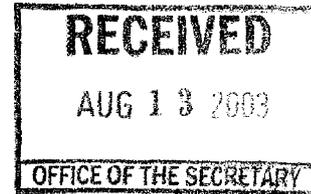


BY FEDERAL EXPRESS

Jonathan P. Schwartz
68 Leonard Street
Belmont, MA 02478

August 12, 2003

Mr. Jonathan Katz
Secretary
United State Securities & Exchange Commission
450 5th Street, N.W.
Washington, D.C. 20549



4-483

Re: Amendment of Rule 12g5-1

Dear Mr. Katz:

From 1976 to 1993 I managed a private investment partnership which took positions in small publicly traded companies. I co-founded a publicly traded company which was subsequently acquired by a NYSE-listed firm. I have acquired controlling interests in publicly traded companies; chaired the audit committee of a publicly traded company's board; served on the executive committee of a publicly traded company; and filed 13-D's on numerous companies in which I held 5% or larger positions. I currently invest in small publicly traded companies for myself and my family.

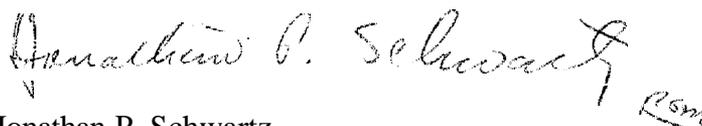
Legislation in 1964 requiring a company with \$10 million in total assets and a class of equity securities held of record by more than 500 persons to file a registration statement under the Securities and Exchange Act of 1934 was an important step forward in securities market regulation. Requiring such companies to make full disclosure has been an essential element in making it possible for me and other securities analysts to monitor such companies and in limiting management abuse of shareholders. Without this requirement for disclosure (under Rule 12(g)(5)-1) managements have effectively been handed a license to abuse public shareholders. In my opinion this is an unfortunate step backwards in securities regulation at a time when investors need adequate disclosure to protect them from dishonest, abusive managements. While the majority of corporate managements are composed of honest citizens, if you have any doubt, I can assure you there is a adequate **supply** of dishonest managements to do a great deal of harm to public investors.

If rule 12 (g) (5)-1 is not amended professional investors such as I will suffer; inexperienced investors, unaware of the opportunity for manipulation by unscrupulous managements, without disclosure, will undoubtedly suffer more. The minor savings in clerical work that may accrue to brokers and honest managements will not begin to compensate for the losses already suffered, and the losses that will be suffered in the future, by public shareholders - investors who rely on disclosure rules for protection.

Lack of disclosure protection for investors in companies with more than 300 beneficial shareholders is not what Congress intended when it passed the 1964 legislation. SEC policy which turns out the light of disclosure and enables managements of companies excluded from disclosure requirements by Rule 12 (g) (5)-1 to abuse public shareholders is at variance from the Commission's mandate.

I urge the Commission to amend Rule 12(g) (5)-1 under the Securities Exchange Act of 1934 to include beneficial holders with respect to equity securities held in "street name" in determining the number of shareholders "of record". I fervently hope that the Commission will amend 12(g) (5)-1 to restore this much needed protection to investors.

Respectfully,


Jonathan P. Schwartz

Typed, signed and mailed in Mr. Schwartz's absence.

JPS/rsm

cc: Sen. Judd Gregg
Rep. Frank Wolf