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November 4, 2013

Via email to rule-comments@sec.gov

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549-1090

Re: File No. S7-06-13

Dear Ms. Murphy:

Janney Montgomery Scott LLC (“Janney”) appreciates the opportunity to provide comments on proposed rule amendments to Regulation D, Form D and Rule 156 under the Securities Act of 1933 (the “Proposed Rules”). Janney is a full service financial services firm that provides comprehensive advice and services from two primary businesses, its Private Client and Capital Markets Divisions. Janney is a regional firm based in Philadelphia with over 700 financial advisors operating out of approximately 100 offices along the East Coast and as far west as Ohio. Janney maintains seven major capital markets offices across the country where we assist our corporate, institutional and municipal clients in raising capital in both the public and private markets. We also serve as advisors in merger and acquisition transactions. As a regional firm, Janney’s Capital Markets Division serves many smaller and middle market clients that are seeking to raise capital through private placements under Regulation D.¹

Janney is supportive of the Commission’s final rule that eliminated the prohibition against general solicitation and advertising in Rule 506 and Rule 144A offerings pursuant to the Jumpstart Our Business Startups Act (the “JOBS Act”). Additionally, we understand the Commission’s desire to gather information about the private offering market to assess how the adopted rules are operating. That said, we are concerned regarding aspects of the Proposed Rules as they pertain to timely capital access, the confidential nature of information sought by the Proposed Rules, and unintended harsh consequences for innocent or inadvertent failures to comply.

First, Janney reiterates SIFMA’s concerns regarding an Advance Form D filing as the proposed amendment to Rule 503 would require. This filing creates an additional burden for issuers that would

¹ Janney is an active member of the Securities Industry and Financial Markets Association (“SIFMA”) and is generally supportive of the comments regarding the Proposed Rules that SIFMA has previously provided to the Commission in its letter dated September 20, 2013. The purpose of this letter is to amplify certain concerns raised by SIFMA regarding the Proposed Rules that we believe are inconsistent with the JOBS Act.



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create a "speed bump" and impede issuer capital raising efforts. If adopted, a closing Form D should be sufficient to provide the Commission with the information it is seeking to evaluate the use of Rule 506. We submit, however, that the information contained on any such closing Form D should remain confidential. Exposing this sensitive information (i.e., the success of the offering, control persons, use of proceeds, number and type of investor participating) in the public domain would have a chilling effect on an issuer's willingness to utilize Rule 506.

Finally, Proposed Rule 507(b), which would impose a one-year ban from relying on Rule 506 for a defective filing within the past five year period, appears unduly punitive. We support the Commission's desire to ensure compliance with Rule 506. However, failure to comply with the Rule due to inadvertence, administrative or immaterial mistakes should not result in such a draconian outcome where issuers are unable to avail themselves of Rule 506.

In sum, while we agree with many aspects of the Rule Proposals, we believe the aspects noted above would impede rather than enhance the ability of issuers to avail themselves of the general solicitation aspects of Rule 506, and therefore run counter to the intent of the JOBS Act.

If you have any questions regarding the foregoing, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory B. McShea".

Gregory B. McShea