



U.S. Securities & Exchange Commission (SEC)
100 F Street, N.E.
Washington, DC 20549
Tuesday, November 15, 2011

To whom it may concern,

My name is Maurice Lopes, as an entrepreneur I'm consistently creating companies and creating jobs, as the president of EarlyShares.com (soon to launch "CrowdFunding" platform), I would like to suggest changes to the current SEC rules for registration of securities, and exemption.

The offering/sale of SMB securities through the use of a crowdfunding platforms (intermediaries) such as the one our company is currently developing (EarlyShares.com). Is a way to create new much needed American based businesses, subsequently creating much needed American jobs, we believe that this kind of community based funding, lending, and supporting is the only way to help the economy grow sustain-ably again, generating more jobs and prosperity.

While I truly believe that crowdfunding is a viable tool to empower ordinary Americans to become business owners (entrepreneurship), and I understand how important it is to all Americans. I also believe too much emphasis has been put on the RISK of FRAUD, and not enough on investor protection from a bad structured deal perspective, I don't believe FRAUD will such a big issue, as this is 2011 and social media and community communications (the essence of why this will work), will stamp out fraud (it's easy to defraud one person, it's not so easy to defraud 1,000).

Secondly I believe there must be regulatory oversight of the intermediary (including our company), whom will be the ones selecting, coaching, packaging, safeguarding, and marketing the offerings, this is very similar to what a broker-dealer would do with a PPM.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Lopes", with a long, sweeping underline.

Maurice Lopes

President & Founder
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Based on recent bill HR2930, I am suggesting the following tiered thresholds to protect the framework:

Who can invest:

Small investors (non-accredited investors), should be able to invest up to \$1,000 in any particular company/business/project, as long as that investment is done through an intermediary platform (who must conduct adequate anti-fraud, business effectiveness, due-diligence on each investment listings).

Professional investors (non-accredited investors), should be able to invest up to 10% of their income or a maximum of \$10,000 in any particular company/business/project, as long as that investment is done through an intermediary platform (who must conduct adequate anti-fraud, business effectiveness due-diligence on each investment listings).

VC's and Angels (accredited investors), should be able to invest up to \$1,000,000 in any particular company/business/project without any registration/project, as long as that investment is done through an intermediary platform (who must conduct adequate anti-fraud, business effectiveness due-diligence on each investment listings).

As the CrowdFunding platform (intermediary), the burden of conducting some levels of due-diligence of each investment opportunity, and even some sort of formal filing notice to SEC, the same way you register LIEN on a vehicle at the DMV, or a mortgage on a home, you would file a LIEN of Equity.

How many investors can invest: 2,500

- Small investors (non-accredited investors): 1,000
- Professional investors (non-accredited investors): 1,000
- VC's and Angels (accredited investors): 500

Terms Sheets (Mandatory)

Additionally I think there needs to be mandatory terms: anti-dilution provision, liquidation preference, conversion rights, information rights, dividend provision/disclosure, Business Continuity Planning (Key Man Life Insurance), protecting crowdfunding investors.



Documentation Requirements to seek investments:

\$5,000 to \$50,000 – Basic Info Only (Business Info, Owners, Exec Summary, 1yr Projections)

\$50,001 to \$100,000 – Basic Due-Diligence (Business Info, Owners, Business Plan, 3yr Projections)

\$100,001 to \$500,000 – Medium Due-Diligence + Background Checks + Financials (non-audited) + SEC Mini-registration (CPA letter, term-Sheet, investor breakdown, mini-registration) submitted by the intermediary.

\$500,001 to \$2,500,000 – Extensive Due-Diligence + Background Checks + Audited Financial Statement + SEC mini-registration (CPA letter, term-Sheet, investor breakdown, mini-registration) submitted by the intermediary.

Crowdfunding Platform (Intermediary) requirements

Crowd funding platforms (intermediaries), should have to implement strict internal policy for accepting, declining and marketing “CrowdFunding” offerings, as not all applications for funding would be good businesses, nor good investments. Additionally I believe that there can be control and safeguards established by reporting to the SEC each offering on a simple standardized form, by requiring all investments to comply with set norms.

Registration and Approval of Intermediary with SEC as an “Authorized CrowdFunding Platform”, this will avoid the more dangerous form of fraud “Fake Platform”

All-or-Nothing Standard – Funds should only be disbursed/collected one 100% subscription is achieved, ensuring that the venture will have the required funds needed.

Licensed party - One owner must be a licensed “General Securities Representative” or “Broker-Dealer”

Security - Data & Information Security – PCI Compliance or use 3rd party (i.e. PayPal)

Funds Management - 3rd Party funds custodian (Bank/Financial Institution /Escrow accounts)

Transactional Responsibility – This is where the platform is responsible for all documentation (Term-sheets, stocks, announcements, reports)

Investment Continuity – Platforms should be responsible for maintaining certificates, reporting between the Co (Investee) and the Investor(s). The transaction should ot end