



August 9, 2013

The Honorable Mary Jo White, Chairman  
US Securities and Exchange Commission  
100 F St NE  
Washington, DC 20549-1090

Dear Chairman White:

I am the leader of Cherrystone Angel Group, an angel group located in Providence, RI. I am writing in regard to two issues: the final Rule 506 regarding general solicitation, and proposed rules to expand the scope of Regulation D and Form D. Specifically, I am seeking clarification of the "facts and circumstances" that would reasonably establish that an investor is accredited. I also respectfully request the Commission withdraw its proposed amendments to Regulation D and Form D, as these requirements would paralyze angel investing and virtually shut small issuers out of the capital markets.

Our angel group has more than 60 members, all of whom are accredited investors. Angel investors such as ourselves form the backbone of the startup economy. Collectively, our members have funded more than 21 deals in start-ups and early-stage companies. Many of these companies have gone on to raise additional capital and continue to positively impact the economy.

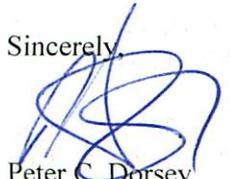
I recognize that the JOBS Act required issuers to take "reasonable steps to verify" that investors are accredited when relying on Rule 506(c). However, "reasonable steps" should not include disclosure of personal financial information by angel investors already well known within the startup community. Active angel investors are both accredited investors and knowledgeable about angel investing. This combined fact set is richer than the "check-the-box" method prohibited by Congress.

Our angel group members work closely with entrepreneurs over long periods (often years) to provide essential "mentorship capital" and support in addition to financial backing. If angels are required to navigate cumbersome and costly requirements to provide private financial data to every startup in which we invest, we will go elsewhere. Angels invest our own funds – we are not hedge funds or private equity managers – which have extensive infrastructure already in place to help determine whether a limited partnership investment is suitable for a potential accredited investor.

I respectfully request the Commission take two actions: Withdraw the proposed rules, and additionally provide guidance in regard to Rule 506(c), to the following effect:

If an issuer verifies that a purchaser is a member of an established angel group or is otherwise actively engaged in the startup community and also provides written representation that he or she is an accredited investor, the issuer will have met the verification requirement of Rule 506(c).

Sincerely,



Peter C Dorsey  
*Executive Director*

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