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Submission Via Email: rule-comments@sec.gov

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: Submit Public Comments on the JOBS Act Title II

Dear Sir or Madam:

Mona Shah & Associates applaud the passage of the “Jumpstart Our Business Startups Act” (JOBS Act), we herein respectfully comment on the Title II of the said Act in relation to EB-5 Immigrant Investor Program.

Created in 1990 by the Congress, the EB-5 program is intended to stimulate the US economy by creating full-time employment through direct foreign investment. In return, the foreign investors obtain permanent residency in the US. Taking into consideration the recent economic downturn, the EB-5 program has proven to be a valuable and effective tool assisting the revival of the US economy. It is estimated that since 2003 the EB-5 regional center pilot program has attracted more than \$1.3 billion dollars of direct foreign investment and has created more than 65,000 jobs for US workers. It is therefore in the public interest to assist the initiative and hard work of many of the regional centers throughout the United States.

JOBS Act Title II – Access to Capital for Job Creators is directly related to the EB-5 practice. In SEC.201(a)(1), the rules “issued in section 230.506 of title 17, Code of Federal Regulations, to provide that prohibition against general solicitation or general advertising contained in section 230.502(c) of such title shall not apply to offers and sales of securities made pursuant to section 230.506, provided that all purchasers of the securities are accredited investors.”



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The JOBS Act requires “the issuer to take reasonable step to verify that purchasers of the securities are accredited investors.” Mona Shah & Associates respectfully suggests that in the SEC guidelines yet to be issued, the “reasonable step” should not place undue burden on the securities issuer, otherwise the regional center.

In the EB-5 community the current practice to assure the securities purchasers overseas are accredited investors is that the regional center conduct an investor suitability evaluation on all the subscribed investors. Only basic self-certificated information is provided in this process. We believe the current practice of providing a suitability questionnaire is sufficient to fulfill the issuer’s duty to assure the foreign investors are accredited. It would be rather onerous for the regional center and securities issuers to request tax returns, bank statements, and financial information to verify the self-certification at such a preliminary stage. The probable result of such stringent restrictions would be to frighten away potential investors from regional center projects.

The loosened restrictions upon the general solicitation and general advertising rules have caused considerable excitement for EB-5 professionals, project principals and regional centers. While we support all efforts to ensure the sale of US securities are maintained at the highest standards, we believe it would be effective and beneficial for the Commission to concentrate the enforcement resources to conduct spot checks on the regional centers to counterbalance the general ignorance that is prevalent in this community. However, we would suggest focusing resources upon an actual securities fraud involved in the transaction. The magnitude of the EB-5 program calls for a friendlier regulatory environment, which in turn encourages the reinstatement of the competitive advantage of the United States in terms of attracting foreign direct investment.

If you have any questions regarding our position, please do not hesitate to contact us.
Thank you.

Sincerely,

Mona Shah, Esq.
Yi Song, Esq.

New York, NY