

January 16, 2014

U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

**Re: Request for Public Comments on SEC Regulatory Initiatives under JOBS Act; Crowdfunding; File Number S7-09-13**

To the Commission:

Thank you for allowing the investing community the opportunity to provide comments on the proposed rules for Crowdfunding. Before commenting on the proposed rules, I will briefly introduce myself and CrwdCorp, LLC (“CrwdCorp”).

My name is Sean Shepherd, and I am the founder and CEO of CrwdCorp, an Internet-based company for entrepreneurs and small business owners seeking to prepare their companies for successfully completing a crowdfunded capital raise or debt sale. CrwdCorp is not a broker and does not provide legal advice to its clients; rather, CrwdCorp will help its clients navigate their initial disclosure requirements and remain current with their ongoing compliance responsibilities. Additionally, CrwdCorp is not a funding portal, and CrwdCorp will not provide leads to potential investors to brokers or funding portals.

CrwdCorp writes to highlight a cottage industry that is unaddressed in the Crowdfunding law and proposed rule: non-broker advisors that will assist entrepreneurs prepare for a Crowdfunding equity raise/ debt sale.

CrwdCorp believes that the Commission should create a rule that requires non-broker advisors to be licensed and overseen by a self-regulatory organization or the Commission itself.

When Congress enacted the Jumpstart Our Business Startup Act (the “JOBS Act”), one of the underlying goals was to democratize the capital markets. In other words, the Crowdfunding section of the JOBS Act was designed to allow startups and small businesses access to the capital markets by making relatively small offerings of securities less costly. One of the most costly parts of a capital raise / debt sale for a company is the advisory fees paid to investment bankers and lawyers.

CrwdCorp, and similar companies, will provide low-cost advisory services, which will reduce the total cost of completing the round to the entrepreneur or the small business owner. CrwdCorp will not be responsible for preparing a company’s disclosure documents, but at the client’s direction, will provide forms and general advice about what information is required *and* how it should be included. Ultimately, this service will drive down the costs investment bankers may

charge for preparing a company for a crowdfunded capital raise/ debt sale. This is consistent with the Act's intent.

CrwdCorp, however, recognizes that this industry will be ripe for fraudsters, both for fraud on unsophisticated startup companies and small businesses and on the ultimate investor. In the first type of fraud, it is foreseeable that companies will begin sprouting that will claim to be able to help a company prepare for a Crowdfunding round, and will take prepayment from unsuspecting companies and never provide any services. In the second type of fraud, it is foreseeable that companies will help startups and small businesses defraud the ultimate investor, by manipulating or cooking up the initial disclosure documents.

CrwdCorp proposes that the Commission create a rule that requires that non-broker advisors to companies seeking to rely on Crowdfunding be licensed and overseen by a self-regulatory organization. CrwdCorp proposes that the Commission adopt a scheme similar to Arizona's Legal Document Preparer scheme.

With respect to the practice of law in Arizona, the Supreme Court of Arizona determined that it must balance the need to protect the public from non-lawyers practicing law against the public's need for legal services. To accomplish this end, Arizona allows non-lawyers to prepare legal documents for unrepresented parties so long as they are licensed legal document preparers. Under Arizona's scheme, an individual must meet certain requirements for licensure: (i) be a citizen or legal resident of the United States; (ii) be at least eighteen years old; (iii) be of good moral character; (iv) comply with the laws, court rules, and orders adopted by the state of Arizona; (v) possess a certain level of education; and (vi) pass a legal document preparer exam.

In effect, non-lawyer document preparers are able to provide the public with access to legal services at a reduced cost, but the Supreme Court of Arizona is able to monitor and regulate the manner in which such nonlawyer document preparers provide their services.

The Commission should enact a similar scheme. If the Commission were to regulate non-broker advisors, the Commission would be able to ensure that these advisors were not committing fraud. It would also allow the Commission to ensure that these advisors stayed current on their training by mandating continuing education requirements to maintain licensure.

The licensure scheme could also have the effect of signaling to potential investors that the disclosure documents were prepared with some oversight. Even though the non-broker advisor cannot give the company legal advice regarding the Crowdfunding offering, the general advice to avoid pitfalls will reduce total transaction costs. The economic effect of this signal is that the company's cost of capital will be reduced—which accomplishes Congress's stated goals.

Additionally, the Commission should enact this licensure so that state regulators do not interfere with the JOBS Act's mission of democratizing capital. If the Commission were to enact a nationwide licensure program, it would reduce the risk of having to comply with the blue-sky laws of the states. By creating a uniform standard for licensure, a company like CrwdCorp can reduce the costs of its advisory services, which ultimately reduces the cost of the company's capital raise / debt sale.

The proposed rule's silence on this matter is a trap. The Commission should act quickly to avoid a situation where fraudsters are able to capitalize on the innovation of Crowdfunding and ruin Crowdfunding for everyone else.

Although this proposal increases regulation in the industry, it serves to further the goals of Congress and the Commission: reduce the costs of raising money in the capital markets and reduce the risks of fraud in Crowdfunding.

Thank you for your consideration. If there are any questions regarding CrwdCorp's proposal, I am happy to offer the Commission my time.

Sincerely,

A handwritten signature in black ink that reads "Sean Shepherd". The signature is written in a cursive, flowing style.

Sean Shepherd  
CrwdCorp, LLC  
Founder & Chief Executive Officer