

**GOLENBOCK EISEMAN**  
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September 21, 2012

Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090  
Attn: Elizabeth M. Murphy, Secretary



Ref: File No. S7-07-12

Dear Ms. Murphy:

In its Proposing Release (Release No. 33-9354) to amend Rule 506 of Regulation D to permit general solicitation and advertising in offerings made under Rule 506, the Commission is soliciting comments as under what circumstances, if any, should an issuer be deemed to have taken "reasonable steps to verify" if the only action taken by the issuer is to request a representation from a purchaser that it is an accredited investor. We believe that such action should suffice in and of itself to satisfy a "reasonable steps to verify" standard.

Currently in Rule 506 offerings under Regulation D, the only step taken by most issuers to verify accredited investor status is to request a representation from a purchaser that it is an accredited investor, usually by checking the appropriate box in an accredited investor questionnaire. To impose any additional level of verification in connection with a Rule 506(c) offering, would create two standards of verification for Rule 506 offerings, one standard for issuers claiming an exemption under Rule 506(c) and another standard for issuers not claiming the Rule 506(c) exemption. Furthermore, by imposing a higher standard for verification under a Rule 506(c) offering, the Commission appears to be going against the intent of the JOBS Act, which is to ease the regulatory burden on issuers with respect to capital raising activities. While we understand the Commission's concern that the use of general advertising and solicitation in Rule 506 offerings may increase the risk of a non-accredited investor participating in such offering, we do not believe that issuers should be burdened with the additional costs of imposing a higher standard of verification of accredited investor status in order to protect those investors who knowingly misrepresent their accredited investor status to the issuer.

In conclusion, for the reasons stated above, we urge the Commission to take the position that an issuer is deemed to have taken "reasonable steps to verify" if the only action taken by the issuer is to request a representation from a purchaser that it is an accredited investor.

Very truly yours,

  
Carl Van Demark

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