

**Joseph L. Beverly**

July 13, 2014

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

RE: Accredited Investor Definition

Dear Chairman White:

As a member of the Atlanta Technology Angels and a current angel investor, I urge the Commission to protect angel funding to ensure the health of the startup economy we support by retaining the existing financial thresholds in the current accredited investor definition.

If financial thresholds were sharply increased, angel investment in early-stage companies would suffer. My understanding is that a proposed increase in the net worth threshold to \$2.5 million could cut upwards of 60 percent of current accredited investors out of the market. That certainly would not help the startup ecosystem which is responsible for substantial job creation and innovation in many fields.

I exceed the new proposed thresholds, but if they are put in place, it will dampen my ability to make angel investments. I participate with other angel investors who help with the lengthy due diligence process when evaluating potential investments. Their participation is vital to making good decisions on which investments to fund. Many of those fellow angel investors will no longer be available to participate if the thresholds are increased so dramatically. This will in turn reduce the number of investments that I am likely to make. That may be good for me or bad for me since many angel investments return nothing. Neither of us has a crystal ball to say for sure which, if any, of my investments will have positive returns. However, I am confident that fewer investments are not good for the economy as a whole.

Given the importance of innovation in our economy and the substantial need for capital formation in early-stage companies, I urge the Commission not to change the accredited investor definition. If a change must be made to index the thresholds, then I would urge the Commission to use the year in which the new regulation is put into effect as the base year rather than using a base year of more than 30 years ago.

Sincerely,

Joseph L. Beverly