



ES142938

SUTTER SECURITIES INCORPORATED

October 25, 2012

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

Re: Comments on the JOBS Act: Title III, Crowdfunding

Dear Ms. Murphy:

Few regulatory initiatives have received as much attention as the Commission's Regulatory Initiatives under Title III of the Jumpstart Our Business Startups Act (the "JOBS Act"). Specifically, my comments are concerned with Section 4 and the exemption for what is known as Crowdfunding. I will not attempt to summarize the potential problems with Crowdfunding as the Commission has received numerous letters expressing describing the possible fraudulent activity that may result. I specifically commend the letter from William Galvin, Secretary of the Commonwealth of Massachusetts.

I would like to suggest one additional safeguard that, I believe, would reduce the risk of fraud. I urge the Commission to amend SEA Rule 15c3-1, Net Capital Requirements for Brokers or Dealers. As currently written a broker-dealer participating in Crowdfunding on a "best effort" basis would only be required to have \$5,000 in net capital. I believe, that the exemption provided in (a)(2) (iii) (B) should be amended such that any broker-dealer that advertises or offers for sale any securities on the internet be required to have to maintain a minimum net capital of not less than \$100,000. I would apply this same capital requirement to any Crowdfunding portals as set forth in the JOBS Act. In addition, I would require that this capital be committed to the broker-dealer or portal for a minimum of 12 months.

Raising the required Net Capital will not eliminate fraud. I do believe, however, that enforcing this higher level of committed capital will help reduce the number of fraudulent ventures.

Do not hesitate to contact the undersigned if you have any questions regarding my comments.

Sincerely,



Robert A. Muh
Chief Executive Officer

✓ Cc: Mary L. Schapiro