

KINGONOMICS

3455 Peachtree Road, NE 5th Floor, Atlanta, GA 30326 USA
+14049957094 Tel +14049957001 Fax
www.kingonomics.com | www.oppUPcon.com | www.ohub200.com
@kingonomics | @rodneysampson

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Elizabeth M. Murphy
Secretary
U.S. Securities & Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

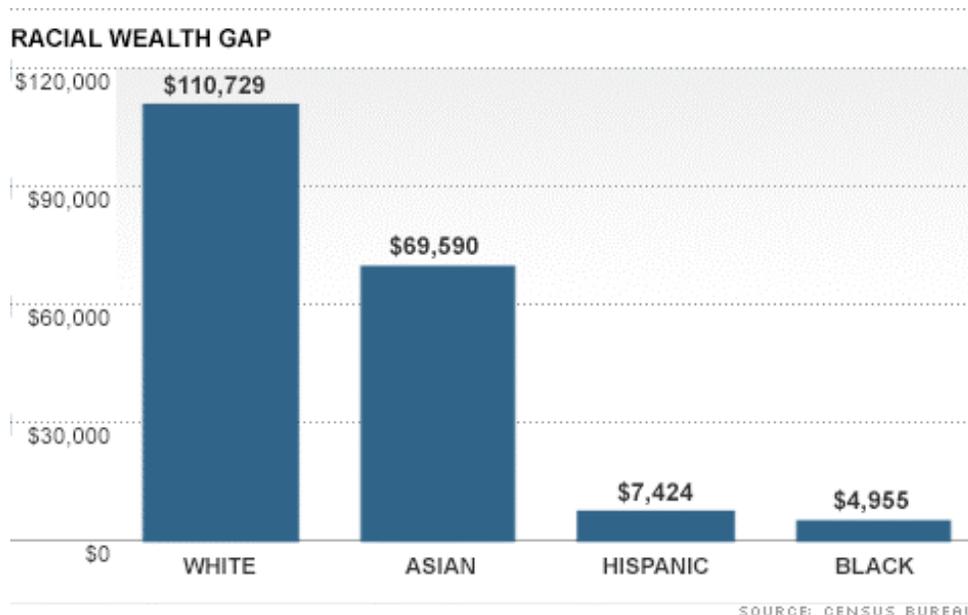
Re: Comments regarding Proposed Rules on Crowdfunding Title III, The JOBS Act

Dear Secretary Murphy:

Please accept this letter in response to the Securities and Exchange Commission's Request for Comments on its Proposed Rules on Crowdfunding Title III, The JOBS Act. I serve as CEO of *Kingonomics*. *Kingonomics* is dedicated to disrupting the mindset and reality of poverty in America via exposure and access to innovation, entrepreneurship and investment.

Please consider these facts.

The wealth gap between blacks and whites in America has risen to record highs. The median wealth of white households is 20 times that of black households and 18 times that of Hispanic households, according to a Pew Research Center analysis of newly available government data from 2010.



As a result of these declines, the typical black household had just \$4,955 in wealth (assets minus debts) in 2010, the typical Hispanic household had \$7,424 in wealth and the typical white household had \$110,729.

Moreover, about a third of black (35%) and Hispanic (31%) households had zero or negative net worth in 2009, compared with 15% of white households. In 2005, the comparable shares had been 29% for blacks, 23% for Hispanics and 11% for whites.

Crowdfunding is not a panacea or silver bullet. However, in communities where most startup founders and co-founders can't receive startup capital from banks or lenders or don't have access to accredited investors, the JOBS Act may be the only viable option. Many believe that the JOBS Act is the most significant piece of economic legislation since President Abraham Lincoln's Emancipation of the Southern Slaves. I agree. Even President Barack Obama called it a "game changer" when he signed the bill into law on April 5th, 2012.

To this end, it is critical that Title III and Title VII of The JOBS Act be ruled on as expeditiously as possible. With that, please accept our definitive comments.

1. Education is precedent. Education on the investment ecosystem in general must be the initial focus of Title III ruling and implementation; and must involve the active participation of all current and future stakeholders of the "crowdfunding" ecosystem. Outside of positive shows such as "Sharktank", most Americans don't have any experience in investing in a startup company in return of "equity", "shares", "member units" or "stock"; and although it is in the investor's best interest and responsibility to learn the investment ecosystem; it is the fiduciary of the ecosystem to make the information and best practices readily available.
2. Failure isn't fraud. Potential investors must be educated and advised that most startups fail which may result in the loss of most if not all of an investor's principal investment. However, failure of a business doesn't automatically suggest or mean that the company's management was committing fraud. For many reasons, most startups simply don't make it. Yet, in the meantime, opportunities and jobs are created. This is a very important reality that must be reiterated over and over. **#failureisnotfraud.**
3. Investment is necessary. Regardless of whether "crowd funded" equity securities provide a return on investment, Americans must invest in startups. Startups are responsible for new job creation and provide a proven path out of poverty, especially in underserved, underrepresented and marginalized communities.
4. Potential deferred. Yes, the JOBS Act has great potential. However, given some of the complexities for issuers and funding portals such as expensive legal, accounting and annual reporting fees and portal liability, respectively, the JOBS Act may be just that – potential only. It is imperative that the rules and the associated costs for raising capital under Title III of the JOBS Act not outweigh the costs of actually raising capital and operating a company. This could deter issuers from utilizing equity based crowdfunding and/or portals for offering Title III deals.
5. Time is of the essence. We must rule on the remaining Titles of the JOBS Act immediately. We must expand national outreach and education immediately to all Americans. Platforms must be

able to start operating fully so they can begin to generate revenue or face failure themselves.
Issuers must begin selling shares to start, launch, grow and scale their business.
Thank you for your time and consideration.

With best regards,



Dr. Rodney S. Sampson, MBA

Author, *Kingonomics: Twelve Innovative Currencies For Transforming Your Life:*

Inspired by Dr. Martin Luther King, Jr.

Convener, opportunity.UP // unleashing private equity conference

Co-Founder, Opportunity Hub

Executive In Charge of Diversity & Inclusion, One Three Media / Mark Burnett Productions / *Sharktank*