

BrokerBank Securities, Inc.

Private Investment Banking – Member : FINRA / SiPC

Technology - **Medical Device** – Robotics

July 10, 2012

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F. Street NE
Washington DC 20549

Re: Rulemaking under Title II of the JOBS ACT

Dear Ms. Murphy,

As background, BrokerBank Securities is a FINRA Broker Dealer selling only private placements, and only to accredited investors. Thus, Title II covers our entire business.

The stated purpose of Title II is to make raising capital for small business easier by revising Rule 506 to permit general solicitation, provided all purchasers of the securities are accredited investors. Interestingly, in our eight years of doing this I do not recall a single instance where the investor relied on the income test. They all use the asset test.

The NASAA on July 3rd wrote you suggesting that the self certification of the investor that he or she is an accredited investor due to meeting the standard set forth in Rule 506, which is the procedure that has been followed by the industry for decades, should no longer be deemed sufficient. Instead, proof should have to be documented in the form of bank statements, brokerage account statements, tax assessment valuations, or appraisals, as well as documentation of liabilities.

Adopting the NASAA suggestion of not accepting only self certification will without question make raising capital for small business through private placements much more difficult due to the reluctance on the part of many potential investors to go to the trouble of assembling this information or, for that matter, to disclose it to anyone. And the more wealthy a person is, the more difficult this would become in many cases. By the time most people accumulate a net worth of \$1,000,000+ not counting their principal residence, they usually really want to keep their financial information very close to the vest. Is a person who just gave a million dollars to a university going to put together a detailed financial statement to make a \$100,000 investment in a startup medical device company?

It would be a real shame if the result of Congress wanting to make raising capital from wealthy individuals easier would be for the SEC to make a Rule requiring verification of net worth that would make it more difficult.

I strongly urge the SEC to continue to allow self certification of accredited status on the part of individuals wishing to invest in private placements under 506, even though they were introduced to the company through a general solicitation.

Thank you very much.

Sincerely

Michael Flannigan, JD, CFA
Exec VP