

February 29, 2008

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Comments for File Number S7-06-03

Dear Ms. Morris

Internal controls are a great asset to any company regardless of the size or complexity. Section 404 of SOX mandates that a company must use an internal control system to help lower the risk of fraud, which has been prevalent in many companies and institutions over the years. These internal control systems should be mandatory for all companies. This should also include non-accelerated filers in order to help reduce fraud in all areas of business.

Without mandatory internal controls for non-accelerated filers, a large liability exists for fraud that could be committed. The benefits of stronger investor support and security far outweigh the initial costs associated with an internal control system. After adopting internal control systems many large companies are now saying their costs are falling. Once an internal control system is completed or nearly completed the costs of upkeep are minimal compared with the cost of fraud.

The further extension of the postponement of the internal control systems implementation and the auditor attestation requirement should be disallowed for non-accelerated filers. It has been over six months since PCAOB Auditing Standard # 5 has been released, one of the main reasons to delay this requirement. Non-accelerated filers have had time to examine and obtain the necessary information to begin their compliance with this new requirement.

Investors in non-accelerated filers may start to become wary if another extension is granted to this classification of companies. These investors may be more strongly inclined to invest in larger companies that have internal control systems and can attest to them. The larger companies have efficient and effective control systems that help to deter fraud. This is a large consideration to investors when they are deciding where to invest their money.

Therefore, an extension should not be granted to non-accelerated filers as they have had numerous years to implement internal control systems and well over six months to examine and comply with auditing standard #5 from PCAOB. An internal control system may at first be costly to implement but, in the end, will be far more beneficial than the original costs of implementation. Finally, non-accelerated filers must start implementing internal control systems in order to attract more investors and protect their current investors.

Sincerely

Joshua Pike
2009 Accounting Graduate
University of Wisconsin – La Crosse