UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

November 19, 2014

Dean F. Hanley
Foley Hoag LLP
dfh@foleyhoag.com

Re: CSP Inc.
Incoming letter dated October 15, 2014

Dear Mr. Hanley:

This is in response to your letter dated October 15, 2014 concerning the shareholder proposal submitted to CSP by James McRitchie and Myra K. Young. We also have received a letter on the proponents' behalf dated November 11, 2014. Copies of all of the correspondence on which this response is based will be made available on our website at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair
Special Counsel

Enclosure

cc: John Chevedden

*** FISMA & OMB Memorandum M-07-16***

November 19, 2014

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: CSP Inc.
Incoming letter dated October 15, 2014

The proposal asks the board to amend CSP's governing documents to allow shareholders to make board nominations under the procedures set forth in the proposal.

We are unable to concur in your view that CSP may exclude the proposal under rule 14a-8(i)(3). We are unable to conclude that you have demonstrated objectively that the portions of the supporting statement you reference are materially false or misleading. We are also unable to conclude that the proposal is so inherently vague or indefinite that neither the shareholders voting on the proposal, nor the company in implementing the proposal, would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires. Additionally, based on the information you have presented, we are unable to conclude that the portions of the supporting statement you reference impugn the character, integrity or personal reputation of the company's management, without factual foundation, in violation of rule 14a-9. Accordingly, we do not believe that CSP may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(3).

Sincerely,

Adam F. Turk
Attorney-Adviser

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matter under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the Company in support of its intention to exclude the proposals from the Company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversary procedure.

It is important to note that the staff's and Commission's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholders proposals in its proxy materials. Accordingly a discretionary determination not to recommend or take Commission enforcement action, does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company's proxy material.

JOHN CHEVEDDEN

*** FISMA & OMB Memorandum M-07-16***

November 11, 2014

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

 # 1 Rule 14a-8 Proposal
CSP Inc. (CSPI)
Proxy Access
James McRitchie

Ladies and Gentlemen:

This is in regard to the October 15, 2014 company request concerning this rule 14a-8 proposal. The company failed to include the September 2, 2014 revision of the proposal (attached).

The company failed to cite any purported authority that would require a rule 14a-8 proponent to present his own analysis or to present a "more recent" analysis.

The company essentially claims that a rule 14a-8 proposal may not contain negative information of any kind if a company can provide positive information of any kind.

This is to request that the Securities and Exchange Commission allow this resolution to stand and be voted upon in the 2015 proxy.

Sincerely,

John Chevedden

cc: James McRitchie

Gary W. Levine <glevine@cspi.com>

James McRitchie

*** FISMA & OMB Memorandum M-07-16***

Mr. Gary W. Levine
Corporate Secretary
CSP Inc. (CSPI)
43 Manning Road
Billerica, MA 01821-3901
PH: 978-663-7598
FX: 978-663-0150
Email: ir@cspi.com

REVISED SEPTEMBER 2, 2014

Dear Mr. Levine,

We are pleased to be shareholders in CSP, Inc. and appreciate the leadership our company has shown on numerous issues. However, we believe our company has unrealized potential that can be unlocked through low or no cost measures by making our corporate governance more competitive.

We are submitting the attached shareholder proposal for a vote at the next annual shareholder meeting. The proposal meets all Rule 14a-8 requirements, including the continuous ownership of the required stock value for over a year, and we pledge to continue to hold stock until the date of the next shareholder meeting. Our submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

This letter confirms we are delegating John Chevedden to act as our agent regarding this Rule 14a-8 proposal, including its submission, negotiations and/or modification, and presentation at the forthcoming shareholder meeting. Please direct all future communications regarding my rule 14a-8 proposal to John Chevedden (PH: *** FISMA & OMB Memorandum M-07-16*** at:
to facilitate prompt communication. Please identify me as the proponent of the proposal exclusively.

Your consideration and the consideration of the Board of Directors is appreciated in responding to this proposal. Please acknowledge receipt of our proposal promptly by email to *** FISMA & OMB Memorandum M-07-16***

Sincerely,

J. McRitchie

James McRitchie — 8/28/2014
Date

Myra K. Young — 8/28/2014
Date

[CSPI: Rule 14a-8 Proposal, Revised September 2, 2014]

Proposal X* - Proxy Access for Shareholders

WHEREAS, CSP, Inc. (CSPI) has conducted value-destroying acquisitions, leaving our company with two disparate businesses that lack synergies, while enriching management and directors.

According the 1/31/2013 'fight letter' from North & Webster:

> The Company has underperformed for 20 years. $10,000 invested in the Company twenty years ago would be worth $11,083 while that same $10,000 invested five years ago would be worth $7,348. Likewise, $10,000 invested in the NASDAQ Composite Index over the same time period would be worth $49,175 and $11,054 over those same time periods....
>
> Three acquisitions cost stockholders approximately $7 million, yet the Company wrote off over $5 million... the full cost of an acquisition only one year after the purchase!

Between 1/31/2013 and 8/31/2014, the NASDAQ rose 45% while CSPI stock rose only 26%.

Members of the Council of Institutional Investors, whose combined assets exceed $3 trillion, maintained the following policy as of May 9, 2014:

> Companies should provide access to management proxy materials for a long-term investor or group of long-term investors owning in aggregate at least three percent of a company's voting stock, to nominate less than a majority of the directors. Eligible investors must have owned the stock for at least two years. Company proxy materials and related mailings should provide equal space and equal treatment of nominations by qualifying investors.

While our Board recently instituted several positive reforms, directors will be fully accountable to shareholders only when shareholders have the power to, not only vote them out, but also to place our own nominees on the proxy.

RESOLVED, Shareholders ask our board, to the fullest extent permitted by law, to amend our governing documents to allow shareholders to make board nominations as follows:

1. The Company proxy statement, form of proxy, and voting instruction forms shall include, listed with the board's nominees, alphabetically by last name, nominees of any party of one or more shareholders that has collectively held, continuously for two years, at least three percent of the Company's securities eligible to vote for the election of directors.

2. For any board election, no shareowner may be a member of more than one such

nominating party. Board members and officers of the Company may not be members of any such nominating party of shareholders.

3. Parties nominating under these provisions may collectively make nominations numbering up to 34% of the company's board of directors but no single party of shareholders may nominate more than one director.

4. If necessary, preference will be shown to groups holding the greatest number of the Company's shares for at least two years.

5. Nominees may include in the proxy statement a 500 word supporting statement.

6. Each proxy statement or special meeting notice to elect board members shall include instructions for nominating under these provisions, fully explaining all legal requirements for nominators and nominees under federal law, state law and the company's governing documents.

Vote to enhance shareholder value:

Proxy Access for Shareholders – Proposal X*

FOLEY HOAG LLP

Seaport West
155 Seaport Boulevard
Boston, MA 02210-2600

617 832 1000 *main*
617 832 7000 *fax*

Dean Hanley
617 832 1128 direct
dfh@foleyhoag.com

October 15, 2014

BY EMAIL (shareholderproposals@sec.gov) and BY FEDEX

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: CSP Inc. (CIK#: 0000356037)
Shareholder Proposal Under Rule 14a-8
File Number 000-10843

Ladies and Gentlemen:

On behalf of our client CSP Inc., a Massachusetts corporation (the "Company"), and pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we hereby request confirmation that the Staff of the Division of Corporation Finance of the Securities and Exchange Commission will not recommend enforcement action against the Company if, for the reasons stated below, the Company were to omit the proposal submitted by James McRitchie and Myra K. Young (the "Proponents") from its proxy materials (the "2015 Proxy Materials") for its annual meeting of shareholders to be held in February 2015 (the "Annual Meeting"). The Company currently anticipates that it will file its definitive 2015 Proxy Materials with the Commission no earlier than 80 calendar days after the date of this letter.

The Proponents have advised us that they have designated John Chevedden as their agent for purposes of their proposal.

In accordance with Section C of Staff Legal Bulletin No. 14D (November 7, 2008) ("SLB 14D") we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. Pursuant to Rule 14a-8(j), we have included a copy of the Proponents' proposal. A copy of this letter is also being sent concurrently to the Proponents

as notice of the Company's intent to exclude the Proponents' proposal from the 2015 Proxy Materials.

Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponents that if the Proponents submit correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the Company.

I. The Proposal

By e-mail dated September 2, 2014, the Proponents submitted the following proposal (the "Proposal") for the Company's next annual meeting:

> WHEREAS, CSP, Inc. (CSPI) has conducted value-destroying acquisitions, leaving our company with two disparate businesses that lack synergies, while enriching management and directors.
>
> According the 1/31/2013 'fight letter' from North & Webster:
>
> > The Company has underperformed for 20 years. $10,000 invested in the Company twenty years ago would be worth $11,083 while that same $10,000 invested five years ago would be worth $7,348. Likewise, $10,000 invested in the NASDAQ Composite Index over the same time period would be worth $49,175 and $11,054 over those same time periods . . . .
> >
> > Three acquisitions cost stockholders approximately $7 million, yet the Company wrote off over $5 million . . . the full cost of an acquisition only one year after the purchase!
>
> Between 1/31/2013 and 8/31/2014, the NASDAQ rose 45% while CSPI stock rose only 26%.
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While our Board recently instituted several positive reforms, directors will be fully accountable to shareholders only when shareholders have the power to, not only vote them out, but also to place our own nominees on the proxy.

RESOLVED, Shareholders ask our board, to the fullest extent permitted by law, to amend our governing documents to allow shareholders to make board nominations as follows:

1. The Company proxy statement, form of proxy, and voting instruction forms shall include, listed with the board's nominees, alphabetically by last name, nominees of any party of one or more shareholders that has collectively held, continuously for two years, at least three percent of the Company's securities eligible to vote for the election of directors.

2. For any board election, no shareowner may be a member of more than one such nominating party. Board members and officers of the Company may not be members of any such nominating party of shareholders.

3. Parties nominating under these provisions may collectively make nominations numbering up to 34% of the company's board of directors but no single party of shareholders may nominate more than one director.

4. If necessary, preference will be shown to groups holding the greatest number of the Company's shares for at least two years.

5. Nominees may include in the proxy statement a 500 word supporting statement.

6. Each proxy statement or special meeting notice to elect board members shall include instructions for nominating under these provisions, fully explaining all legal requirements for nominators and nominees under federal law, state law and the company's governing documents.

Vote to enhance shareholder value:

Proxy Access for Shareholders -- Proposal X*

A copy of the Proposal and related correspondence is included as Exhibit A to this letter.

II. Basis for Exclusion

We hereby respectfully request that the Staff concur in the Company's view that it may exclude the Proposal from the 2015 Proxy Materials pursuant to Rule 14a-8(i)(3) because the statements in the Proposal (a) impugn the character, integrity and personal reputation of the Company's management and (b) contain material misstatements of fact regarding the Company's acquisitions. Such statements are thus materially false and misleading in violation of Rule 14a-9.

III. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(3)

The Company believes that it may properly exclude the Proposal from the 2015 Proxy Materials under Rule 14a-8(i)(3), which permits the exclusion of a proposal if the proposal is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits false or misleading statements in proxy materials.

A. The Supporting Statements in the Proposal Are Based on Outdated Calculations that are Materially False and Misleading to Shareholders.

The Proposal quotes gospel from a 'fight letter' from North & Webster, LLC, that was disseminated to shareholders on January 31, 2013 (the "Fight Letter") in the midst of a contested election of directors at the 2013 annual meeting that was decisively won by the Company. The Proposal republished without any foundation the conclusory text of the Fight Letter that: "The Company has underperformed for 20 years. $10,000 invested in the Company twenty years ago would be worth $11,083 while that same $10,000 invested five years ago would be worth $7,348. Likewise, $10,000 invested in the NASDAQ Composite Index over the same time period would be worth $49,175 and $11,054 over those same time periods...." We note that as supplemental soliciting materials the contents of the Fight Letter were never reviewed substantively by the Staff prior to dissemination. **These statements violated Rule 14a-9 when originally made and will be over two years old in February 2015**. Their age alone makes these statements stale and materially misleading.

The Proponents fail to present their own analysis or comparable analysis as of a more recent date.

However, the Company has conducted the same financial analysis and concluded that, as of October 1, 2014, $10,000 invested in the Company five years ago would be worth $25,710 (vs. $7,348). Continuing, the Company has determined currently that $10,000 invested in the NASDAQ Composite Index five years ago would be worth $21,971 (vs. $11,054). The Company's calculations, based on recent data, show the current positive financial situation of the Company. These updated figures are so different from the information provided by the Proponents that it is clear the older statements would materially and harmfully mislead shareholders.

The Company believes the 20-year look-back to be entirely irrelevant. The Proposal should be excluded because it contains data that seriously misleads investors as to the Company's financial performance over the past 20 years.

B. The Proposal Contains Statements About the Company's Acquisitions that are Misleading and Vague.

As noted above, the Fight Letter states: "Three acquisitions cost stockholders approximately $7 million, yet the Company wrote off over $5 million . . . the full cost of an acquisition only one year after the purchase!" This statement fails to specify which acquisitions cost shareholders approximately $7 million. Moreover, **the Proponents' language suggests that the acquisitions were recent, when in fact the Company's acquisition history must be traced back 17 years to find the acquisitions that were followed by goodwill write-downs**. The Proposal is thus materially misleading for suggesting that the Proponents' objections reflect recent activity.

Since 1997, the Company has acquired Signal Analytics Corp. ("Signal Analytics"), Modcomp, Inc. ("Modcomp"), Technisource Hardware, Inc. ("Technisource") and R2 Technologies ("R2"). The Company acquired Signal Analytics for $2,159,000 in June 1997; Modcomp for $8,709,000 also in June 1997; Technisource for $2,870,000 in May 2003; and R2 for $2,443,000 in September 2008. Far from being a "value-destroying acquisition" as the Proponents state elsewhere, the business resulting from the Modcomp acquisition is the principal economic engine driving the Company's success.

The Proponents also do not explain to readers that there have been no goodwill write-offs by the Company in over five years.

The Proposal misleadingly states the Company has two "disparate" businesses that lack synergies. Both of these business segments are computer technology businesses, the smaller one (multi-computer) operating in the hardware space, and the larger one (Modcomp) operating in the systems and services space. They are under common control and management and are run efficiently and in a coordinated manner. The MultiComputer Division in the High Performance Products and Solutions Segment (HPPS, formerly the Systems Segment) designs and manufactures commercial high-performance computer signal processing systems for use in defense and commercial markets. The Information Technology Solutions Segment (IT Solutions, formerly the Service and System Integration Segment) consists of computer maintenance, integration services and third-party computer hardware and software value added reseller businesses. The existence of the value added reseller business in the IT Solutions Segment is largely due to the acquisition of Technisource. Since the acquisition of Technisource, the Company has generated operating income of $5,867,000 in the IT Solutions Segment.

The Proposal misleadingly implies that the acquisitions failed to generate new, profitable areas of business for the Company, when the opposite is true. The Proposal is

materially misleading as it leads shareholders to believe that the acquisitions cost the Company (as all acquisitions do) without subsequently improving the Company's business.

C. The Statements in the Proposal Impugn the Character, Integrity and Personal Reputation of the Company's Management.

The Proposal states that the Company "has conducted value-destroying acquisitions, leaving our company with two disparate businesses that lack synergies, while enriching management and directors." The Proponents fail to provide any factual support to show that the acquisitions were "value-destroying." As noted above, the acquisitions of Modcomp and Technisource were key in creating the Company's IT Solutions Segment, which is the principal economic driver of the Company's success.

Similarly, the acquisition of R2 was instrumental in furthering the Company's development. Since the R2 acquisition, the Company's service business has increased and the Company obtained status as a Cisco Systems "Silver" partner. The competitive Silver status reflects various advantageous certifications and demonstrates that the Company has the knowledge, engineers and specialists necessary to serve Cisco Systems. The statements from Proponents that the acquisitions have been "value-destroying" have no basis in fact or logic, nor is any basis suggested.

Finally, the Proponents have not provided any support for their defamatory allegation that the Company's management and directors have been "enriched" by the Company's "value-destroying" acquisitions. The Company's most recent proxy statement, filed as of January 6, 2014, shows that the 2013 compensation of incumbent non-employee directors ranged from $17,100 to $77,100, with an average of $37,900. These numbers include both fees earned or paid in cash and stock awards. The statements in the Proposal suggesting that the acquisitions "enriched" management and directors while they engaged in "value-destroying acquisitions" lack any factual foundation whatsoever and impugn the character, integrity and personal reputation of the Company's management.

IV. Conclusion

For the foregoing reasons, the Company respectfully requests that the Staff concur with its view that the Proposal may be properly omitted from the Company's 2015 Proxy Materials and that the Staff not recommend any enforcement action to the Commission if the Company omits the Proposal from its 2015 Proxy Materials.

If you have any questions or need addition information, please do not hesitate to contact me at (617) 832-1128. If I am unavailable, please speak with my partner Paul Bork at (617) 832-1113.

Sincerely,

Dean F. Hanley

cc: Mr. James McRitchie and Ms. Myra K. Young,
to the attention of Mr. John Chevedden,
via e-mail and Federal Express

FISMA & OMB MEMORANDUM M-07-16

Mr. Gary Levine – CSP Inc. (glevine@cspi.com)

Paul Bork, Esq. – Foley Hoag LLP (pbork@foleyhoag.com)

Diana W. Lo, Esq. – Foley Hoag LLP (dlo@foleyhoag.com)

Exhibit A: The Proposal

WHEREAS, CSP, Inc. (CSPI) has conducted value-destroying acquisitions, leaving our company with two disparate businesses that lack synergies, while enriching management and directors.

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Vote to enhance shareholder value:

Proxy Access for Shareholders -- Proposal X*