

December 14, 2005

As an investor, a former auditor of public companies, and Director of Internal Audit, I am asking you NOT to water down Sarbanes Oxley requirements for smaller public companies. The smaller companies are the most aggressive, entrepreneurial companies with very lax controls in place to begin with. If companies can't comply with 302 and 404 requirements, they should not be publicly listed. Whether I spend \$1 buying the stock of a small company or a larger public company, each company has a responsibility to maintain appropriate internal controls over financial reporting. In most cases, smaller public companies do not have the US GAAP and financial reporting expertise on staff, but should if they take my money.

The SEC thought they were doing smaller public companies a favor by extending the 404 compliance deadline. The Management teams are laughing. All the SEC did was put off the deadline for much needed controls and policies in these smaller companies. The smaller public companies knew about the 404 requirements back in 2002 and 2003, but waited until the very last minute to even think about compliance. Then, they cried that it was too expensive to comply, and the SEC bought it. As a matter of fact, most small cap public companies have done nothing and won't until the summer of 2007.

My request to the SEC is to make the smaller companies comply with public reporting requirements and standards if they want to accept the public's money. Public companies listed in the United States need to hold their place in the global community as the ethical gold standard. The SEC sets those standards and hopefully does not water them down when faced with political pressure from lobbyists. If not, we are no better than the Mickey Mouse markets overseas.

I will be watching from the sidelines and making sure the public companies that I am auditing are complying with your requirements—for all of us.

Robin Rousseau, CPA