

# United States Senate

WASHINGTON, DC 20510

August 7, 2012

The Honorable Mary Schapiro  
 Chairman  
 U.S. Securities and Exchange Commission  
 100 F Street, Northeast  
 Washington, D.C. 20549

Dear Chairman Schapiro:

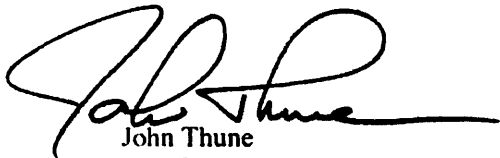
It is our understanding that the Commission will hold an Open Meeting on August 22, 2012 to consider rules to eliminate the general solicitation prohibition under Rule 506 of Regulation D under the Securities Act and Rule 144A under the Securities Act, as required by Section 201 (a) of the Jumpstart Our Business Startups (JOBS) Act.

President Obama signed the JOBS Act into law on April 5, 2012 as a result of a bipartisan effort by Members of Congress to facilitate better access to capital for our nation's startups and small businesses. These common-sense reforms, if implemented according to Congress' intent, will help our small businesses access capital to grow their businesses and hire additional employees.

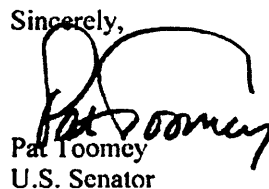
The general solicitation prohibition currently prevents small businesses from attracting capital from accredited investors nationwide because it allows them to raise capital only from investors with whom they have a pre-existing relationship. The intent of the JOBS Act was to remove the general solicitation prohibition to allow businesses to attract capital from accredited investors nationwide. In fact, earlier this year the SEC's Advisory Committee on Small and Emerging Companies came to a similar conclusion in recommending that the Commission "take immediate action to relax or modify the restrictions on general solicitation and general advertising."

We urge the Commission to adopt reasonable rulemakings in line with the intent of the JOBS Act. To that end, we hope the Commission's rules will provide businesses with reasonable steps they may take to verify that investors are accredited, so that they will be able to raise additional capital, grow their businesses and help spur job growth. We believe a common-sense approach will avoid inadvertently preventing businesses from making use of general solicitation as intended by Congress, and will best achieve the purpose of the JOBS Act. Thank you for your consideration.

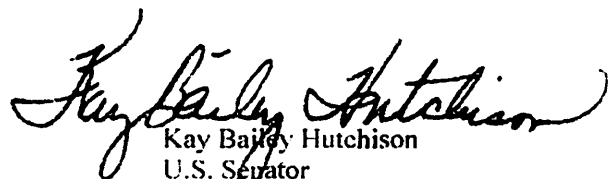
Sincerely,



John Thune  
 U.S. Senator



Pat Toomey  
 U.S. Senator



Kay Bailey Hutchison  
 U.S. Senator

cc: The Honorable Elisse B. Walter, Commissioner, U.S. Securities and Exchange Commission  
 The Honorable Luis A. Aguilar, Commissioner, U.S. Securities and Exchange Commission  
 The Honorable Troy A. Paredes, Commissioner, U.S. Securities and Exchange Commission  
 The Honorable Daniel M. Gallagher, Commissioner, U.S. Securities and Exchange Commission