



DIVISION OF  
CORPORATION FINANCE

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

October 5, 2010

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

**Re: Wave Systems Corp.  
Form 10-K for the fiscal year ended December 31, 2009  
Form 10-Q for the quarterly period ended June 30, 2010  
File No. 000-24752**

Dear Mr. Sprague:

We have completed our review of your Form 10-K and related filings and have no further comments at this time on the specific issues raised.

Sincerely,

Stephen Krikorian  
Accounting Branch Chief