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United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: SEC Regulatory Initiatives Under the JOBS Act
Title III – Crowdfunding

Ladies and Gentlemen:

While I believe that the crowdfunding provisions of the JOBS Act will result in improved capital raising and investment opportunities for companies and investors, I have concerns regarding the level of sophistication of some likely investors in these offerings.

There are specialized risks in investing in early stage companies and holding restricted shares and many crowdfunding investors will likely be unaware of these risks. For example, the limitations on liquidity, the general nature of early stage capital structure versus subsequent funding rounds and the likelihood of loss of all or part of the investment are all issues that I believe many crowdfunding investors will have little familiarity with.

Rather than rely on issuers to include a form of risk factor or other disclosure regarding the unique risks of investing in early stage companies, as would be found in a private placement memorandum or registration statement, I believe that the SEC would be better able to provide the requisite investor education through a publication similar to that provided by the Options Clearing Corporation for options investors, "Characteristics and Risks of Standardized Options".

Such a publication could be hosted on the SEC's website and would provide uniform disclosure on the risks of crowdfunding investing. This would be in keeping with the intent of the crowdfunding initiative, which is to assist smaller issuers to raise capital in a more efficient manner. If the issuers could rely on the SEC to provide investor education on standard risks in crowfunding investing, both the issuers and the investing public would be better served at lower cost and risk.

Yours,
Marc A. Greendorfer
Tri Valley Law, PC

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