August 31, 2005

File Number 265-23

Jonathan G. Katz,
Committee Management Officer
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-9303

Re: Request for Public Input by Advisory Committee on Smaller Public Companies (Release No. 33-8599; 34-52189; File No. 265-23)

Dear Mr. Katz:

is pleased to respond to the request by the SEC Advisory Committee on Smaller Public Companies (the "Advisory Committee) for public input on issues related to the current securities regulatory system for smaller companies, including the impact of the Sarbanes-Oxley Act of 2002 on the system, dated August 2, 2005.

First, we applaud and support the recommendations of the Advisory Committee adopted on August 10, 2005 and submitted to the Securities and Exchange Commission on August 18, 2005 for its approval. a "smaller public company" with no publicly traded common equity. is concerned that some of the Securities and Exchange Commission's regulations implementing the Sarbanes-Oxley Act, in particular the Commissions rules implementing Sarbanes-Oxley Section 404, have required, and will require, smaller public companies to divert their resources, both capital and personnel, to insuring compliance with the securities regulatory system, to the detriment of the pursuit of business initiatives, with potentially modest benefit to investors.

We welcome the opportunity to communicate our concerns to the Advisory Committee through our responses, albeit generally, to the questions posed by the Advisory Committee's Request. While indisputably beneficial to the investing public, the securities regulatory system needs to be modified to take into consideration the meaningful distinctions between large and smaller public companies. Simply put, large public companies have a greater depth and breadth of resources available to them, than smaller public companies. Large public companies are able to rely on their own personnel to ensure that their operations are compliant with the securities laws. Many large public companies have their own internal auditing, legal and compliance departments. Smaller public companies, which are required to record, process, disclose and report the same information within the same time periods as large public companies, have fewer internal resources available to them. Smaller public companies therefore find it necessary to incur costs to retain outside consultants and other professionals to assist them in their compliance activities.

More specifically, the independence rules applicable to auditors, as amplified by Sarbanes-Oxley, increase the costs of implementing certain business strategies or initiatives. Registrants are prohibited from availing themselves of their independent auditor's knowledge of the registrant's business in structuring and analyzing various business opportunities, strategies and initiatives, and are required to retain the services of a third party, often unfamiliar with registrant's business, resulting in increased costs to the registrant.

We support a system that requires semi-annual reporting with limited revenue information to be provided in other quarters. Such a system would provide investors with relevant information about the registrant, but not repetitive information. The limited quarterly revenue information, together with the Commission's amendments to Form 8-K last year, would provide investors with continuous and timely information about the registrant.

Our overall view of the current securities regulatory system for smaller public companies, including the impact of the Sarbanes-Oxley Act of 2002 on the system, is that a balance needs to be achieved between the need to protect investors and the limited resources available to smaller public companies, and we believe the Commission's directives to the Advisory Committee is consistent with achieving this balance.

Sincerely yours,