February 15, 2007

Office of the Secretary
Securities & Exchange Commission
450 Fifth Street, NW
Washington, D.C. 20549-0609

Ref: File No. S7-24-06

Dear Securities and Exchange Commission,

First of all, I would like to thank the Securities and Exchange Commission for allowing for public feedback on this issue. I would like to start by noting that section 404 has just recently been implemented and it will take time to fully realize the benefits. The problems that have entangled themselves in the corporate culture have taken decades, and it is unreasonable to think in just a year we can fix the problem. Therefore, it seems to be too soon to be revising such an extensive and complex regulation.

I believe the benefits associated with the section 404 regulation are often undervalued and overlooked. While such in depth testing and compliance may seem like a hassle, it is making sure proper internal control and reporting procedures are followed. I am an accounting intern at American Standard, ands section 404 has helped us reduce reportable finds of internal control weaknesses from 41 to just 5 in a one year period, and none of the five weaknesses found were significant deficiencies or material weaknesses. Section 404 has been a lot of extra work, and we have had to run thousands of tests to ensure the reliability of our transactions. We now know that our processes are more accurate and reliable than the reporting we had before these regulations.

In my reading I have noticed many other companies reporting similar results, and although they may have a negative stance on the regulation they cannot disregard the positives that have come from these regulations. A 2004 Oversight Systems Financial Report on Sarbanes Oxley Compliance reported many favorable findings about the regulations. It was found that 74% of financial executives noticed benefits from the Sarbanes-Oxley requirements. Noted in these benefits are: increased accountability of individuals involved in financial reporting, improved financial statement accuracy, decrease in fraud, and many others. 79% claimed stronger internal controls than before the act. The majority reported that the benefits seen outweighed the costs, and their companies had added more internal control procedures as a result of the requirements.

One of my biggest concerns deals with the Section 302 signature requirement. If an electronic, instead of a hand written signature, is allowed it seems to me that it will open the door to more problems with responsibility and assurance that the chief officers of the corporation are held liable for the information they are presenting as true. I feel that not only should there be a requirement for an actual hand written signature, but there should be more emphasis placed upon the signatures. Multiple witnesses' signatures to go along with the officers signatures would emphasize the importance, and help assure investors of their authenticity and importance.

Another problem I have is with the proposed changes deals with the exceptions proposed for the small cap companies. Making less strict requirements for these companies will reduce confidence in them and make them less desirable than companies that are required to have more secure and more stringent internal controls.

A company with a market capitalization of between $300 million and $2 billion does not seem like a small company to me, yet it is considered a small cap company. These companies should not get the benefit of having easier rules to follow than slightly larger companies. Even if small cap companies used more strict internal control procedures than larger companies, the fact that the smaller companies aren't forced to be as in depth with their internal controls will put questions in the mind of investors. This exception will hurt investor confidence, and allow for unnecessary doubt in investors minds.

Changing the requirements to allow for more flexibility will undermine the whole idea behind the Sarbanes-Oxley requirements. I strongly urge you to give more time to evaluate prospective changes that need to be made, and the requirements to be enforced.

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