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Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington D.C. 20549

Re: File Number 4-497; Implementation of Internal Control Reporting Provisions of the Sarbanes-Oxley Act of 2002

Dear Mr. Katz:

I would like to thank you for the opportunity to comment on the Sarbanes-Oxley Act. Being in the management field for 10 years and now entering the audit field, I see a lot of good that has come from the Sarbanes-Oxley Act. I have reviewed the new proposal and have read several letters in regards to the views of the changes that are recommended to the Sarbanes-Oxley Act. I would like to comment on some of the key changes that are being proposed.

I feel that the proposal to provide a uniform framework for all corporations is not in the best interest of the investors. Although the corporations are not mandated to follow these guidelines, they will in fact follow them out of fear of non-compliance. This so called "cookie cutter" approach will not be the best result for all corporations. Every corporation is different and as such should have a unique set of guidelines that best fits the internal controls of their organization.

I feel that every corporation needs to comply fully with the Sarbanes-Oxley Act, no matter the size of the corporation. If they want the benefits of being a publicly traded organization, then I feel that they have an obligation to provide accurate financial reporting to those that have invested in the corporation. The Securities and Exchange Commission was created to protect the interests of investors. The Sarbanes-Oxley Act does this and should continue to be enforced to all corporations that are publicly traded.

There have been many comments that small corporations cannot afford to comply with the Act. The idea that management is more involved in a smaller corporation, and so are not faced with the same risks of larger corporations, I feel is a false sense of security. The separation of duties is less in smaller corporations and top management can not be involved in every aspect of the business and in every location. They must depend on the audit to ensure that internal controls are in place to address weaknesses.

The idea that every aspect of the organization needs to be audited, I feel is not necessary. The auditors need to prioritize the internal controls to ensure that only material testing is being done. The prosecution of false reporting is a significant influence on top management and auditors to prevent fraud and wrongdoings. The act needs to provide strict punishments to those that are involved in the wrongdoings and fraud directly or indirectly. Top management and auditors need to be held accountable for the internal controls of all corporations. When they sign the document that the financial reports are accurate and that internal controls are in place to show weaknesses, then they need to be held accountable for those actions.

Management's view is sometimes myopic when it comes to the cost and benefit of certain internal controls. Management intention is to reduce cost and maximize profits, which is what the investors want. But, investors also need to be ensured that financial information is accurate and that internal controls of the organization are in place to prevent fraud and wrongdoings within the corporation. Sometimes short term costs do not show the long term benefit that will be accomplished. Auditors on the other hand, are responsible for providing accurate financial reports and internal controls. A combination approach is necessary to provide useful financial information and good internal controls, which controls costs.

For these reasons, I do not feel that the proposed guidelines are in the best interest of all corporations. With the expanding world business climate and the diversity of the corporate business, I feel that there needs to be compliance with the spirit of the Sarbanes-Oxley Act. I feel that corporations need to have the flexibility to encompass their own framework to ensure that financial reporting is accurate and that good internal controls are in place. There needs to be collaboration between management and the auditors who are being held accountable for the accuracy of the audits, but separation of duties must be in place regardless of the size of the corporation. By doing this investors will be ensured of accurate financial reports and internal controls and will not sacrifice the corporations profits and competitive edge in the economy.

Sincerely,

Joe Peterson