



August 31, 2012

U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

RE: Title III - Jumpstart Our Business Startups (JOBS) Act  
Crowdfunding, Milestones, and Escrow

Dear SEC,

I am writing in regards to the Jumpstart Our Business Startups (JOBS) Act, specifically the language in the CROWDFUND Act, which makes significant changes in current federal and state securities laws. In further drafting rules and regulations to implement the Act, it is our opinion that specific levels of accountability be put in place that protect the interest of the investor(s). Specifically, we encourage the SEC to develop rules that allow for the following:

1. That crowdfunding portals add "milestone criteria" that are to be completed by the issuer,
2. That no campaign (>\$100,000) will be posted (or funded) without milestones in place,
3. That the crowdfunding portal, or a licensed third-party, shall be responsible for managing said milestones,
4. That all funds, after funding criteria is met, are placed with a licensed and accredited online escrow service,
5. That funds will only be released to the issuer upon the completion (and verification of such completion by the crowdfunding portal, or a licensed third party) of each milestone

As a licensed and accredited online escrow company, we believe the term "escrow" is currently being used incorrectly by the various crowdfunding portals, payment systems and within the various crowdfunding associations and groups. And, in order to guarantee the integrity of this process, specific terms and definitions must be created and adhered to – using the example "escrow" from above, when all funds are placed in a licensed and accredited online escrow service, those funds are protected by specific escrow law and regulations, another level-of-protection for the investor that should be coupled with the creation and management of specific milestones.

Further, if the SEC were to define "escrow" and use the most common rules and regulations assigned to the industry, then we would expect to see funds that are placed in to escrow go in to a single trust account at the escrow services bank and that all campaign funds are assigned to a specific escrow within the trust account. From what we know, it is illegal for an escrow service to co-mingle client funds with their own funds (or those of another client, or clients) - simply, they are required by law to have a separate account for client funds.

In conclusion, having the SEC define both the term "escrow" and require milestones are, in our mind, imperative to adding legitimacy and accountability to the crowdfunding process. We also believe the SEC should specifically add "escrow services" (and the definition of such) to the list of permissible crowdfunding intermediaries – steps we see being necessary to protect all parties, not just investors, in this new and exciting space.

Thank you for the opportunity to voice our opinion.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brandon Abbey', written over a white background.

Brandon Abbey  
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