



June 28, 2012

Via Fax to 703-813-6965

SEC Complaint Center
100 F Street NE
Washington, DC 20549-0213

RE: Comments on Title III: Jumpstart Our Business Startups Act (JOBS Act)

Dear Sir or Madam:

On behalf of our members, we wish to provide comments concerning the ongoing regulatory development for the JOBS Act. We fully understand that this rulemaking process will be complicated and that the deadline set by this law for issuance of regulations by the Securities and Exchange Committee (270 days after enactment) will be challenging.

CompTIA represents over 2,000 information technology firms, many of which are small and medium sized businesses. These companies are competing within a \$3.2 trillion global industry because of a strong workforce and their ability to constantly innovate. As a major contributor to the U.S. economy, the IT industry remains eager to grow the current workforce, with *over 300,000 IT related jobs currently unfilled*. Providing additional sources of equity capital, such as permitted under the JOBS Act, will provide much-needed capital for many of these small tech businesses, which will help to fill and create high-paying and high-skilled IT jobs.

The main goal of the JOBS Act is to *simplify* the rules for raising equity capital by small companies. If this can be accomplished, the JOBS Act will be an effective tool to infuse capital into small businesses, which are the backbone of the American economy. However, the goal to *simplify* can be thwarted by overly complicated regulations. The SEC must keep in mind at all times that the true intent of Congress was to lessen the costs of raising capital by small business through streamlining and simplifying existing laws and regulations.

Our comments are as follows:

1. Sec. 4A(a)(4) requires that an Intermediary ensure that each investor:

(A) Reviews investor-education information, in accordance with standards established by the Commission, by rule;

(B) Positively affirms that the investor understands that the investor is risking the loss of the entire investment, and that the investor could bear such a loss; and

(C) Answers questions demonstrating—

- an understanding of the level of risk generally applicable to investments in startups, emerging businesses, and small issuers;
- an understanding of the risk of illiquidity; and
- an understanding of such other matters as the Commission determines appropriate, by rule.

Comment: To avoid duplication and confusion, we recommend that the rulemaking process include the development of a model form that can be prepared and submitted by the investor to the Intermediary. The retention of this form by the Intermediary would satisfy the requirements of subsections (A), (B) and (C) of Section 4A(a)(4).

2. Sec. 4A(a)(5) requires that an Intermediary reduce the risk to investors by methods, such as a background and securities enforcement regulatory history check on each officer, director, and person holding more than 20 percent of the outstanding equity of every issuer whose securities are offered by such person.

Comment: We suggest guidance on what constitutes an acceptable “background and securities enforcement regulatory history check.” Does this mean a credit check, criminal history check, or both? Clearly the costs of this requirement will be a cost to the issuers, so it is important to control this expense so as not to make the cost of raising capital prohibitive to the issuer.

3. Sec. 4A(a)(6) requires that an Intermediary make such efforts to ensure that no investor has exceeded the 12-month period purchase limitations from all issuers.

Comment: We suggest an affirmative statement by the purchaser should be sufficient. Without contradicting information, we do not believe Intermediaries should bear additional costs to audit affirmative statements provided by investors. As with the “background and securities enforcement regulatory history check” noted above, these costs will be passed on to the issuer.

4. Sec. 4A(b)(1) requires issuers to make certain disclosures, including a description of the financial condition of the issuer.

- For those issuers of \$100,000 or less: Income tax return and financial statements certified by the principal executive officer.
- For those issuers of more than \$100,000, but not more than \$500,000: Financial statements reviewed by a public accountant who is independent of the issuer.
- For those issuers of more than \$500,000: Audited financial statements.

Comment: While the law does provide that the tax return “ ... filed by the issuer for the most recently completed year ...” be supplied, the law does not specify the required period for financial statements to be submitted; we would assume this to also be the most recently completed year. Further, the provision does not define “audited” financial statements, as required to be provided by issuers of more than \$500,000.

5. Sec. 4A(b)(2) prohibits an issuer from advertising the terms of the offering, except for notices, which direct investors to the funding portal or broker.

Comment: We suggest the rulemaking process define the term “advertising” more specifically and also include the development of a model form that can be used by issuers to direct investors to the funding portal or broker.

6. In addition to the above comments on Title III of the JOBS Act, we would like to emphasize the importance of Title VII of the Act – Outreach by the Commission.

Section 701. The Securities and Exchange Commission shall provide online information and conduct outreach to inform small and medium sized businesses, women owned businesses, veteran owned businesses, and minority owned businesses of the changes made by this Act.

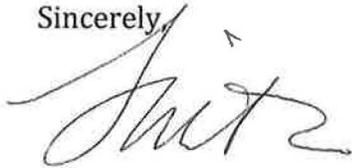
Comment: CompTIA would be pleased to work with the Commission to facilitate outreach to our members and to associated regional tech associations. There is substantial interest and need within the tech community, and CompTIA is eager to assist and facilitate this much-needed outreach effort.

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In summation, we recommend that the regulations currently being developed by the SEC uphold the spirit of the JOBS Act: Simplify regulatory requirements so that small businesses can raise capital in a cost-effective manner. "Keeping it simple" is the key.

We thank you for the opportunity to provide these initial comments, and we look forward to providing additional comments as the regulatory drafting proceeds.

Sincerely,

A handwritten signature in black ink, appearing to read "Lamar Whitman". The signature is fluid and cursive, with a prominent initial "L" and a long, sweeping underline.

Lamar Whitman
Director, Public Advocacy