Good Morning,

I wanted to express my support for the following petition for rulemaking change #4-605 and to expand the concept of “Crowd Funding” and to suggest to your office that they take this as an opportunity to create and regulate an appropriate mechanism to raise funds for Venture Capital firms in the United States of America.

The Venture Capital Industry is a cornerstone of American Innovation which not only benefits the United States, but the world. As you know, it can arguably be said that the United States invented Venture Capital in its present form and that this American institution of capital formation and innovation should benefit from the increased operating efficiency offered by Internet Technology, Social Networks and Global Communication.

In reading the attached petition I would offer these following comments for your office to consider.

One: The current venture capital model allows for Accredited Investors to place large sums of money “at risk” in a relatively opaque manner. Additionally, the current model locks out most individuals who do not meet the standard of Accredited Investors - yet these individuals may have some small portion of funds which they would like to put “at risk”, be it in a small start-up company or a new idea. In fact, it can be said that most individuals in the United States are more “at risk” at a Casino in Las Vegas then they are in picking up a copy of WIRED magazine and mailing a $500 USD check to the first company they read about.

Two: The United States is at a pivotal place in world history with significant challenges in energy, transportation, commerce and capital formation. I would suggest that many individual Americans and entrepreneurs/innovators have a genuine desire to help start new ventures and businesses in the United States to maintain its position in the world. Capital formation allows for the investment into
new ideas and people. This creates new companies. New companies create new jobs. New jobs mean more taxes/revenue for the US government. Technology has increased the information flow so that most individual Americans can now conduct due diligence via Google and the Internet that would be on par with any Venture Capital firm 10 years ago.

Three: I would propose that the current Venture Capital industry be allowed to benefit and share in this financial transformation. Specifically, a Venture Capital fund would be allowed to raise funds via “Crowd Financing” within the following limitations:

1) No purchaser may invest more than $9,999 USD.
2) The aggregate offering is limited to $5,000,000 maximum.
3) Offerors must be Citizens of the United States or Venture Capital firms managed by US Citizens properly formed in the United States of America and registered with its State Securities Office.
4) No individual offeror may have more than one offering open at any time, but a properly registered Venture Capital firm may have up to 50 offerings.
5) An Individual or Venture Capital Firm must have an Anti-Money Laundering system in place.
6) All offering materials and communications must contain a disclaimer clearly stating the possibility of total loss of the investment, and the necessity of careful evaluation of the opportunity by the individual purchaser.

Lastly, I would suggest that your office treat the concept of crowd financing via the Internet with all seriousness. Global capital flows have increased dramatically and the Crowd Financing concept will only increase in force and footprint as the technology that allows it becomes easier to obtain.

There follows my comments in regards to the petition for rulemaking change #4-605.

Best Personal Regards,

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