

Mail Room 4561

March 30, 2007

Steven Sprague  
President and Chief Executive Officer  
Wave Systems Corp.  
480 Pleasant Street  
Lee, Massachusetts 01238

**Re: Wave Systems Corp.  
Registration Statement on Form S-3  
Filed March 20, 2007  
File No. 333-141429**

Dear Mr. Sprague:

We have limited our review of the above-referenced filing of Wave Systems Corp. to the issue identified below and have the following comments. Where indicated, we think you should revise your document in response to the 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. After reviewing your response, we may or may not 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 welcome any questions you may have about our comments or on any other aspect of our review and look forward to working with you. Feel free to call us at the telephone numbers listed at the end of this letter.

General

1. Please be advised that all of the information required by Form 10-K, including the Part III information, must be filed before the registration statement can be declared effective. Please refer to telephone interpretation H.6 of our July 1997 Manual of Publicly Available Telephone Interpretations, which is publicly available on our website. Note also that because your company's fiscal year ended December 31, 2006, the Part III information must comply with the new Executive Compensation and Related Person disclosure rules. See Section VII. of SEC Release No. 33-8732A (September 8, 2006).

Signatures

2. Please indicate who is signing in the capacity of principal financial officer and principal accounting officer or controller. See instruction 1 to the signatures section of the Form S-3.

As appropriate, please amend your filing in response to our comments. You may wish to provide us with marked copies of the amendments to expedite our review. Please furnish a cover letter with your amendments that keys your response 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(s).

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filings reviewed by the staff to be certain that they have provided all information investors require for an informed 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.

Notwithstanding our comment, in the event the company requests acceleration of the effective date of the pending registration statement, it should furnish a letter, at the time of such request, acknowledging that:

- \* should the Commission or the staff, acting pursuant to delegated authority, declare the filing effective, it does not foreclose the Commission from taking any action with respect to the filing;
- \* the action of the Commission or the staff, acting pursuant to delegated authority, in declaring the filing effective, does not relieve the company from its full responsibility for the adequacy and accuracy of the disclosure in the filing; and
- \* the company may not assert this action 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 connection with our review of your filing or in response to our comments on your filing.

We will consider a written request for acceleration of the effective date of the registration statements as a confirmation of the fact that those requesting acceleration are aware of their respective responsibilities under the Securities Act of 1933 and the Securities Exchange Act of 1934 as they relate to the proposed public offering of the securities specified in the above registration statements. We will act on the request and, pursuant to delegated authority, grant acceleration of the effective date.

Furnish requests for acceleration on behalf of the company and the underwriters at least two days prior to the requested effective date. Refer to Rule 461 of Regulation C of the Securities Act of 1933 regarding requests for acceleration.

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Please direct all questions to Maryse Mills-Apenteng at 202-551-3457 or the undersigned at 202-551-3462. If you require further assistance, please contact Barbara C. Jacobs, Assistant Director, at 202-551-3735.

Sincerely,

Mark P. Shuman  
Branch Chief – Legal

cc: Via facsimile: 212-702-3644  
Neil W. Townsend, Esquire  
Bingham McCutchen LLP