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April 28, 2008

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

Re: Proposed Rule: Exemption from Registration under Section 12(g) of the Securities Exchange Act of 1934 for Foreign Private Issuers
SEC Release No. 34-57350; File No. S7-04-08.

Dear Ms. Morris:

Ziegler, Ziegler & Associates LLP is pleased to submit this letter in response to the request of the Securities and Exchange Commission (the "Commission") for comment as set forth in Release No. 34-57350, dated February 19, 2008 (the "Proposing Release"). Our firm works extensively with various market participants in the depositary receipt industry.

With some modifications, as discussed below, we generally support the proposed amendments to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the “Exchange Act”). We believe that with the elimination of paper submissions and the adoption of a self-implementing exemption, foreign issuers would be more inclined to enter the U.S. market through "basic" American Depositary Receipt (ADR) programs (i.e. unsponsored ADR programs or sponsored level 1 programs). At the same time investors will undoubtedly benefit from the ease of access afforded by electronic publication of foreign issuers’ disclosure documents. However we respectfully oppose the imposition of a trading volume condition on issuers seeking the Rule 12g3-2(b) exemption, as this would unfairly subject foreign issuers to the risk of mandatory registration under the Exchange Act.

Trading Volume Condition. Under the proposed amendments, for an issuer to be exempt

under Rule 12g3-2(b), the average daily trading volume ("ADTV") of the issuer's securities in the United States must not exceed 20% of the issuer's worldwide ADTV, both during the most recent fiscal year and for each ensuing fiscal year. In our view this trading volume limitation should apply only when the party seeking to rely on the Rule 12g3-2(b) exemption is making the initial determination that it qualifies for such exemption. We believe that thereafter the trading volume condition should no longer be applicable.

At present, foreign private issuers can maintain the Rule 12g3-2(b) exemption indefinitely so long as they continue to furnish the Commission with required home country disclosure documents. We believe it would be unfair and counterproductive to eliminate the premise behind this aspect of current Rule 12g3-2(b). If a trading volume condition were imposed, issuers would lose the assurance of being able to maintain a basic ADR program without becoming subject to Exchange Act reporting. Since foreign private issuers generally have limited control over the trading of their securities in the U.S., they could be required to register under Exchange Act involuntarily, rather than on the basis of any affirmative act or failure to act on their part. In our view it would be patently unfair for an issuer to be subject to mandatory registration where it has not taken any affirmative steps to increase its access to, and in, the U.S. market, despite its having remained in compliance with all of the conditions of Rule 12g3-2(b) other than the trading volume condition. This would also be contrary to the Commission's stated goal of attracting foreign issuers to the U.S. market, as the resulting uncertainty would likely deter many issuers and market participants from establishing basic ADR programs. We strongly believe that once a Rule 12g3-(b) exemption is established, it should be subject to forfeiture only if the issuer fails to comply with the informational reporting provisions of such exemption, unless the issuer has affirmatively taken steps to become a reporting issuer under the Exchange Act. Accordingly, we do not believe it is appropriate to impose any continuing eligibility condition based on trading volume in the U.S.

We also believe the trading volume condition is not necessary from an investor protection standpoint. As is currently the case under Rule 12g3-2(b), U.S. investors receive adequate protection through access to foreign issuers' disclosure documents. In fact the proposed amendments will enhance this protection by providing easier access to such disclosure documents through electronic publication, and by requiring that exempt issuers be regulated in an offshore market. These protections are not diminished when trading levels increase. Throughout the existence of Rule 12g3-2(b), the availability of foreign disclosure documents has been deemed sufficient to protect investors irrespective of trading activity in the U.S. Once the exemption is established, it is not contingent on the number of U.S. holders, trading volume, or any other factors relating to the size of the ADR program. In our view this is one of the critical benefits of Rule 12g3-2(b) and it should not be vitiated by imposing conditions based on trading activity.

The adoption of a trading volume condition would also be contrary to the basic policy objectives stated in the Proposing Release. The purposes of the proposed amendments include fostering trading in over-the-counter securities and encouraging foreign issuers to establish Rule 12g3-2(b) exemptions. If issuers, however, can lose such exemption based on trading activity, this creates a strong disincentive with regard to the establishment of basic ADR programs. In the case

of those foreign issuers that have Level 1 ADR programs, a trading volume condition will discourage issuers from taking any actions that might raise the level of interest in the company among investors or otherwise result in increased trading.

If the Commission decides to retain an ongoing trading volume condition, we believe it is critical to adopt a threshold greater than 20% in order to give foreign issuers the level of certainty required to establish a basic ADR program. Adopting a higher threshold would help maintain consistency with the current structure, which enables programs to remain exempt irrespective of size, so long as the issuer continues to provide the required disclosure. Therefore we would propose that once the Rule 12g3-2(b) exemption is established, the trading volume threshold should be increased to at least 35% for subsequent fiscal years. This would allow exempt issuers to support and expand their basic ADR programs without risk of forfeiting the exemption.

Form F-6 Eligibility. Under the proposed amendments, a registrant filing a Registration Statement on Form F-6 would be required to state either that the issuer of the deposited foreign securities is a reporting company under the Exchange Act, or that the issuer electronically publishes information in English required to maintain the Rule 12g3-2(b) exemption. To the extent the trading volume condition is maintained, we strongly urge the Commission to modify the Form F-6 eligibility requirements to provide that a foreign private issuer is either a reporting company under the Exchange Act or, at the time of filing, the filer reasonably believes the issuer of the deposited securities is in compliance with the requirements of Rule 12g3-2(b). This is particularly important in the context of "unsponsored" ADR programs which are established by a depositary bank in response to market interest without the participation of the issuer of the underlying foreign securities. Under such circumstances, the depositary bank is not in a position to determine whether the issuer has actually met the electronic publication requirements under Rule 12g3-2(b) or if the trading volume condition has actually been met. This would require, among other things, that the depositary research the applicable legal and regulatory requirements in the issuer's home country, including those governing the types of documents required to be publicly disclosed by the issuer and the timing of such disclosure. It is unrealistic and impractical to impose such a burden on depositary banks or others. We believe depositary banks should be able to file a Registration Statement on Form F-6 relating to a basic ADR program based on the depositary's good faith belief after exercising reasonable diligence. In the absence of such a modification, we believe the result would be a significant decrease in the number of unsponsored ADR programs, since depositary banks would generally be unable or unwilling to make the required statement regarding the issuer's compliance with the publication requirements of Rule 12g3-2(b). To the extent depositary banks do decide to establish unsponsored ADR programs and assume the risk of the issuer's non-compliance, we believe an increase in the fees and charges payable by ADR holders may result in order to compensate the depositary for the additional risk it is compelled to take on. Given the current ability of many US investors to directly acquire securities of foreign private issuers on foreign markets or through their brokers irrespective of whether an ADR program exists, we believe that it is important to provide investors with the ability to acquire the same securities in the U.S. through the ADR mechanism, be it a sponsored or unsponsored ADR. The use of the modification suggested above would help ensure that US investors are able to acquire such securities, in the form of ADRs, through their U.S. regulated

stock brokers.

Finally, we do not believe it would be appropriate for issuers to publish on their websites or otherwise publicly state either the basis of their eligibility under Rule 12g3-2(b), or the fact that they are claiming an exemption thereunder. This would undermine the objective of making it easier for foreign private issuers to claim the Rule 12g3-2(b) exemption. Adding such a requirement would increase the burdens imposed on foreign issuers and subject them to unwarranted risk, as they could be deemed noncompliant for failing to publish the basis of eligibility (or the fact that eligibility is claimed) under Rule 12g3-2(b), even if they have properly published all of the information required under the Rule. If issuers were required to register under the Exchange Act simply for failing to publish such a notification, this would be an unduly severe consequence. Moreover investors would not obtain any benefit from such a requirement, as it would not provide any substantive information of relevance to an investment decision. In addition, requiring such a publication could have severe adverse consequences with respect to ADR programs, particularly if an ADR program has been established for the securities of a foreign private issuer and such issuer thereafter fails to publish such notice. If publication of compliance were a condition of the Rule 12g3-2(b) exemption, the result would be a reduction in ADR programs and an increase in the direct purchase of foreign private issuer securities through non-U.S. based broker dealers.

Thank you for giving consideration to our comments. We would be pleased to answer any questions you may have.

Very truly yours,

/s/ George Boychuk

cc: Paul M. Dudek, Esq.
Chief, Office of International Corporate Finance