WESTPARK CAPITAL, INC.
INVESTMENT BANKING
Member FINRA/SIPC

August 31, 2011

Mr. John Carey
Chief Counsel
NYSE Regulation Inc.
NYSE Amex LLC
New York, NY
jcarey@nyx.com

Re: File Number SRNYSEAMEX-2011-55
Comment re Proposed Amendment to Section 101 of the NYSE Amex Company Guide

Dear Mr. Carey:

NYSE Amex LLC proposes to amend Section 101 of the NYSE Amex Company Guide to adopt more stringent initial listing requirements for companies applying to list after consummation of a reverse merger, exchange offer, share exchange or similar transaction. The proposed amendment would require a Reverse Merger Company to trade on another exchange for at least one year, minimum closing stock price maintenance, and timely filing of all required SEC reports during this seasoning period. The proposed amendment allows an exemption if the Reverse Merger Company listing is in connection with a firm commitment underwritten public offering with gross proceeds of at least $40 million.

We firmly agree with the overall objective of this proposed rule change to protect investors from potential accounting fraud and other market and regulatory risks related to investing in Reverse Merger Companies. However, we believe that the proposed amendment overreaches by subjecting smaller capitalization issuers to a burdensome listing requirement that is unrelated to achievement of the stated objective.

In particular, we believe that the $40 million minimum gross proceeds requirement is arbitrary and significantly greater than necessary to ensure that a new issuer has been subject to appropriate underwriters' due diligence, SEC review and other valuable investor protections. As a practical matter, a $40 million underwritten public offering requires pre-financing valuation of at least $200 million, significantly greater than many issuers who would otherwise qualify for NYSE Amex listing.

We also note that the Reverse Merger Company definition fails to differentiate between (a) a "legacy" or "backdoor" reverse merger company, and (b) a "Form 10" reverse merger company that may be otherwise indistinguishable from a regular initial public

offering issuer. This distinction is highly significant, since the "legacy" or "backdoor" reverse merger process has been used by many issuers to gain trading liquidity while avoiding underwriter due diligence and the SEC review process.

In contrast, a Form 10 reverse merger company begins as a non-trading, fully-reporting public company with no prior operations or other potential undisclosed liabilities. After closing a share exchange with a non-trading Form 10 corporation, the issuer must complete a firm commitment initial public offering requiring (i) underwriters' due diligence, (ii) filing and full SEC review of an S-1 registration statement, (iii) due diligence by the listing stock exchange, and (iv) a FINRA "no objection letter" prior to any trading in the stock.

This Form 10 IPO process is equivalent to a traditional initial public offering and does not compromise investor protection in any way. In fact, the Form 10 process ensures additional investor protection since the issuer is subject to SEC reporting requirements, including 10-K, 10-Q, 8-K and other filings, and must establish Sarbanes-Oxley compliance during the entire registration period prior to the effectiveness of the S-1 registration statement.

The Form 10 IPO process provides a significant additional benefit for both issuers and investors. Many small cap issuers who wish to go public require private equity funding prior to the IPO to cover offering costs that would otherwise create a substantial negative impact on working capital and cash flow. When a private equity offering is closed in connection with a Form 10 share exchange, investors benefit from the Form 10 IPO process that requires issuer transparency with the Super 8-K disclosure document, Sarbanes-Oxley compliance, and SEC filings, including 10-K, 10-Q and 8-K reports. Private equity investors in a non-reporting company do not receive any of these protections or disclosures. The proposed rule change would significantly limit the use of the Form 10 IPO process, and greatly increase the cost of such private capital.

We therefore recommend that the proposed amendment to Section 101 be adjusted to delete the minimum gross proceeds requirement in the firm commitment underwritten public offering exemption. Alternatively, we recommend that issuers who conduct a Form 10 share exchange transaction in connection with a firm commitment underwritten offering be excluded or exempted from the "Reverse Merger Company" definition.

Should the proposed amendment be adopted as originally drafted, we believe that investor protections will be compromised by restricting capital availability for small cap issuers, and by pushing Form 10 IPOs onto the poorly supervised and under-regulated OTCBB market, or onto foreign stock exchanges.

Lastly, we recommend that NYSE Amex consider requiring companies listing on the exchange to engage a recognized independent diligence firm to conduct a forensic audit and issue a forensic diligence report prior to approval of the exchange listing.

I am available to discuss any questions that you might have related to this matter.

Regards,

Richard Rappaport
Chief Executive Officer
WestPark Capital, Inc.