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**PITNEY HARDIN LLP**

FRANK E. LAWATSCH, JR.

DIRECT DIAL NUMBER  
(212) 297-5830P. MAH.  
FLAWATSCH@PITNEYHARDIN.COM7 TIMES SQUARE  
NEW YORK, NEW YORK 10036-7311

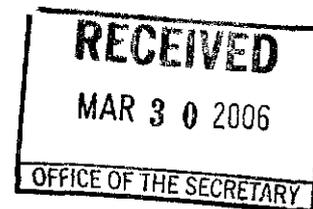
(212) 297-5800

FACSIMILE (212) 916-2940

MORRISTOWN, NEW JERSEY  
(973) 966-6300  
FACSIMILE (973) 966-1015BRUSSELS, BELGIUM  
32-02-514-54-19  
FACSIMILE 32-02-514-16-59

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VIA FACSIMILE (202) 772-9324

Ms. Nancy M. Morris  
Federal Advisory Committee Management Office  
U.S. Securities & Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090Re: Advisory Committee on Smaller Public Companies  
File No. 265-23

Dear Ms. Morris:

We wish to comment on Recommendation IV. P.5 and Recommendation II. P.1 of the draft Final Report of the Advisory Committee on Smaller Public Companies to the U.S. Securities and Exchange Commission (the "Draft Report") on behalf of our client Ridgewood Energy Corporation ("Ridgewood"). Our client strongly supports Recommendation IV P.5 as a reasonable evolution of the development of the U.S. Securities and Exchange Commission's (the "SEC") regulation of private placements and has a suggestion with respect to Recommendation II. P.1.

Our client is regularly engaged in raising of funds for entities that it manages and that invest in natural gas and oil exploration and development. All of these offerings were conducted as private placements under Rule 506 of Regulation D. Of specific concern to our client is Rule 502(c) which prohibits the use of general solicitation and advertising in connection with an offering. Because virtually all of the funds raised are through registered broker dealers, Ridgewood has employed a number of compliance techniques and processes to assure itself that the broker dealers the entities employ comply with Rule 502(c).

As noted in the Draft Report discussion following the Recommendations IV. P.5, there is little clear guidance on what is and is not prohibited by Rule 502(c) which effectively forces well advised issuers to adopt extraordinarily conservative positions in order to avoid the draconian possibility that one violation of Rule 502(c) even with respect to persons who never

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purchase securities from the issuer could result in loss of the exemption. Among the issues which are not the subject of clear guidance are concerns about the size of the offeree pool in a private placement which in effect limits the funds to be raised. These artificial restrictions cry out for a rational regulatory resolution. Issuers should not be forced to engage in a game of Russian roulette. The regulatory focus should be on the nature of the purchasers and the absence of violations of the antifraud provisions of the securities laws in connection with the sale of the securities.

The additional proposals in the Draft Report in connection with this Recommendation are consistent with the conduct of responsible issuers who wish to utilize Regulation D to raise funds.

My client believes that the change in regulatory position contained in Recommendation IV. P.5 will further stimulate the efficient, cost effective use of private placements to raise funds especially for special purpose entities and particularly for those where the purchaser has no expectation of liquidity of the investment.

We also urge and support the adoption of the scaled or proportional regulation of public companies proposed by Recommendation II. P.1. In this regard, we note one issue which the SEC Advisory Committee on Smaller Public Companies should consider. Some of the entities created by Ridgewood have a number of investors and are of an asset size where they are required to comply with Section 13(a) of the Securities Exchange Act of 1934, as amended, and, thus, become reporting public companies. Since the securities issued by these entities are not listed on any exchange and there are significant restrictions on transferability, there is no public market. As a result, a mechanism needs to be specified by the SEC to determine the value of these securities for purposes of the application of the scaled or proportional regulation. We would suggest it be the lesser of the sale proceeds of the securities less commissions and expenses of the offering and the estimated fair market value of the securities determined by the manager or board of directors of the entity as at the date required.

On behalf of our client, we strongly urge the SEC to adopt the Recommendations.

Very truly yours,

  
FRANK E. LAWATSCH, JR.

FEL/ms

cc: Mr. Daniel V. Gulino, Sr. Vice President & General Counsel (Ridgewood Renewable Power)  
(via facsimile)