Last week we red the the Commission 's concerns, dated March 16th 2012.
While I completely agree we must protect the Investors and eliminate fraud, most of the concerns are over stated, and I respectfully disagree with some of them.

According to this HR3606 law, the "little guy" unable to invest more than 2 or 3,000 USD per year, (5% max.) therefore can not lose all his retirement funds all on stocks, they have plenty left for Las Vegas.

We can put all the safeguards and accounting standards one can think of in place, it still could not stop Freddie May, Fannie May, General Motors or Bernie Maddoc types to fraudulently reporting or even filing bankruptcies on us.
Therefore HR3606 would not harm Investors any more than one of the most regulated and closely watched Wall Street firm, Lehman Bros. did.

This law definitely would improve access to capital for solid, upper coming companies previously shut out of funding process. Venture capitalists each regularly receiving 100-s of request every week, 'but only read 8 or 9 Business Plans per week and funding may be 10 or 11 in a good year !

Crowdfunding would not cost more than $10,000 USD up-front for a million dollar issue, versus the outrageously costly *Regulation D* process which the Commission is comparing it to.

Wall Street on the expense of Main Street ?
Large Wall Street firms hardly would be interested in ONE Million Dollar Issues. It would not be cost effective for them. They have larger fish to fry. Just like a Billion Dollar Corporation has no use for Crowdfunding. That limit should have been set to 50 million USD !

However the larger, closer look suggest, we can't afford not to do it !

The Investors are well defined and protected already, therefore we need to concentrate on the Issuers and Funding Portals.

Yes, I agree, Issuers and all Stockholders with 20% or more should be finger printed, checked for financial and criminal background (including DUI and Marijuana offenses). Financial Statements should include officers and management compensations, and their actual Dollar investment in the company looking for funds (not only the number of shares they own).
The funds to be used clearly stated and detailed, and if misused, they should be thrown in Jail.
The Commission was concerned : "it is hard to prove fraud". That's how you get them on !
(see: Pie Chart in Wired magazin's May issue, of Crowdfunding Portals dismal performance)

Crowdfunding Portals, under HR3606, should be checked just like Issuers. They also should have some responsibility to interview Issuers and do some *Due Diligence* on them prior to including them on their website. (in addition to the SEC's) to improve Investors' confidence and to attract Investors to their site. The current <u>unregulated</u> Crowdfunding Portals just running on auto-pilot, let the folks do their own Crowdfunding uploading themselves, even if they are in Nigeria.

Finally both, the SEC or FINRA should also include and refer to industry members (those of us who were there before, not just red a book on it)) in their comments, not only Professors. Most Professors in my experience has a hard time to find their Class Rooms, much less change a flat tire.
… …..... but their writing are impressive and their opinions may even convincing to others.