

Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

February 19, 2007

Subject: File Number 4-497

Dear Mr. Katz,

I am an accounting major at the University of Wisconsin in La Crosse. Currently, we are studying the Sarbanes-Oxley Act and have been assigned to review the proposed interpretations to Section 404.

The installment of the Sarbanes-Oxley Act has significantly improved the external reporting procedures and has benefited both firms and investors. The processes of external reporting are more standardized and internal controls are more reliable, which leads to consistency in all the firm's financial activities. Corporations and their executives are now held more accountable for their actions, and are subject to penalties if they do not comply with the rules. As a result, investors are more confident in the financial information presented by the corporation, and assume less risk when making financial commitments to corporations.

However, the proposed rules appear to create some unfavorable consequences to corporations and investors alike. First, the harsh financial penalties for noncompliance with Sarbanes-Oxley have made companies fearful of tripping over a provision of the law, and as a result they are behaving too cautiously. Also, the added responsibilities under the proposed rules produce a shortage of resources for the company.

If the cost of compliance to these proposed rules outweighs the benefits, then it could be against the public interest. Surely an investor would prefer a corporation to spend money on increasing profits rather than compliance procedures. Additionally, most small corporations do not have the financial resources to comply with the proposed provisions, much less afford the penalties that can arise from noncompliance.

In closing, the argument that the proposed interpretations will cripple the profit potential of corporations and investors should be examined carefully. Also, the objective of reliable financial reporting should not be compromised. I hope you will consider my insight when making your final decision.

Sincerely,

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