

February 19, 2007

Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090

Re: File Number S7-24-06

Dear Commissioners,

This letter is in response to your invitation to comment on the proposed amendments of Management's Report on Internal Control over Financial Reporting in regards to Section 404 of the Sarbanes-Oxley Act. I believe that the Sarbanes-Oxley Act was necessary and the proposed amendments can help bring further guidance, but additional clarification is needed to help assess certain areas of the report.

In regards to amending a final form, it is useful to amend the rules even if the proposed interpretive guidance has already been issued. The interpretive guidance of internal control was designed as one-size-fits all after the accounting scandals, but it has been demonstrated that individual companies, including smaller companies, need their own evaluation procedures and reporting requirements. In finding a suitable framework for companies of all sizes, further clarification within the report needs to be provided as to what constitutes a smaller company and what reporting requirements they must follow.

In tailoring to the needs of individual companies a risk based approach to assessment allows management to design their own controls. By providing appropriate flexibility for each individual company, management can propose and conduct its own evaluation. This risk based approach should allow for companies to appropriately identify their internal controls and in doing so, possibly reduce costs of conformity.

No matter what the size of the company it is important to have documentation of the assessment of internal control. It is stated on page 38 of the report that management's assessment *must* be supported by evidential matter that provides reasonable support for its assessment. It then further states that for smaller companies, where management's daily interaction with its controls provides a basis for its assessment, management may have limited documentation in the assessment of ICFR.

Management's daily interactions should not be the basis for the assessment but rather the areas of risk. Every company needs tangible evidence to support the company's financial statements, and have record to support the actions of the company.

By implementing a system that allows for flexibility between companies and a strong audit trail of evaluation documentation, I believe that that the proposed amendments will adequately address the risk of a material misstatement within companies.

I believe that these proposed amendments should be put on hold until there is further clarification on what constitutes a specific size of a company to provide for adequate evaluation.

Sincerely,

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