both a short-term and long-term basis. In this regard, we refer you to some detailed guidance on MD&A requirements included in Item 303 of Regulation S-K, Financial Reporting Release No. 72 (FRR-72) and Section 501 of the Financial Reporting Codifications (i.e. MD&A Interpretive Release – FR-36). Please consider the following recommendations in a number of areas (not all inclusive) where we believe you can enhance the MD&A disclosure on a more robust basis.
 - In the overall presentation, the use of tables to present relevant financial information. For example when discussing line item changes, tabular (rather than a narrative) comparison of the results in different periods (including percentage changes) followed by a narrative explanation and analysis of the reasons for changes.
 - In the overview section, a discussion of key performance indicators, including non-financial performance measures that management uses to manage the business. In identifying and addressing key variables and other qualitative and quantitative factors enables you to focus on key indicators and financial condition and operating performance peculiar to the company.
 - A discussion of changes in each material line item in the consolidated statement of income under separate captions (e.g. gross revenues / net revenues, cost of revenue,

selling, general & administrative expenses, and other income components). The discussion should also provide a detailed analysis of each significant factor (quantified as practicable) that contributed to the overall material change in the specific line item.

- A discussion and analysis of your results of operations on a segment basis so that an investor can better understand your business. This discussion becomes more relevant to the extent that any segment contributes in a materially disproportionate way to your results of operations or financial condition.
- The discussion and analysis of cash flows and its related activities should not be a mere recitation of changes and other information evident to readers of the financial statements. Rather, the discussion should focus on the primary drivers of cash flows, material factors necessary to an understanding of the company's cash flows, the resources available to satisfy cash requirements and the indicative value of historical cash flows.
- The liquidity discussion should provide a discussion of your short-term needs (within the coming 12 months) and a long-term discussion on when payments on your long-term obligations are due along with the proposed sources of funding required to satisfy such obligations as well as anticipated future obligations.
- A discussion of any known trends, demands, commitments, events or uncertainties unless the company concludes either (i) it is not reasonably likely to come to fruition, or (ii) it is not reasonably likely to have a material effect.

Please revise and expand your MD&A accordingly.

MD&A – Results of Operations, page 25

20. In view of the significant increase of net revenues in excess of 100% from fiscal 2008, the disclosure that the principal factor results from an increase in sales of fattened cattle is vague and not informative. From your segment results, it appears that a number of factors significantly contributed to the increased net revenues as all three different segments reflected significantly higher net revenues from the prior period. In this regard, please discuss each material factor that contributed to the increase in net revenues and provide an analysis of the reasons on why each material factor increased. Please revise accordingly.
21. In the operating income section, you disclose that the significant 42% increase in general and administrative (“G&A”) expense is principally due to increased financing costs. Please expand the discussion to describe the financings, amounts and types of costs and why such financing costs were classified within G&A expense, rather than interest or other investment cost within other income (expense).

Liquidity and Capital Resources, page 25

22. Revise to discuss in detail your planned expansion of your cattle fattening capabilities and to provide estimated sources and uses of capital in this regard, as well as expected timelines.
23. Please revise the last paragraph of this section to indicate loans outstanding in US\$ to correspond to the loan amounts that appear in the notes to the financial statements.

Critical Accounting Policies, page 26

24. We note your section on critical accounting policies. It appears that the items included are a mere repetition of your Basis of Presentation and Summary of Significant Accounting Policies section. Pursuant to FR-60, this section is intended to focus on the sensitivity aspects of your critical accounting policies, that is, the likelihood that materially different amounts would be reported under different conditions or assumptions. In making disclosures under FR-60, registrants need not repeat information that is already included in the financial statements or other sections of the filing. For example, you may present a sensitivity analysis in Foreign Currency Translations that addresses the impact of a hypothetical movement in exchange rates of 10% or greater. Similarly, we note that inventory values are impacted by depreciation of the breeding herd, therefore, you may want to present a sensitivity analysis that addresses the impact of changes in depreciation and factors that affect depreciation of a herd. Please revise accordingly.

MD&A – Capital Expenditures, page 26

25. We note that you expect very high levels of capital expenditures starting in fiscal 2010 related to the growth of the company and the construction of additional facilities. As you intend to fund some of these requirements through bank financings and debt securities, please expand the discussion to state an estimate of how much debt you anticipate incurring for these purposes, the anticipated borrowing rate and costs of such debt as well as the impact you expect on results of operations from the estimated interest expense from these borrowings.

Executive Compensation, page 34

26. You state that directors are eligible for “fixed fees and other compensation to be determined by our board of directors.” Please describe further these fixed fees and other compensation, including a discussion on how often they are provided and the amounts.
27. Revise substantially to include disclosure responsive to all of Item 402 of Regulation S-K. If you have not paid executive compensation, disclose this.

Certain Relationships and Related Party Transactions, and Director Independence, page 34

28. Your designation of a party as a “Common Shareholder” in your chart does not sufficiently describe the party’s relationship to your company. In addition, your description of “Business Associates” does not make clear whether these entities are subsidiaries of your company. Please revise and expand your discussion of related party transactions to clearly describe the relationship between your company and each of the entities and related persons listed. In addition, please include in your discussion the nature of and the related person’s interest in each of the material transactions. Refer to Item 404(a)(2) and (6) of Regulation S-K.

Item 9. Market Price of and Dividends on, page 35

29. State how many shares are held by affiliates.

Item 10. Recent Sales of Unregistered Securities, page 35

30. You disclose that in “September 2007, 100,000 shares of our common stock were sold to one investor in an offshore transaction.” Please identify the investor. Refer to Item 701(b) of Regulation S-K.

Financial Statement Presentation

31. In note 1, you disclose that the registrant was incorporated on September 27, 2007. However, your financial statements include financial data for all of the June 30, 2008 fiscal year. As the financial statements include historical data prior to the registrant’s incorporation, it appears that the December 12, 2007 exchange of 100% of the registrant common shares for all of Baoji Wuyin (“Baoji”) common shares was treated as a “reverse merger (recapitalization)” for accounting purposes with Baoji deemed to be the accounting acquirer and the registrant deemed to be the legal acquirer, as the registrant was recently formed prior to this transaction and lacked any significant operations. Please expand note 1 to completely and clearly disclose the accounting treatment for this merger transaction. In your disclosure, please address why the consolidated financial statements include historical information prior to the registrant’s incorporation and state that the consolidated financial statements have been prepared to give retroactive effect to reflect the historical activity of Baoji since its inception. Also, please clearly disclose that this merger transaction was substantially recorded as a recapitalization due to the recent formation of the registrant and its lack of prior operations before the merger. In addressing the accounting, please also explain how the historical stockholders’ equity of Baoji has been retroactively restated for the equivalent number of common (member) shares received in the exchange after giving effect to any differences in the par value to offset to paid-in-capital. Please revise accordingly.

Consolidated Balance Sheet and Statements of Members' Equity (Deficit), pages F-2 and F-5

32. Reference is made to the disclosure in note 1 with respect to common shares being issued in the exchange transaction with Baoji Wuyin as well as the disclosure in Items 9 and 11 (pages 35-36) where we note that 100 million common shares are currently authorized with 10 million common shares being issued and outstanding. As such, please set forth on the face of the consolidated balance sheet and statement of members' equity the number of common shares authorized, issued and outstanding, as appropriate, at each balance sheet date.
33. Furthermore, from disclosure in Item 10 (page 35), we note a concurrent share split occurred to increase the common shares outstanding with the reincorporation of the Company in Delaware in July 2009. As a result of this transaction, please include a footnote to the consolidated financial statements that clearly describes this transaction and its resulting accounting treatment. In addition, as this change in capitalization structure occurred prior to filing this initial registration statement, we will not object to presenting this subsequent to the balance sheet date stock split on a retroactive basis in your historical consolidated financial statements as this will be required by SFAS 128 (paragraph 54). Otherwise, the consolidated financial statements will require a pro forma presentation giving retroactive treatment for all periods (including pro forma number of shares outstanding and its related pro forma EPS data) for this subsequent event transaction with appropriate note disclosure describing the treatment.

Consolidated Balance Sheet page F-2

34. We note that your accounting policy for accounts receivable in note 2 (page F-7) provides that you maintain reserves for potential credit losses on accounts receivable. As accounts receivable represents approximately 20% of total assets, please disclose the amount of allowance for doubtful accounts receivable at each balance sheet date on the face of your consolidated balance sheet. In addition, in the notes, we suggest the inclusion of a table that reconciles the allowance for doubtful accounts receivable from the beginning of the earliest period to the balance at the end of the latest year presented with separate columns for charges to the allowance (e.g. bad debt provisions, etc.) and deductions (e.g. write-off, etc.). Please revise accordingly.

Consolidated Statements of Income and Comprehensive Income, page F-3

35. As this registration statement on Form 10 represents the company's initial registration in becoming a public entity, the consolidated financial statements should provide all disclosures that are required for a public entity. As such, please provide all the disclosures for earnings per share required by SFAS 128. In accordance with SFAS 128, please present all the information required for presentation on the face of the consolidated statements of income (paragraphs 36-38) as well as the disclosures (paragraphs 40-41) in the notes, including an accounting policy on how earnings per share has been computed for all periods presented.

Note 2 – Cash and Cash Equivalents, page F-7

36. Reference is made to your risk factor on page 18 where you disclose that your bank accounts are not insured or protected against loss. In view of the material amount of cash and cash equivalents on your consolidated balance sheet that represent in excess of 20% to total assets, please expand this note to disclose the market risks for cash and its equivalents not being insured or protected against loss in the event of the insolvency of a bank or trust company holding your deposits or if you are otherwise unable to withdraw funds. Refer to the guidance in SOP 94-6 and SFAS 133 for information on market and concentrations of risk. Please revise accordingly.

Note 2 – Inventories and Property, Plant & Equipment, page F-7

37. We note that you include costs of raised animals in inventories, while cattle for reproduction are included in property, plant & equipment. It is unclear how you distinguish your balance sheet classification of breeding and other production animals (i.e. agricultural products) between inventories and property, plant & equipment. It is important that an investor clearly understands why you classify some of these types of assets as current and others as non-current on your consolidated balance sheet. In this regard, we also refer you to the AICPA Audit and Accounting Guide for Agricultural Producers. Please tell us and expand your notes to clearly and completely explain how you distinguish the classification of agricultural products on your consolidated balance sheet as inventories and property, plant & equipment with the specific accounting literature you relied upon in the above AICPA Guide. In the notes, please also disclose (i) the amount of write-down of inventories to net realizable value each period; and (ii) the material and separate types of costs included in cattle for reproduction that are classified within property, plant & equipment. Furthermore, in the accounting policy for property plant & equipment and in accordance with the guidance in SOP 94-6 on concentrations of risk., please discuss (i) that your insurance coverage may not provide enough coverage in the event of damage or loss to your properties due to the limited insurance business insurance products offered in China as provided in your risk factors (page 18); and (ii) quantify the maximum exposure to loss based on your current coverage and the carrying value of your properties to the extent practicable. Please revise accordingly.
38. Reference is also made to the penultimate paragraph in the Business section under “Government Support for the Beef Industry in China” on page 5 where we note that the Company has received \$8.5 million in support from the Chinese government through subsidies and loans. With respect to these government programs, please completely and clearly tell us how you considered the guidance in the AICPA Audit and Accounting Guide for Agricultural Producers under Section 6 for “Government Loans and Agricultural Programs” in accounting for each of your separate programs. Specifically, please note and address the specialized accounting treatment under Section 6.96 (Loan Programs), Section 6.99-6.100 (Cost-Sharing Programs) and Section 6.101-6.103 (Income Taxes). Assuming a satisfactory response, please also expand the notes to your consolidated financial statements to describe the amounts you received from the Chinese

government under the various programs and your accounting treatment with respect to each of these material separate programs.

Note 2 – Revenue Recognition, page F-8

39. We note that your revenue is reflected net of value-added tax (VAT), product returns, sales discount allowances and sales rebates. From disclosures in note 12 and herein, we also note that the amounts of sales rebates and VAT have been material to your consolidated financial statements. Therefore, please disclose the amount of each of these separate components that reduced gross revenues in each period presented. In this regard, this disclosure can be reflected on the face of the consolidated statements of income by expanding your statement to separately present gross revenues and the amounts of each of these four separate components noted above in deriving the amount of net revenues, as presently disclosed on the statement. In the alternative, you can also present this information in a financial table to the revenue recognition policy as long as the table clearly discloses for each period presented the impact (separate amounts) of each these four components that reduced gross revenues to the amount of net revenues as reflected on the consolidated statements of income. In this regard, we also have noted that other public companies in your industry have provided this similar separate disclosure in their consolidated financial statements. Please revise accordingly.
40. Furthermore, in discussing your results of operations in MD&A, please expand the Net Revenue disclosure to also include this table reflecting how gross revenues were impacted by these items in deriving net revenues. In your disclosure, please also explain how these items impact revenue, the reasons for material changes in each component from period to period as well as reasonably expected significant changes that may occur in future periods. In addition, please also discuss in MD&A your policy in granting product returns, sales discount allowances and sales rebates and how such policy has impacted your consolidated financial statements and any known trend or uncertainties with respect to these items that management reasonably expects will have an impact on net sales in future periods. With respect to the VAT, please discuss any known changes in how such tax will be computed in future periods that may impact your net revenues. Please revise accordingly.

Note 2 – Accounting Policies, page F-8

41. Reference is made to disclosure in Risk Factors where your products and processes can expose you to product liability claims (page 13) and the potential to recall some products if they become adulterated or misbranded and its related product liability claim (page 14). Although you disclose that product liability claims and product recalls can adversely affect business operations, it is unclear if you have performed any product recalls or been asserted any product liability claims during the historical financial statement periods. Please expand your accounting policies to completely and clearly describe how you initially recognize and measure these types of liabilities, including the methodology used in determining any estimates of amounts accrued in the consolidated financial statements as well as the amount of expenses recognized in each period. In addition, please tell us

your consideration of the guidance in FIN 45 (paragraph 14) for disclosures required for product warranties (including liability claims and recalls), accordingly. As necessary, please also expand your notes to include the tabular reconciliation of changes in the aggregate product claims and product recalls (“product warranty”) liability for the reporting period as specified in paragraph 14(b).

Note 2 – Accounting Policies, page F-8

42. Reference is made to your consolidated balance sheet where you have a material capitalized asset “Construction in progress” that represents approximately 20% of total assets. Please disclose an accounting policy that describes the nature, measurement and recognition of each material cost component capitalized with the accounting treatment surrounding the capitalization of these costs. In addition, please also address whether this is a qualifying asset in which interest costs are capitalized and detail the capitalization period (including when interest capitalization ceases) as well as the disclosures that are required under SFAS 34 (paragraph 21) with respect to interest cost.

Note 10- Loans Payable, page F-15

43. It appears that the loans from Fufeng County’s Rural Credit Union due on April 15, 2010 of \$241,059 have not been included in the current portion, even though their due date is less than a year from the year ended June 30, 2009. Please revise your financial statements or advise accordingly.

Note 11- Long-Term Payables, page F16

44. Supplementally advise us and expand your disclosure to provide further details on the terms of repayment of those loans. Specifically discuss whether there is a minimum contractual term to develop the business of breeding Qinchuan cattle and whether the lender has committed in writing not to demand repayment for more than one year from June 30, 2009.

Note 10- Loans Payable, page F-15

Note 11 – Long-Term Payables, page F-16

45. We note that your Loans Payable and Long-Term Payables include material amounts of debt that are classified as long-term on your consolidated balance sheet. In accordance with the requirement of paragraph 10 of SFAS 47, please disclose, in a table, for each of the five years following the date of the latest balance sheet presented, the combined aggregate amount of maturities for all long-term borrowings.
46. In addition, in the first paragraph of note 11, you disclose that the carrying amount of long-term payables approximates their fair values because the applicable interest rates approximate current market rates. As all your long-term payables are non-interest bearing debt, it is unclear how this statement is supported unless the interest rate of all similar debt in the market is assumed to be zero. This does not appear to be the situation

from disclosures in note 10 (Loans Payable) where interest rates on loans are significant and range between 5.76% - 11.52%. Therefore, please revise your disclosure in note 11 to disclose the fair values of your long-term payables based on the approximate current market rates available for similar debt in the market based on the expected term this debt will be outstanding. Please revise accordingly.

Note 12 – Taxes Payable, page F-16

47. In the table reconciling the U.S. statutory rate to the Company's effective tax rate, we note that fiscal 2009 is materially impacted by tax exempt income which reduced your statutory rate by 11.9% and resulted in an approximate \$1.1 million savings in income taxes. Please expand your note to clearly disclose the nature of this tax exempt income item that materially impacted your tax provision, including why fiscal 2009 was impacted with no effect on fiscal 2008.
48. In addition, please expand your results of operations in MD&A to clearly and completely discuss the impact this tax exempt income item had on your fiscal 2009 net income with no similar effect in fiscal 2008. Also, if management reasonably expects that this known tax item will material favorably or unfavorably impact future results of operations, please disclose accordingly.
49. Reference is made to the disclosure in the Business Section – Enterprise Income Tax (page 12), whereby you discuss preferential tax advantages in China, commonly referred to as “tax holidays” that were granted to certain entities. In this income tax note, please expand your disclosure to completely discuss the facts surrounding this tax holiday, including the aggregate dollar and per share effects of the tax holiday and whether this special tax status could terminate. In addition, please expand the MD&A (results of operations) to discuss the impact of this tax holiday as well as any known material favorable or unfavorable future impact of this item on results of operations. We refer you to the guidance in Topic 11C of the Staff Accounting Bulletins. Please revise accordingly.

Note 13 – Related Party Transactions, page F-17

50. We note that you have a material amount of both related party receivables and payables that are classified as long-term on your consolidated balance sheet. With respect to this debt, please expand your notes to describe the general character of each material separate component of such debt including: (i) the rate of interest; (ii) the date of (expected) maturity; (iii) if payment of principal or interest is contingent (including the nature of the contingency; (iv) a brief indication of priority; and (v) if convertible, the basis. Also, in accordance with the requirement of paragraph 10 of SFAS 47, please disclose, in a table, for each of the five years following the date of the latest balance sheet presented, the combined aggregate amount of maturities (or estimated maturities) for all these long-term related party borrowings. In addition, if the borrowings are below market rates, in accordance with SFAS 107, please also disclose the fair values of this related party debt

based on the approximate current market rates available for similar non-related party debt based on the expected term this debt will be outstanding. Please revise accordingly.

51. With respect to the material amount of relate party receivables, please disclose the terms in which the receivables are expected to be collected as well as your accounting policy on the methodology used in assessing the recoverability of the amount of long-term receivables as reflected on your consolidated balance sheet at the end of each period. Please revise accordingly.

Note 16 – Segment Reporting, page F-18

52. We note that your segment information provides net income as your segments measure of performance. The guidance in paragraphs 29-30 of SFAS 131 provides information on how a chief operating decision maker measures performance. Although your consolidated financial statements include other measures of performance (i.e. gross margin and operating income) besides net income, it is unclear how you determined that net income is the appropriate measure of segment performance and how you allocated amounts (general and administrative expense, interest expense, other income, etc.) to each segment. Please tell us and expand your disclosure on a narrative basis to explain the basis for determining and concluding what the appropriate measure of performance is for your segments as well as how you define the chief operating decision maker in your company (see paragraphs 12 of SFAS 131). If net income is the appropriate measure of segment performance, please also completely disclose the methodology on how you allocate costs to the segment as noted above. Please also see the guidance for disclosures as cited in paragraph 31 of SFAS 131 and revise your note accordingly.
53. From disclosures in your Business section on pages 3 and 10, it appears you have export sales revenue to the Middle East, etc. Therefore, if you have export sales revenues to other geographic areas, please provide the geographical information disclosure in accordance with the requirements of paragraph 38 of SFAS 131. Please advise or revise accordingly.

* * * * *

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. You may wish to provide us with marked copies of the amendment to expedite our review. Please furnish a cover letter with your 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 your amendment and responses to our comments.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes all information required under the Securities Exchange Act of 1934 and that they have provided all information investors require for an informed investment decision. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of

the disclosures they have made.

In connection with responding to our comments, please provide, in writing, a statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filing or in response to our comments on your filing.

You may contact Effie Simpson at (202) 551-3346 or Joseph Foti at (202) 551-3817 if you have questions regarding comments on the financial statements and related matters. Please contact Tarik Gause at (202) 551-3521 or me at (202) 551-3412 with any other questions.

Sincerely,

Amanda Ravitz
Branch Chief – Legal

cc: Barbara A. Jones, Esq. (*via facsimile*)
McDermott Will & Emery LLP
(617) 535-3800