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To: Mary Jo White, Chair
Elizabeth M. Murphy, Secretary
Charles Kwon, Office of Chief Counsel,
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE, Washington, DC 20549-1090
CC: rule-comments@sec.gov

From: Jason Coombs, Co-Founder and CEO
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Re: Release No. 33-9416; Release No. 34-69960; Release No. IC-30595; File No. S7-06-13

I would like to correct a one-word mistake in my previous letter, which reversed the meaning of the underlined text, which is resubmitted with correction, below. Also, the SEC needs to know the issue raised by David A Neal is **exactly right** – I am seeing the same thing. People are unwilling to participate in, or host, or publicize "pitch" events **because of** new Rule 506(c) or pending Rules cited above. People are afraid (irrationally, in my opinion) of being required to comply with SEC Rules! They rightfully perceive a "pitch" event as a "general solicitation" requiring compliance with Rule 506(c) and also the pending Rules cited above. **Please, help to reduce this fear!**

David A Neal/Managing Director, The Startup Factory commented http://www.sec.gov/comments/s7-06-13/s70613-443.htm

When customers provide the capital, when companies self-fund by bootstrapping and from co-founder equity or personal credit cards, as the majority of startups do, just staying in business is the typical measure of success but real growth remains elusive because real growth requires substantial capital. Capital lines up the teams and sets the game in motion. Forming capital privately, the old way, is unfair. It prevents everyone from discovering the right price for equity, and unreasonably excludes investors who are not yet wealthy. There is no inherent reason that unsophisticated, non-Accredited investors are going to be taken advantage of, defrauded, and abused by people who raise capital from the public, just because the investors are unsophisticated and non-Accredited. Civil and criminal fraud are perpetrated in most cases without regard for whether the victim is likely to be able to fight back, because everyone knows that when you set out for revenge you first dig two graves. In practice, nobody fights back, that's why the SEC, other regulators or law enforcement agencies step in to see justice done!

In every instance where funding meets talent, it is the capital that decides it is going to buy a team, and the individuals who occupy the position of good fortune are usually not any better than any other team that didn't get funded. Over time the capital makes the team better, or the capital goes somewhere to die because it didn't care enough in the first place to try to make sure the team could win. What everyone deserves a fundamental right to do, in compliance with regulation, is to communicate publicly that they are seeking capital for the improvement of their team, and their industry, and to say that they are open to outside owners and capital, so that they can get into the game instead of watching from the audience.

To anyone who thinks that complying with regulations makes it "harder" to raise capital, **now that the constitutional right to speak publicly about raising capital has been restored finally after 79 years** I would like to say that you are completely wrong. The thing that is going to make it harder for **you** to raise capital is that now you will be competing on a level playing field with law-abiding citizens who have always been more skilled or more dedicated to social justice or value creation than you are. Many startups are launched by people with a personal code of ethics. I hope that it will indeed become much more difficult for unethical people who refuse to follow the law to attract the majority of new startup capital in the future, as in the past. This should make it possible for many more startups to get funded!

I hope everyone enjoys the freedom to try to raise capital from the public. It is our constitutional right.