

Elizabeth M. Murphy
Office of the Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: File No. 4-605 Petition for Rulemaking: Exempt securities offerings up to \$100,000 with \$100 maximum per investor from registration

Dear Ms. Murphy:

As a long time entrepreneur (over 30 years), I am writing in support of this petition. As a “serial entrepreneur” I have founded over a half dozen small companies in the San Francisco Bay Area/Silicon Valley. In that capacity, I have raised millions of dollars under the current rules and know as well as anyone how difficult and costly it is to raise such funds, within the constraints of the current SEC rules and state securities laws.

I have a passion for entrepreneurship and frequently mentor other entrepreneur “wannabes”, including having written various items to help provide guidance for such entrepreneurs. In my experience, in Silicon Valley in particular, I can say with confidence that I saw more good business opportunities go by the wayside because the founder/entrepreneur was not able to overcome fund raising hurdles than happened because of flaws in their basic business strategy. I even address this in my ebook, “So, You Want To Be An Entrepreneur” and consider it the number one problem for getting small businesses off the ground. And much of that problem can be laid directly at the feet of the government and the impediments (versus enablement) it puts in the path of such entrepreneurs. It is not without good reason that the U.S. is considered one of the least friendly regulatory environments in the world, with respect to small businesses.

Yet our country is in dire economic straights and it is self evident to everyone that we need to create millions of new jobs. And studies by the SBA confirm that over 70% of new job creation is generated by SMEs. Yet our current securities laws severely interfere with, rather than enhance the ability of such companies to raise such funds. I can appreciate the intention of the government to try and protect its citizenry, but a solid case can be made that even more harm is being done to the entire country (by orders of magnitude) through rules that make it so difficult for small companies to raise funds, than is prevented by such an overreaching system that chokes off this critical process.

Which brings me to the above referenced petition. I can say whole heartedly that I strongly support it. However, I personally would appeal to the SEC to set the upper limit somewhere between \$250-500,000 and personal limits between \$500-1,000. The numbers of critical growth businesses that this increased limit would enable are significant. Yet let me hasten to state that I would absolutely be in favor of the petition's numbers, if the Commission was unwilling to go higher. We are attempting to do our part in providing a system to help small companies get going and I can tell you that approving this petition will make a huge difference in our success.

Finally, I will be attending the Small Business Capital Formation Forum on the 18th where I will reinforce this letter by a direct petition to the Commission in support of this and other similar efforts. Thank you for considering this request.

Respectfully,

Michael Sauvante
Executive Director

COMMONWEALTH GROUP