



The Advocate of South Carolina Small Business
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Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

September 17, 2014

Re: Accredited Investor Standards Review (File S7-06-13)

Dear Ms. Murphy,

As your agency reviews the Accredited Investor Standards as required by the Dodd-Frank Act, the South Carolina Small Business Chamber of Commerce encourages you to consider the potential negative consequences of revisions to the standards for states like ours that do not have the numbers of high income and high net worth individuals as other states.

As the recent opinion editorials ([here](#) and [here](#)) indicate, South Carolinians must start investing in our own local businesses if we are to reverse some very troubling poverty demographics. Achieving this goal is already difficult using today's vehicles designed for accredited investors. We simply don't have a large pool of individuals meeting today's standards and those that do are difficult to locate in order to educate about the investment opportunity. Consequently, very few South Carolinians even under the 1982 income test are practicing accredited investors.

Our organization is in the process of trying to identify and educate our citizens who can qualify as accredited investors under today's standards in an effort to grow our own local and state economies. In doing so, we hope to create a culture of investing locally. This is our best opportunity for increasing the per capita income of the vast number of our citizens who live in the growing poverty areas in our state.

Therefore we are very concerned that the Security and Exchange Commission might adjust the annual income and net worth standards based on some national formula that ignores the relatively lower income levels of South Carolina residents. Such a one-size-fits-all approach could deliver a fatal blow to our efforts to turn our already limited number of potential accredited investors into a small army willing and able to raise our state's economy through their private investments.

We ask that the Security and Exchange Commission make no change in today's accredited investor standards for South Carolina and for similarly situated states.

Sincerely,

A handwritten signature in black ink that reads "Frank Knapp Jr.".

Frank Knapp Jr.
President & CEO

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Knapp, Frank, Jr. "Creating a Culture of Investing Locally." *Statehouse Report*. N.p., 25 July 2014. Web. 18 Sept. 2014. Available at <http://www.statehousereport.com/CurrentIssue.aspx?ID=298#My Turn>.

Knapp, Frank, Jr. "State's Economic Development Model Must Change." *Statehouse Report*. N.p., 08 Aug. 2014. Web. 18 Sept. 2014. Available at <http://www.statehousereport.com/CurrentIssue.aspx?ID=300#My Turn>