March 4, 2008
Via Electronic Mail
Nancy M Morris, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: File No. S7-06-03 Internal Control over Financial Reporting *in Exchange Act Periodic Reports of Non-Accelerated Filers*

Dear Ms. Morris,

After recently reviewing the Security and Exchange Commission's interpretation and proposed rule of management's report on internal control over financial reporting I have found an area in particular that concerns me.

The proposal listed "exempting small entities from all or part of the [ICFR] requirements," as an alternative to current procedures that would accomplish the SEC's objectives "while minimizing any significant adverse impact on small entities." After doing some research, I found a company that is listed on the NASDAQ that would qualify as one of the entities that would be affected. This company is listed on the NASDAQ with less than 5 million assets on their balance sheet. Who's Your Daddy, makers of an energy drink, employs only ten full time employees. How can a publicly traded company with only ten employees comply with the internal control procedures that multimillion-dollar companies do? It is unreasonable to assume that there can be efficient segregation of duties in this small of an environment.

While I understand that there are concerns about the costs to be incurred by complying with the Act there are several sources that say these costs will be going down. In a comment letter dated October 31, 2005, PricewaterhouseCoopers states that, "We acknowledged that we expect the future costs incurred related to complying with the Act are likely to be much lower." PricewaterhouseCoopers is not the only one who had something to say about the relevant costs. In a comment letter dated September 14, 2006, Jeff Mahoney from the Council of Institutional Investors also says that the costs of compliance with Section 404 include " 'deferred maintenance' expenditures required to make up for years of neglect of internal controls." It is only reasonable to assume that there will be significant costs to implement these internal controls. The costs that the SEC should be worried about, however, are those that could lead to business failure due to lack of internal controls.

Sincerely,

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