ROTH Capital Partners

August 27, 2007

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, NW
Washington, DC 20549-1090

Re: Revisions to the Eligibility Requirements for Primary Securities Offerings on Forms S-3 and F-3; File No. S7-10-07

Dear Ms. Morris:

Roth Capital Partners, LLP (Roth) appreciates the opportunity to comment on the U.S. Securities and Exchange Commission's (Commission) proposal to expand the eligibility requirements for use of Forms S-3 and F-3 in connection with primary securities offerings by domestic and foreign private issuers. Roth is a privately owned full-service investment banking firm dedicated to the small and micro-cap market.

We support the Commission's efforts to remove unnecessary barriers to capital formation that many smaller issuers confront and to increase their opportunities to access the capital that helps drive our economy. A larger number of smaller public companies will benefit from the proposed rule changes, if adopted, by making it less expensive and less time-consuming for them to go to market. This will, in turn, permit many small and micro-cap issuers to take advantage of favorable market conditions when deciding to raise capital.

Form S-3 permits eligible domestic companies to register primary securities offerings under the Securities Act of 1933 and to rely on the filings made pursuant to the Securities and Exchange Act of 1934 for disclosure purposes. The use of Form S-3 provides many small issuers with a significant advantage in accessing the markets by streamlining the time and cost required to access capital. This flexibility is crucial because it allows companies to react quickly to changing market conditions and maximize shareholder value.

The proposed reforms to Form S-3 eligibility would permit companies with less than $75 million in public float to register primary offerings of their securities provided that they i) meet all other conditions for use of Form S-3, ii) are not a shell company (and have not been one for at least 12 calendar months before filing the Form S-3, and iii) do not sell more than 20% of their public float in primary offerings over any period of 12 calendar months. Roth supports the goals of these

reforms and we are convinced that they will enhance smaller issuers' ability to quickly and effectively access capital. While these proposed reforms are much-needed, we submit that they do not go far enough and we encourage the staff to continue its review of the use of Form S-3 in conjunction with evolving market conditions to maximize the availability of Form S-3 for the largest number of issuers.

We agree with the proposed elimination of the arbitrary requirement that companies have a minimum $75 million in public float to be eligible to use Form S-3. As the proposing release notes in connection with the report of the Advisory Committee on Smaller Public Companies, "the reporting obligations of smaller public companies, combined with the widespread accessibility over the Internet of documents filed with the Commission, have lessened the need to retain the public float standard in Form S-3."

We are concerned, however, that many small issuers will still be unable to take advantage of the benefits of a Form S-3 registration due to the 20% public float limitation. The proposing release states that the suggested limit is designed to allow an offering large enough to meet an issuer's needs but to also "take into account the effect such new issuance may have on the market for a thinly traded security." We do not believe that empirical data on stock performance following PIPEs support the view that there is a significant difference in the market for securities of companies valued under and above $75 million.

Further, the 20% limit seems to have no relationship to the issuer's current needs and is without strong justification. Smaller issuers that are in a growth stage often have capital needs that are greater than 20% of their public float in order to achieve their goals, whether those goals are to hire more employees or make capital improvements. This limitation, according to the proposing release, is to protect issuers and the market but it may unintentionally have the opposite result. Additionally, we think that this cap, coupled with the Commission staff's vague interpretations of Rule 415 in connection with PIPEs, will continue to be a source of confusion in the marketplace. A 20% cap in these situations may retard rather than spur growth.

Therefore, we believe that a fixed threshold should be eliminated. In the alternative, we offer the following recommendations to avoid the unintended consequences of the 20% limitation:

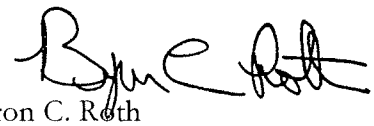
A) Provide smaller issuers the intended flexibility while addressing the Commission's concerns about diluting the value of shares for existing shareholders by requiring the issuer to gain shareholder approval for primary sales of securities in excess of 20% of the public float, which could be accomplished by seeking this authority at the filing of the S-3 registration statement or at any time prior to selling securities under the S-3.

B) Exempt underwritten offerings from the 20% limitation and impose a limitation only on offerings that are not underwritten.

C) Have the 20% limitation apply only to sales pursuant to Form S-3 and not to private sales or those executed pursuant to Forms S-1 or S-2.

Again, we appreciate the opportunity to share our views with you concerning the proposed changes to the eligibility requirements for securities offerings on Forms S-3 and F-3. Thank you for your consideration.

Respectfully submitted,



Byron C. Roth
Chairman and CEO