

February 19, 2007

Nancy M. Morris
Secretary, Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-24-06

Dear Secretary Morris,

I would first like to thank the Securities and Exchange Commission for welcoming public comments on the implementation of internal control reporting requirements under Section 404 of the Sarbanes-Oxley Act of 2002.

The Sarbanes-Oxley Act had original intent to restore investor confidence. Though in some ways it has been successful in achieving this task, some unintended results have also become apparent from the legislation. In order to restore confidence to investors, changes to internal controls in financial reporting were necessary, and in general, the Sarbanes-Oxley act accomplished this. With that said, the financial consequences are becoming more and more apparent as companies are trying to comply with Sarbanes-Oxley.

The costs to complete the tasks described in SOX, specifically Section 404, are burdensome for companies, as it is expensive to not only complete the documentation necessary but employ the correct personnel to complete the task.

The proposal suggests that management should evaluate the financial reporting risks of their own company. However, this can be challenging because they have an internal view, and may not see everything that a third party would be able to identify. Ideally, a third party would have a better evaluation of financial reporting risks in a company. However, employing a third party, outside of the company, is not only expensive, but time consuming as well because they have to have a complete understanding of the company, not just their financial operations.

I believe the most significant compliance issue that companies have with the Sarbanes-Oxley Act is the excessive amount of documentation needed in order to comply with the procedures set forth in Section 404. I think it is necessary to have evidential support for management to understand the importance that it provides to sound financial reporting. However, the proposal suggests in some cases it is necessary to keep documentation such as e-mails and memoranda from management to employees. I do not believe this is crucial in most situations.

I want to thank you again for considering public views and opinions of the proposal.

Respectfully Submitted,

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