

## Comments on S7-01-19

To respond to the question 9 proposed in section B. Eligibility, I believe that the proposed rule should be available to all the issuers that were mentioned in the previous paragraph. I hold this belief because a compelling and logical argument was presented by the authors of this proposal. The first compelling argument is that individuals listed in the proposal have already been using the previously described interactions in a way that potentially benefits the companies that they are working for. While these interactions were carried out by individuals that work for companies that have a gross revenue of less than \$1 billion a year, there is no reason to believe that an extra \$2 million dollars in revenue would hinder the described performances. If an individual is already having meetings dealing with money in the range of multi-million dollars, another few million is not going to cause these individuals to purposely mislead potential future shareholders. If anything, the opposite would logically be true. The more money that you are handling, the more scrutiny you would possibly fall under by the Securities and Exchange Commission (SEC). Furthermore, individuals that are working with companies that have a gross revenue above \$1 billion dollars will have the resources available to make sure that they are staying within the parameters of the rules and regulations set by the SEC and other governmental entities within this conversation. A company that is about to increase its net worth by billions of dollars is motivated to make sure that it does not lose any of it by making foolish legal mistakes like lying to potential future investors. This would just cause the investors to become disenfranchised towards the business and the individuals that advocated via misleading statements.

There is also a larger conversation that should be had about the possibility that the SEC and therefore the federal government as a whole is essentially picking winners and losers within

the market without enacting this proposed rule. By allowing companies with a slightly lower gross revenue than other companies to talk to potential future investors allows for the potential of gaining the upper hand on those slightly higher revenue companies. This is not the place of the federal government, or any government at all. The United States economy is based on the ideals of free market, and the all government entities should try to the best of their abilities to stick to these ideals within reason. Seeing as this proposed rule change has already been enacted for businesses with less revenue, and no problems have surfaced to any meaningful extent, the government should agree that this new proposed rule is absolutely within reason.

The Securities Act of 1933 (in which the rule that prevents test-the-waters discussions was born) was passed almost a century ago. This is when there was a much smaller opportunity for instantaneous mass communication across every single state in this Union. Cell phones and the internet have greatly changed the way in which society does business. Private sector companies have already been able to adapt to this massive change in technology. It is time that the SEC follows suit. With this new technology, the SEC is even more well-equipped to respond and detect violations to the newly proposed rule. Communication via the internet and cell phones is almost always accessible via court orders and other means within an instant. This means the SEC should be allowing the private sector more leeway in how they conduct their business.