

Robert Dickson



September 23, 2015

The Honorable Mary Jo White
Chair
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1070

Dear Chair White:

As a financial executive, I am writing this letter to support the recommendations of the Advisory Committee on Small and Emerging Companies regarding the regulation of finders and other intermediaries in small business capital formation transactions. I specifically urge the U.S. Securities and Exchange Commission (SEC) to:

- Eliminate the current broker-dealer regulation that persons that receive transaction-based compensation for providing names of or introductions to potential investors not be subject to registration as a broker under the Securities Exchange Act. Registering as a broker requires passing of exams that may not be relevant to an intermediaries limited role in a transaction and may require considerable time and expense.
- Exempt intermediaries that are involved in the discussions, negotiations and structuring, for private financings from broker registration at the federal level, conditioned upon registration as a broker under state law.
- Provide uniform guidance to states to promote limited, but meaningful requirements for state registration. For example, the guidance could include educational resources for the intermediary regarding what can and cannot be represented to a potential investor, the definition of a qualified investor, basic concepts relating to financial reporting and forecasting, forms of investments, etc. In addition it should be required that an intermediary inform the potential investor that a fee may be earned by the intermediary if an investment is made.
- The guidelines should be coordinated with the North American Securities Administrators Association (NASAA) and the Financial Industry Regulatory Authority (FINRA) to ensure state regulations are simple, transparent, responsive to the needs for capital, proportional to the risks of investors and capable of ongoing monitoring.

The SEC should take immediate steps to eliminate the requirement that intermediaries register as brokers, begin to draft guidelines and begin to work with NASAA and FINRA. Please let me know if I can be of assistance.

Sincerely,

A handwritten signature in black ink that reads "Robert Dickson".

Robert Dickson

Robert Dickson is chief financial officer of CardiacAssist, Inc., a medical device company headquartered in Pittsburgh, PA. The opinions in this letter are those of Robert Dickson and not those of CardiacAssist, Inc.