

August 29, 2012

US Securities and Exchange Commission  
Washington DC

Re: Rule Comments, JOBS Act Title III

Thank you for soliciting comments about crowd funding. I am in complete support of the JOBS Act and would like the SEC to include the following comments and feedback while drafting the regulations:

1. **Asset-based vs. Equity-based:** I would like to suggest that while most of the focus in the comments have been related to equity-based crowd funding model, a larger component in the future could be asset-based crowd-funding. For example, funding for accounts receivables, real estate, cars, personal property, business equipment and other types of assets can also be raised through crowd-funding, and any set of regulations developed must take these into account. Specifically, the possibility of loss - based on the asset - could be significantly lower than a higher risk, higher reward equity based investment. The disclosure requirements on those assets, its fair market value, etc. would be different.
2. **Staggered Investment Amounts and Levels of Accredited Investors:** Today the concept of Accredited investor has one threshold for the most part \$X in assets (although some states have different rules), and there are no limits in terms of the amounts of investment once that threshold is met. In the crowd-funding model, it would be more appropriate to create a staggered set of levels. For example, if someone has assets of \$50,000, the maximum they should be able to invest is \$X, and the disclosure requirements should be appropriate for that level. For someone with more assets, they should have the ability to invest a larger amount, and may have access to a more detailed prospectus.
3. **Standard Laws:** While each state can pass its own laws in regard to crowd-funding, it would be helpful to include the states in coming up with the regulations so that there is a standard set of rules to the maximum extent possible across the country. This standardization – especially early on – would be critical to the success of this nascent model of funding.
4. **Secondary Markets:** Any development of the crowd-funding model will eventually result in a secondary market where some of these equity or asset backed "securities" may need to be disposed of to get liquidity by the original investors. The disclosure requirements for these individual investors to liquidate their positions should not be as onerous as those required of the originator.

Razi Mohiuddin  
Entrepreneur and Investor