



September 22, 2013

Ms. Elizabeth M. Murphy
Secretary, Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Amendments to Registration D, Form D and Rule 156 under the Securities Act (File No. S7-06-13)

Dear Ms. Murphy,

CF50¹ appreciates the opportunity to comment in response to the proposed amendments to Regulation D under the Securities Act of 1933.

First and foremost, congratulations are in order. Long heralded as a nation that fosters entrepreneurial innovation, the United States demonstrated exemplary judgment by passing the JOBS Act to modernize the capital formation process. Moreover, the recent lifting of the ban on general solicitation underscored the SEC's commitment to bringing the law to fruition. We laud this initiative, and although full implementation of the Act is taking longer than anticipated, we appreciate the prudence that the SEC has exercised to ensure investor protection and maintain market integrity.

Despite these recent strides, the amendments that have been proposed shortly after the announcement to lift the ban have spawned a wave of critical reactions. While we do not share the view that all of the proposed amendments are egregious, we respectfully agree with some of the more substantiated arguments that have arisen in response. The pre-filing requirement, for one, compromises the ability of the entrepreneur to leverage general solicitation to the point that it is rendered near obsolete. Its incompatibility with the reality of the startup capital-raising process inherently creates unnecessary friction regarding compliance.

This is not to say that the SEC's cautionary temperament is not warranted. After all, the dual responsibilities of the SEC are to enforce securities laws and facilitate capital formation. But the way in which both goals are pursued through these proposed amendments is incongruous. Proper disclosure and investor protections are important, but should not be primary guiding points, which ultimately stifle small business creation and technological innovation by placing undue burdens of reporting compliance and investor verification thresholds on entrepreneurs.

As a global think tank to represent crowdfunding as well as financial innovation for economic growth and prosperity, we commend the United States government on its tremendous efforts in aligning regulation with significant changes to ensure the stable and sustainable growth of our most innovative thinkers both within the United States and the entire world.

The emerging nature of the online fundraising sector requires us to be vigilant about enforcing proper protective measures, but stifling the innovative nature of the JOBS Act and precluding its potential benefits to startup companies are just as unacceptable as letting the practice run unsupervised.

¹ CF50 (www.cf50.org) is an international organization of 50 leaders in the crowdfunding space that have demonstrated considerable leadership and initiative in creating a sustainable ecosystem for the future of capital formation.



The Executive Committee of the CF50 are at your disposal to provide our insights as the world's first global crowdfunding think tank in your deliberations and rulemaking processes going forward.

Thank you for your time and consideration.

Respectfully Yours,

A handwritten signature in black ink, appearing to read 'Sang Lee', enclosed within a hand-drawn oval.

Sang Lee
Executive Director
CF50

cc: Sara Hanks; Kim Wales; Vince Molinari; Oliver Gajda; Daniela Castrangelo; Joy Schoffler;
James Suh (Secretary)