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Re: **File No.:** S7-32-04; Proposed Release No. 33-8477

To the Commission:

Although the relief to be provided relating to postponing the filing date for the annual report on Form 10-K of an accelerated filer from 75 days to 60 days after the year end is welcome, it is still a substantial burden upon smaller public companies to have to comply with internal control requirements mandated by Section 404 of the Sarbanes-Oxley Act of 2002 for fiscal years ending in 2004, especially as the result of achieving accelerated filer status for the first time.

There can be no dispute that compliance with the internal control mandates will ultimately improve the accuracy and reliability of financial reporting. However, it appears that the \$75 million public threshold may be too low, as companies that may be without sufficient resources to comply with the internal control mandates may now be subject to such requirements. Further, one calendar year end public client became an accelerated filer for the first time on 30 June 2004 as the result of its public float, but one week later, as a result of the decrease in the market price of its public stock, was below the \$75 million threshold. Today, its public float is approximately \$50 million, but because it does not meet the requirements for a small business filer (*i.e.*, less than \$25 million in revenues), it still subject to the internal control mandates for 2004, not 2005.

Moreover, I respectfully submit that the \$75 million public float threshold is irrelevant as to a company's ability to comply with such requirements. Most smaller companies do not have the manpower and will have to incur substantial costs in connection with documenting and then testing internal controls. If the Commission is seeking objective criteria to determine accelerated filer status for compliance with the internal control mandates for 2004, then a company's sales should be the criterion. If a company has \$350-\$500 million in revenues, then it should have the resources for compliance.

For small, calendar year companies (*i.e.*, companies with revenues under the \$350-\$500 million range) that have become accelerated filers for the first time on 30 June 2004 solely as a

result of the increase in price of their publicly traded stock, the six month time period within which to document and then test internal controls is too short. It is hoped that the Commission will afford relief to such companies, and delay internal control compliance for one year, until fiscal years ending on after November 2005.

Respectfully submitted,

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For the Firm