



## PUBLIC STARTUP COMPANY, INC.

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June 11, 2014

To: Mary Jo White, Chair  
Elizabeth M. Murphy, Secretary  
Charles Kwon, Office of Chief Counsel,  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE, Washington, DC 20549-1090

From: Jason Coombs, Co-Founder and CEO  
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CC: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Re: Release No. 33-9416; Release No. 34-69960; Release No. IC-30595; File No. S7-06-13

JOBS Act legislation URL <http://www.gpo.gov/fdsys/pkg/BILLS-112hr3606enr/pdf/BILLS-112hr3606enr.pdf>

**Once again, so-called “Angel” investors and people who label themselves “Angels” are whipped into a panic and a frenzy about something they apparently know little or nothing, or have not bothered to investigate so that they might comprehend their true position in the startup finance ecosystem. For as long as there have been “Angel” investors coming down from heaven to bestow the miracle of seed capital and do God's work on Earth this group of people has blatantly and chronically ignored and violated federal and state securities regulations.**

**As a group, I have never encountered people with less understanding of, or regard for, standards of practice or legal norms in the industry in which they purport to participate from their moral high ground adorned in their religion-inspired veil of superiority. Come on, people, please get a clue. You are just “shadow bankers” not high priests of venture finance, and you're not doing anyone any great blessing by continuing to fail to comprehend the technical issues and the legal and regulatory history or dynamics here. There is good reason to put you out of business, as a group. If the SEC decides to do so by dramatically increasing the threshold for Accredited investor qualification then you need to take a moment and learn why that makes rational sense, and support it!**

**Title III of the JOBS Act creates a new “funding portal” startup finance ecosystem, one which SHOULD enable hundreds if not thousands of new venues for seed capital formation and reasonably-regulatory-compliant seed capital investing by shadow bankers formerly known as “Angel” investors. Every single one of you “Angels” is clearly going to be permitted to invest through funding portals, unless some kind of Lynch mob comes along and “Lynches” the JOBS Act or repeals it or files lawsuits to block it before it even goes into effect fully!**

**Title IV of the JOBS Act creates a new potentially-state-law-PreEmpt-ive process for the SEC alone to review proposed public offerings of unregistered securities and to “qualify” the offering so that the securities can be offered and sold to any “qualified purchaser” anywhere in the country. The SEC believes that it has the right to permit ANYONE to deem themselves “qualified” to purchase these unregistered securities and I strongly agree. This is known as Regulation A+ or sometimes Regulation A Plus, Section 401 of the JOBS Act. Learn about it!**

**The shadow bankers who call themselves “Angel” investors should not be complaining about losing their status as a protected class of “Accredited” investors, and should instead be helping to ensure that the final Rules that the SEC creates for regulating seed capital investing under the JOBS Act provide a broad federal PreEmpt of state securities regulations and provide support to EVERYONE WHO WANTS TO INVEST IN A STARTUP!**

**Please read the comment letters being submitted re: Title IV of the JOBS Act, and make yourselves heard here: <http://www.sec.gov/comments/s7-11-13/s71113.shtml>**

**If the SEC does decide to dramatically increase the threshold for Accredited investors, that is not going to be an irrational action taken in a vacuum by braindead bureaucrats. In case you haven't noticed, the new SEC under Mary Jo White's leadership actually has a brain, and a moral compass. Perhaps for the first time in history the SEC just may have the ability to protect everyone's constitutional rights while regulating investing in America. I urge everyone who thinks of themselves as “Angel” investors to think more clearly about their systemic role!**