

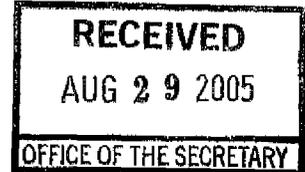


50 Washington Street, Ninth Floor, Norwalk CT 06854

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August 29, 2005

Mr. Jonathan G. Katz  
Committee Management Officer  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-6561



File No. 265-23

**Summary of Proposed Committee Agenda of Advisory Committee on Smaller Public Companies**

Dear Mr. Katz:

EDGAR Online, Inc. (NASDAQ: EDGR) is pleased to submit written comments on the Securities and Exchange Commission's ("SEC" or the "Commission") Summary of Proposed Committee Agenda of Advisory Committee on Smaller Public Companies (the "Proposal").

I serve as CEO, President and member of the Board of Directors of EDGAR Online. Because of the nature of our core business, which is adding value to the information contained in SEC EDGAR filings, we are quite knowledgeable about requirements for Sarbanes-Oxley (SOX) compliance including the new Section 404 internal control disclosures.

We have spent the past three years developing technology that extracts key financial data and tags it with XBRL in order to provide the most transparent view of U.S. public company filings. This April we launched our I-Matrix service which has already received a great deal of attention in the marketplace. It is our view that through the use of services like ours much of the transparency that the SEC and other regulatory agencies are seeking can be achieved without greatly increasing the burden on individual companies. We have participated in the SEC's pilot program by tagging our own financial report in XBRL and believe that having access TODAY to the most granular financial data for ALL companies will be of great value for financial analysis.

With regard to the specific issues that are being discussed, my view is that SOX has been burdensome, both financially and operationally, for small cap companies such as EDGAR Online. Our revenue in 2004 was \$13.5 million. Currently we have a \$64 million market cap which placed us near the cusp of becoming an accelerated filer for Section 404 prior to the postponement to 2007. I firmly believe that a vastly disproportionate amount of capital and human resources are being consumed by SOX requirements, particularly under Section 404, relative to the business related needs of an enterprise such as ours.

I believe a market cap of \$75 million as the standard whereby companies will become accelerated filers in 2007 is very unworkable. If market cap were to be the standard I would suggest that the AICPA's recommendation of \$700 million would be more applicable.

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There has always been a very high cost associated with being public for a company of our size. We estimate that our legal, accounting and backend costs associated with being public were more than \$1 million before adding the costs of complying with SOX. This impacts our EPS by \$0.05. Advocates of "taking our company private" suggest that we are extremely overburdened by being public. We still continue to believe the cost of remaining a public company is offset by the advantages of our stock being publicly traded. However with the addition of SOX's increased burdens of both hard and soft costs, the choice between being a small cap public company versus merging with a larger entity or going private, makes the former far less economically appealing.

These are the key issues associated with SOX compliance:

- Cost of initial implementation
- Ongoing costs to maintain newly introduced systems
- Ongoing cost of increased SEC reporting requirements
- Increased audit and legal fees
- Increased directors' compensation
- Increased burden on CEO and CFO
- Change in corporate culture

In terms of hard costs, we have already instituted systems that would have been required for Section 404 in anticipation of meeting the \$75 million market cap threshold this June 30. We have engaged an outside consultant at a cost of approximately \$100,000 to evaluate our systems and make recommendations regarding our controls. When it becomes necessary for us to comply with Section 404 there will be another cost, at least equal to this preliminary effort. In addition we anticipate that it will cost us \$50,000 to \$75,000 annually to adhere to the regulations once the systems are in place. The rule of thumb is that it costs \$100,000 per \$10 million in revenue to establish systems for Section 404.

In addition to the payment to consultants, there are internal costs to interface with the SOX consultants. For the initial set up we estimated 500 to 1000 hours for internal resources primarily from our finance group. We have not yet determined what the actual costs were. However, given the requests for information from the consultants during the first phase, it seems that this estimate may be very low. I believe the greatest burden will ultimately be on our IT and development facilities which are the core of our product offerings. In a company of our size there is a necessity to focus on performance and output. To stop our activities to undertake a massive documentation effort would drain our resources and has the potential of costing us millions of dollars in lost revenues.

We also assume that with Section 404 our annual audit bills will increase as a result of the introduction of new processes in our systems. We have already increased our in-house counsel expenses by 40% as a direct consequence of SOX.

Small companies have considerable difficulty attracting qualified independent Board members. We are fortunate to have very committed independent Board members who take their responsibilities very seriously. The new regulations have resulted in the need to hold more Board and committee meetings. Thus we have felt it proper to increase our payments to our directors. Since our directors are more concerned than ever about liability we are also engaging outside consultants on issues, particularly on compensation, that previously were decided through Board

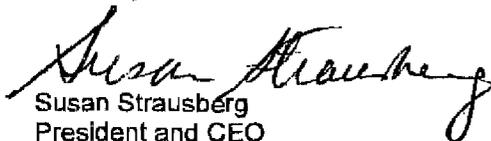
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discussion. In my view the value of consultant advice has been limited but the Board is understandably reluctant to make decisions without input from "outside professionals". So far this year we have spent more than \$50,000 on special consultants for Board projects.

In terms of soft costs, our CFO and I spend much more time these days on investor and Board matters. I believe that much of this time could be spent more beneficially on growing the company.

All of these issues are unintended consequences of SOX for smaller public companies. I believe the result is inconsistent with building shareholder value. Again, I would suggest that by raising the current bar for Section 404 compliance to companies with \$700 million in market cap and reducing the control measures to audit processes rather than IT processes, companies, shareholders and regulators would all benefit.

Sincerely,



Susan Strausberg  
President and CEO  
EDGAR Online, Inc.