MEMORANDUM

TO: File

FROM: Shaheen Haji Zuver
Special Counsel
Office of the Chief Counsel, Division of Trading and Markets
U.S. Securities and Exchange Commission

RE: Meeting with Representatives from CrowdCheck, Inc.

DATE: January 18, 2013

On January 18, 2013, Commission staff met with representatives from CrowdCheck, Inc. to discuss issues regarding the implementation of Title III of the Jumpstart Our Business Startups Act.

The following Commission representatives participated in the meeting: Joseph Furey, Leila Bham, Daniel Gien, and Shaheen Zuver from the Division of Trading and Markets; Tamara Brightwell and Sebastian Gomez Abero, from the Division of Corporation Finance; and Ivan Ivanov from the Division of Risk, Strategy, and Financial Innovation.

The following CrowdCheck, Inc. representatives participated in the meeting: Sara Hanks and Brian Knight.
SEC and Crowdfunding Portal/Industry Representative Meeting

AGENDA

1. Introductions
   a. Reduction of fraud through crowd intelligence

2. Investor protections
   a. Clarity, transparency and oversight
   b. Due diligence/Disclosures
      i. Credit checks
      ii. Securities checks
      iii. Criminal background checks
   c. Self-policing
      i. Collective crowd-review of issuers

3. Infrastructure/operational issues
   a. Portals
      i. Obligations of portals – checklist of requirements for accreditations for portals - CAPS
   b. Issuers
      i. 21-day “cool-off”
      ii. Screening of offerings - investment advice clarification
      iii. Financial statement requirements
         1. Specific data requirements for issuers
         2. “New business” exemption – owners’ financial data clarification
         3. Director and Officer financials (standardized)
      iv. All Or Nothing requirement vs. Milestone clarification
   c. Investors
      i. Investor Reps and Warranties (Reg D sufficiency clarification)
         1. Crowdfunding “funds”
      ii. Rescission period clarification – oversubscription
   d. Compliance
      i. Escrow/Clearing
      ii. Structuring of investment advice – informational clarification
         1. Checklists for investors and issuers
         2. Underwriting (debt) clarification
      iii. Database maintenance and responsibility
      iv. BAD ACTORS (sharing of information/banning)
      v. Unique ID’s (i.e. EDGAR, CUSIP)
      vi. Lead generation (third party providers and compensation)
      vii. Ability for portals to crowdfund themselves

4. Ongoing governance
   a. SRO
   b. Existing Organizations/Associations
   c. Hybrid solution

5. Reg D offerings (July, 2012)