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# United States Senate

WASHINGTON, DC 20510-0609

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The Honorable Mary Schapiro  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Dear Chairman Schapiro:

As the SEC prepares its proposed rules on crowdfunding, I write to convey some of the feedback on the statute that I have received in Colorado.

Since the passage of the JOBS Act, my staff and I have been meeting with entrepreneurs, angel investors, securities lawyers and funding portal developers in Colorado to obtain their opinions on implementing the crowdfunding provisions of the statute. Their comments reflect a diversity of viewpoints that should be particularly helpful to the Commission as it works to implement the new crowdfunding law.

In crafting the statute, we sought to scale the reporting requirements so that they would not pose an undue burden on small businesses. Many of the individuals with whom we met believed that if the reporting requirements become too onerous, an offering for a small business may become cost-prohibitive. The Commission, therefore, should appropriately scale the reporting obligations as it promulgates the proposed rules.

Many of the individuals with whom we met underscored the importance of addressing the ownership structure of crowdfunded entities and how the structure may affect subsequent investors. The participants expressed that businesses must be transparent about their capital structure before participating in a crowdfunded offering.

Lastly, businesses and potential investors agreed that they will be looking to the crowdfunding portals to be one of the primary sources for information and guidance on how to comply with the SEC's rules and regulations. The SEC should therefore allow the portals to provide accessible and understandable information for both investors and small businesses.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "M. F. Bennet", with a stylized flourish at the end.

Michael F. Bennet  
U.S. Senator