

To be sent via e-mail to "rule-comments@sec.gov"

Subject: File No. SR-NASDAQ-2013-032

March 27, 2013

From: John H. Lowry, III

Affiliation: CFO Perceptron, Inc.

I am the Chief Financial Officer of Perceptron, Inc. Perceptron is a smaller reporting company and currently outsources its SOX404 internal control testing to a third party service provider.

I am strongly opposed to the rule change proposed by NASDAQ to require an internal audit department or an outsourcing of the internal audit function to a third party service provider. The change is duplicative with other existing regulations and not necessary.

There already exists a requirement for public companies to review, maintain and report on internal controls under Federal securities law. Rules 13a-15 and 15d-15 specifically require a certification by the Chief Executive Officer and the Chief Financial Officer. This proposed rule by NASDAQ adds a second layer of regulation that is not necessary and would not provide value. Perceptron maintains internal controls with management oversight and already engages outside, independent firms to perform SOX 404 testing of its internal controls. Management provides a report of the results of its independent firms' testing every quarter to the Audit Committee. Further, the Company's independent auditor meets with the Audit Committee regularly, including in private sessions without management's presence.

The scope of the proposed rule is vague, but appears to go beyond current requirements. Perceptron already spends considerable effort and costs to be compliant with the requirements of Sarbanes-Oxley. Any difference in the proposed rule from the regulations currently in place will be an added cost for companies regardless of their size. This is especially burdensome on smaller reporting companies. It is also contradictory to the SEC effort to reduce the cost of compliance on smaller reporting companies.

The proposed rule also appears to change the manner or flexibility of the Audit Committee to direct the review of internal controls as they seem fit. It is not clear what NASDAQ is expecting when they use the words in their proposed rule of "ongoing assessments of the Company's risk management process and system of internal control". However, it seems to emphasize compliance for compliance sake rather than permitting value-added type direction of the internal control reviews.

For the reasons above, I see the proposed rule as duplicative and burdensome and believe it should be withdrawn. At a minimum, it should not apply to smaller reporting companies that are already overburdened by the costs associated with SOX 404.

Sincerely,

John H. Lowry, III