United States Senate  
WASHINGTON, DC 20510-2309  

January 4, 2013  

The Honorable Elisse B. Walter  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549  

Dear Chairman Walter:  

I write today to convey the concerns of my constituents in Minnesota’s emerging technology community. I have attached a letter from Mr. Harlan T. Jacobs as an illustrative example of the concerns that have been raised regarding the finalization of rules for the JOBS Act. I urge the U.S. Securities and Exchange Commission to give due consideration to the concerns raised in this letter. I would request that you be in touch with Peach Soltis (peach_soltis@franken.senate.gov) on my staff when relevant updates regarding the finalization of these rules become available.  

Please contact me if you have any further questions. Thank you very much for your attention to this matter.  

Sincerely,  

Al Franken  
United States Senator
22 December 2012

The Honorable Al Franken,
United States Senate
60 Pluto Drive East
Suite 220
Saint Paul Minnesota 55107

Re: Delays in the Implementation of the Rules/Regulations of the JOBS Act (aka Crowdfunding) and Material Adverse Impact on Funding for Emerging High Tech Companies and Job Creation here in Minnesota

Dear Senator Franken:

The rules and regulations that should have been published by now are again delayed at the SEC. This uncertainty has denied greater access to the capital markets among our small emerging businesses (our nation’s main ‘Job Creators’). This is causing serious economic harm here in Minnesota.

Please help our business community here by getting the rules and regulations issued as quickly as possible. Also, please be mindful of the likelihood that some of the rules and regulations (as reported in their present draft state) may actually be difficult to implement and as prohibitively expensive as the securities regime that is presently in place with respect to legal costs, audit costs, and general regulatory hurdles.

The ‘Certifying Bodies’ or similar term could be a major bottleneck. Your staff should study these carefully and advise you about this aspect of the JOBS Act. My guess is that very few non profit organizations will provide this service (because of the legal liability) and if they do the costs of obtaining the requisite certifications may be as costly and prohibitive as the present costs of doing a straightforward securities offering that has up front costs of between $25 and $50 thousand.

I realize that the public must be protected against ‘bailor operations’ and the ‘pump and dump’ con artists that plague our nation’s small and unsophisticated investors. But we cannot simultaneously allow legitimate businesses here in Minnesota that are managed by honest hardworking people to be hamstrung and precluded from their need for ready access to the capital markets as a result of these same rules and regulations that are intended to keep the crooks at bay. We must have balance between investor protection and access to capital.

Sincerely,

Harlan Jacobs