

June 5, 2014

The Honorable Mary Jo White, Chairman
US Securities and Exchange Commission
100 F St NE
Washington, DC 20549

RE: Accredited Investor Definition

Dear Chairman White:

I represent Fledge, the conscious company accelerator, as a six-time serial entrepreneur, and as the Entrepreneur in Residence and Adjunct Professor of Entrepreneurship at Pinchot.

The idea of raising the limits for accredited “angel” investors is both off base, and counter to the prevailing trends in the industry.

I do understand the SEC has a mandate to protect investors from fraud, but the United States Congress has charged the SEC with opening up private investments to the whole populace via the JOBS Act. Meanwhile, \$1 billion of donation-based funding has passed through sites like Kickstarter. Another \$500 million has been lent in microloans through sites like Kiva.org. Crowdfunding has arrived, has been adopted by a growing percentage of American citizens, and to-date has not been accompanied by any major fraud.

Entrepreneurs create the majority of jobs in this country. Venture capitalists and other private equity investors are no longer funding the early stages of company formation. The SBA loans are not enough. Angel investors provide the bulk of startup funding in America today. They provide more capital than all the venture capitalists funding all the growth-stage endeavors combined.

What we need to grow our economy are more Angel investors, not fewer!

While you are considering changing the limits for accreditation, I highly suggest you consider lowering those limits. \$100,000/year in salary and \$250,000 in assets would create more investors, more companies, and more jobs. At that level of income and net worth, you will find 99% of such Americans own public stocks, bonds, and mutual funds.

Or better yet, take an idea from the JOBS Act, eliminate the accreditation limits altogether, and let anyone invest up to 10% of their income or net worth per year in any investment. Given all American an opportunity to help fund the growth of the American economy, and in the process, protect them from losing all their assets.

Thank you for your consideration.

Sincerely,

Michael Libes
Founder & Managing Director, Fledge
Entrepreneur in Residence, Pinchot