MEMORANDUM

FROM: Sebastian Gomez Abero  
Special Counsel  
Office of Chief Counsel, Division of Corporation Finance  
U.S. Securities and Exchange Commission

RE: Meeting with representatives of the CrowdFund Intermediary Regulatory Advocates

DATE: October 16, 2012

On October 12, 2012, Commission staff met with representatives of the CrowdFund Intermediary Regulatory Advocates to discuss issues regarding the implementation of Title III of the Jumpstart Our Business Startups Act.

The following Commission representatives were present: David Blass, Joseph Furey, Joanne Rutkowski, Leila Bham, Daniel Gien, Troy Stoddard, Timothy White, and Dongyuan Yin from the Division of Trading and Markets; Lona Nallengara, Thomas Kim, Jonathan Ingram, Tamara Brightwell, Lillian Brown, Ted Yu and Sebastian Gomez Abero from the Division of Corporation Finance; and Owen Donley from the Office of Investor Education and Advocacy.

The following representatives of the CrowdFund Intermediary Regulatory Advocates were present: Candace Klein, Vince Molinari, David Varvel, Chris Tyrrell, Freeman White, Kim Wales, DJ Paul, Christine Landon, and Joan Adler of Ellenoff, Grossman & Schole, LLP.

The meeting agenda provided by the representatives of the CrowdFund Intermediary Regulatory Advocates is attached.

Attachments
CFIRA/SEC Meeting 10/12/12

A. Timing for SEC rule promulgation
   a. Integration between SEC timing and FINRA timing

B. Portal Mechanics
   a. Feasibility problems of 'milestones' hypothesis
   b. Investment advice
      i. Safe harbors
   c. 21 day cooling-off period/rescission rights (Candace, Kim)
   d. Escrow settlement and clearing (single account versus multiple accounts) (David Varvel, Scott Purcell)
   e. Third party providers/distribution of fees
      i. Due diligence
      ii. Background checks
   f. Type of securities regulated
      i. Debt
      ii. Common stock
      iii. Convertible instruments
      iv. Bonds
   g. Revenue model for Portals (Kim, Christine)

C. Integration with Reg D offerings (Chris, Charlie)

D. 506 Reg D comments (Kim and Luan)

E. NASAA Response (Chris)