

February 1, 2006

To: Small Business Advisory Panel,

This email is to provide some comments to the discussed proposals by your group with the intent to lighten the burden currently imposed upon smaller companies in complying with Section 404 internal control requirements.

For any company desiring to obtain capital through public stock issues, a certain level of internal control must be in place to provide for the necessary protection of an investors interest. To completely exempt these small companies from this requirement would not be in the best interest of the capital markets.

We do have a suggestion that should be considered by your group for small companies and could also be considered for larger companies also: To require a 404 report upon initial filing with the SEC and assuming there were no issues, another report would not be required for 5 years. For larger companies, this could be set up to require one every three years. This would cut down significantly on the costs, it would still leave internal control requirements in place but would not make it necessary every single year.

Regards,

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