



DIVISION OF
CORPORATION FINANCE

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

Mail Stop 6010

July 25, 2008

Via U.S. Mail and Fax (978-654-4501)

Vincenzo LiCausi
Chief Financial Officer
Cambridge Heart, Inc.
100 Ames Pond Drive
Tewksbury, Massachusetts 01876

**Re: Cambridge Heart, Inc.
Amendment No. 1 to Form 10-K/A for the fiscal year ended
December 31, 2007
Filed April 14, 2008
Form 10-Q for the quarter ended March 31, 2008
File No. 000-20991**

Dear Mr. LiCausi:

We have reviewed your filings and have the following comments. Where indicated, we think you should revise your future filings 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 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 on any other aspects of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Amendment No. 1 to Form 10-K for the Fiscal Year Ended December 31, 2007

Financial Statements, page 33

Note 2. Summary of Significant Accounting Policies, page 40

Cash Equivalents, Restricted Cash and Marketable Securities, page 40

1. You disclose that “[t]he Company considers all highly liquid debt instruments purchased with a remaining maturity of three months or less to be cash equivalents.” We note that you refer to remaining maturity and not original maturity. Please tell us how you considered the guidance in paragraph 8(b) of SFAS 95, including footnote 2 to that paragraph in determining your accounting policy.
2. Further, you disclose that you included short-term commercial paper, auction rate securities, short-term securities of state government agencies with maturities less than three months from date of purchase and money market securities, totaling \$563,366 and \$113,384 at December 31, 2006 and 2007, respectively, in cash equivalents. You disclose that “[t]he liquidity of some of these securities may be effected by market conditions.” Please discuss how you considered paragraphs 8 and 9 in determining which investments qualified to be cash equivalents. Tell us which securities have a liquidity risk and how you considered those risks in determining that the security met the definition of a cash equivalent in SFAS 95.
3. We note that approximately \$11.2 million of your assets are in the form of marketable securities. Please tell us and in your future filings, please clearly discuss the nature of the material aspects of these securities as necessary to provide your investors with information necessary for a clear understanding of your balance sheet items. For example, as appropriate, identify the nature of your investments, indicate what factors may affect the value or liquidity of those securities, disclose how the interest rates on those investments will be determined and any material risks. Also, if those securities are reasonably likely to affect your financial condition in a material way, please expand your MD&A in applicable future filings to provide your investors with information necessary for a clear understanding of the trend or uncertainty. Refer to Item 303(a) of Regulation S-K. Also add any appropriate disclosure required by Item 305 of Regulation S-K.

Net loss per share, page 43

4. You disclose that EITF 03-6 “will have an impact if and when the Company incurs net income and at that time [you] will evaluate whether [y]our existing securities meet the definition of a “participating security” under the provisions of EITF 03-06.” Please tell us how you considered paragraph 19 of EITF 03-6, under which you should not automatically exclude a convertible participating security from the computation of basic EPS when you have a net loss. Instead, you would determine whether a participating security holder has an obligation to share in the losses based on the contractual rights and obligations of the participating security.

Note 8. Convertible Preferred Stock, page 49

5. We note that as of December 31, 2007 you have warrants for the purchase of 115,385 shares of Series A preferred stock outstanding. Each underlying Series A preferred share is convertible into 13 shares of your common stock. Please tell us the pertinent rights and privileges of the Series A preferred shares including any put rights. Discuss how you considered FSP FAS 150-5 in your accounting for the warrants.
6. Further, we note that you previously classified the Series A preferred stock warrants within temporary equity in your December 31, 2006 Form 10-K. Please tell us why the warrants and the related preferred stock were previously classified as temporary equity. Please also tell us where the warrants are currently classified and why.
7. You disclose that “[i]n the event of a liquidation of the Company, the holders of Series C Preferred Stock are entitled to receive, prior to the payment of any amount to the holders of Common Stock, other series of Preferred Stock or any other capital stock of the Company, an amount equal to the Series C Original Issue Price, plus declared but unpaid dividends on such shares.” You also disclose that you classified these shares as temporary equity “based on the rights of the Series C stock in a deemed liquidation” consistent with EITF Topic D-98. Please tell us and disclose in future filings the pertinent rights and privileges of the preferred stock, including the deemed liquidation rights, consistent with paragraphs 4 - 7 of SFAS 129.
8. Further, please tell us how you evaluated the terms of the preferred shares under EITF Topic D-98 in determining that the shares should be classified in temporary equity. Please refer to the applicable paragraphs relied upon in EITF Topic D-98.

Item 9A. Controls and Procedures, page 62

9. We note your disclosure that your Chief Executive Officer and Chief Financial Officer “concluded that [your] disclosure controls and procedures were effective as of December 31, 2007, to ensure that information required to be disclosed by [you] in the reports that [you] file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms.” The language that is currently included after the words “effective as of December 31, 2007” in your disclosure appears to be superfluous, since the meaning of “disclosure controls and procedures” is established by Rule 13a-15(e) of the Exchange Act. Please remove the language in your future filings or revise the disclosure in future filings so that the language that appears after the word “effective” is substantially similar in all material respects to the language that appears in the entire two-sentence definition of “disclosure controls and procedures” set forth in Rule 13a-15(e).

Form 10-Q for the Quarterly Period Ended March 31, 2008

Financial Statements, page 3

Note 2. Summary of Significant Accounting Policies, page 7

Cash equivalents and marketable securities, page 7

10. We note that you have \$9.5 million of marketable securities as of March 31, 2008, representing approximately 63% of your total assets. You disclose that this amount consists of municipal bonds and auction rate securities which are “recorded at amortized cost, which approximates fair market value.” From this disclosure it is not clear how or whether the company adopted SFAS 157 as of January 1, 2008. Please tell us how you considered SFAS 157 in your accounting. Include a discussion of the level of input you used for each security to measure fair value and why.
11. Further, in future filings please provide all of the disclosures required by SFAS 157. The disclosure should include information that enables users of your financial statements to assess the inputs used to develop your fair value measurements and for recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on earnings (or changes in net assets) for the period. Otherwise, tell us why you are not required to provide the disclosures. Please show us your proposed disclosures.

Management's Discussion and Analysis of Financial Condition and Results of Operations, page 14

Critical Accounting Policies and Estimates, page 17

12. In future filings, as applicable, please discuss the material accounting estimates and assumptions you make in valuing your auction rate securities and other investments included in marketable securities. Describe the process by which you determine the value of those securities, the levels of judgment involved and the susceptibility of the resulting value to changes in your estimates and assumptions. Please also discuss your adoption SFAS 157 and how that impacted your valuation of your marketable securities.

Item 4. Controls and Procedures

13. We note your disclosure that “[t]here has been no significant change in [y]our internal control over financial reporting (as defined in Rules 13a-15(f) under the Securities Exchange Act of 1934) during the fiscal quarter ended March 31, 2008 that has materially affected, or is reasonably likely to materially affect, [y]our internal control over financial reporting.” To the extent that your disclosure was provided to address Item 308(c) of Regulation S-K which requires disclosure of any change that occurred during the quarter that materially affected, or is reasonably likely to materially affect, your internal control over financial reporting, please note that the need for disclosure is not limited to significant changes that could affect your internal control over financial reporting subsequent to the date of your evaluation. Please correct the disclosure in future filings to address all changes or advise us.

Exhibit 31

14. We note that the punctuation was changed in paragraph 1 of the certifications and the words “(as defined)” were replaced by “as deferred” in paragraph 4. In future filings, please ensure that the certifications required by Exchange Act Rule 13a-14(a) are consistent with Item 601(b)(31) of Regulation S-K.

As appropriate, please respond to these comments within 10 business days or tell us when you will provide us with a response. Please furnish a cover letter with your response 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 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 Praveen Kartholy, Staff Accountant, at (202) 551-3778 or me at (202) 551-3604 if you have questions regarding these comments. In this regard, do not hesitate to contact Brian Cascio, Accounting Branch Chief, at (202) 551-3676.

Sincerely,

Kate Tillan
Assistant Chief Accountant