ROSS MILLER
Secretary of State

NICOLE J. LAMBOLEY
Chief Deputy Secretary of State

STATE OF NEVADA

OFFICE OF THE
SECRETARY OF STATE

DIANA J. FOLEY
Securities Administrator
Securities Division

Please Reply to the Las Vegas Office

October 5, 2012

Submitted electronically to rule-comments@sec.gov

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: Proposed Amendment of Rule 506
Release No. 33-9354 (File No. S7-07-12)

Dear Ms. Murphy,

I am the Securities Administrator from the State of Nevada, and I write to express my concern with the Commission's proposed amendment of Rule 506 to allow the general solicitation of accredited investors. Although I recognize that the JOBS Act requires the Commission to promulgate rules to remove the ban on general solicitation for Rule 506 offerings, I encourage the Commission to do so in a way that will reduce the potential harm to Nevada investors.

I am aware that many legitimate small businesses rely on the Rule 506 exemption, and I do not want to unreasonably limit a business' access to capital. However, I urge the commission to consider the statistics recently provided by the states to the North American Securities Administrators Association ("NASAA"), of which Nevada is a member, which establish that fraudulent Rule 506 offerings are frequently utilized in offerings that result in state enforcement actions.

As a simple and reasonable protection for investors, I strongly urge the Commission to finalize the bad actor disqualifications in Rule 506, as mandated by the earlier Dodd-Frank Act. In addition, I believe that issuers should be provided with sufficient methods in the proposed amendments to Rule 506 to verify that the purchasers of the securities are truly accredited investors.

NEVADA STATE CAPITOL
101 N. Carson Street, SUITE 3
Carson City, Nevada 89701-4786
Telephone: (775) 684-5708
Fax: (775) 684-5725

LAS VEGAS OFFICE
555 E. Washington Avenue Ste. 5200
Las Vegas. Nevada 89101-1090
SECURITIES
Telephone: (702) 486-2440
Fax: (702) 486-2452
CORPORATIONS
Telephone: (702) 486-2880
Fax: (702) 486-2888

RENO OFFICE
500 Damonte Ranch Parkway, Suite 657A
Reno, NV 89521-5910
SECURITIES
Telephone: (775) 687-9950
Fax: (775) 853-7961

Although, the Commission takes the position that a list of specified methods for determining whether an investor is accredited would be impractical and potentially burdensome, I believe it is the failure to provide a list of specified methods that would overly burden issuers. Indeed, under the proposed rules whether particular steps taken by an issuer are sufficient remains a "facts and circumstances" analysis potentially subjecting the issuer to different interpretations by different jurisdictions. Also, this factual analysis will likely result in an unnecessary level of uncertainty for investigators in state enforcement actions.

In addition, I advocate that the Commission require issuers to file the Form D *prior* to any Rule 506 offering through general solicitation. With the allowance of general solicitation in this type of offering, investigators and investors will now have a limited ability to independently determine whether an advertised offering is a legitimate exempt offering or an unregistered, non-exempt offering. At a minimum, investors should be able to make this determination prior to investigating the merits of the offering.

Not only should investors be able to ascertain whether an offering is made pursuant to Rule 506, but the investors should be further protected through reasonable limitations of the advertisements of these offerings. Accordingly, I support the recommendations set forth in more detail in a comment letter submitted by NASAA this week.

Thank you for the opportunity to provide comment on this important issue. Please contact me if you have any questions.

Sincerely,

Securities Administrator