MICK
& ASSOCIATES, P.C., LLO
ATTORNEYS AT LAW

October 5, 2012

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-07-12
Comments on SEC Proposed Rule Eliminating the Prohibition Against General Solicitation and General Advertising in Rule 506

Dear Ms. Murphy:

I am the President of Mick & Associates, P.C., LLO a small law firm whose practice is concentrated in providing legal due diligence and financial analysis services to the independent broker-dealer and registered investment advisor community.

Unfortunately rather than make significant policy decisions to address real double-digit unemployment, a fifty percent increase in food stamp recipients, a $16 trillion debt and other horrendous outcomes of the Great Recession (precipitated in part by Mr. Greenspan's interest rate policy and none other than Mr. Frank and Mr. Dodd shoving the Community Reinvestment Act down the throats of the nation's lenders), Congress and President Obama brought a peashooter to a gunfight in the form of The Jumpstart Our Business Startups Act ("JOBS Act"), which was signed into law on April 5, 2012.

Unfortunately, the peashooter was loaded with at least one cyanide pill. While the Regulation A and crowd-funding provisions will not wreak serious havoc on the accredited investors in this country, the repeal of the ban on general solicitation that has been a hallmark of investor protection for the last fifty years is irresponsible and inexcusable. As Mr. Jack Herstein, the Assistant Director of the Nebraska Department of Banking and NASAA president stated before the passage of the JOBS Act, "the crooks are licking their chops."

While industry groups such as the Hedge Fund Association have the audacity to state that the repeal of the general solicitation ban will "increase transparency and understanding," I agree wholeheartedly with SEC Commissioner Aguilar that the anti-fraud provisions of federal and state securities laws are wholly insufficient to protect investors, albeit for a different reason. Apart from the general solicitation issue, under the existing securities regulatory framework and as poignantly but not so eloquently stated by a well-known tax lawyer and former president of a regulation D issuer has stated, "you can sell any crappy deal you want as long as you disclose it's crappy."

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For this firm and our loyal clients, that mantra is quashed. Under recently-enacted FINRA Rule 2111 and its predecessor, my clients in the independent securities broker-dealer industry have myriad regulatory obligations to ensure suitability of the product, customer-specific suitability and the appropriateness of the product in the investor's overall investment portfolio. Not only do my clients concern themselves with such matters as liquidity, concentration, risk tolerance and other parameters to ensure that a particular private placement fits with an investor's experience, knowledge, risk appetite and retirement and estate plans, our firm engages in "push and pull" due diligence as espoused by FINRA Chairman Richard Ketchum. We, in concert with our committed clients, renegotiate structure and disclosures, and reject offerings that may be fully-disclosed and compliant with all existing securities laws and regulations but have horrendous business prospects.

Furthermore, I can attest personally to the onslaught of ill-conceived and abusive investment proposals (again, fully compliant with all existing federal and state securities laws and regulations) to be hoisted upon an unsuspecting public. I am on "the list" of accredited investors that cold-callers target. I have received numerous offering circulars from oil and gas drillers, commodities merchants, and private equity scams, some of which I have forwarded to your district offices for investigation. Not only will that avenue of investor protection be heretofore closed, the cold-callers will be able to utilize tombstones, advertise free dinners, and maybe fly banners behind single-prop Cessna 172s (of course a smart crook would fly it at the Stanford versus Appalachian State stadium to more effectively target the accredited crowd).

Now that we have established the lunacy of the repeal of the general solicitation ban, with which I am sure you wholeheartedly agree, the tough question is how does the Commission develop and define the "reasonable steps" that an issuer must take to verify that a prospective investor meets accredited investor status. While the Commission can do nothing to ensure that an accredited investor will not participate in a fully-disclosed private placement with bad structure, economics or risk-reward proposition, it can at least implement requirements akin to those that must be satisfied by a regulated broker-dealer, investment advisor or representative. At a minimum, I would urge that, consistent with the income qualification under Rule 501(a)(6), that an investor produce his or her personal tax returns for each of the two prior full calendar years, and a current year-to-date Form W-2 where applicable. Given the high likelihood of an accredited investor having either personal or business banking relationships, a personally certified financial statement not more than six months aged, should be provided. In the alternative, a sworn and notarized verification from a duly licensed accountant or attorney might suffice for such purposes. At least in the latter case, the professional advisor may have an opportunity to review the particular offering document and have a reasoned conversation with his or her client regarding the merits of the investment.

Finally, while I agree with Commissioner Aguilar's August 29 commentary, a full copy of which is attached and incorporated by reference, and further believe that balanced risk disclosures, warning labels and cooling off periods are better than nothing, I posit with slight rage that none of the myriad disclosures in a miniscule number of private placements fully vetted by this firm, sold by my clients and adversely affected by the Great Recession, have assisted my clients in avoiding the misplaced wrath of the Commission, state and FINRA enforcement personnel. Given Congress' and President Obama's ill-advised attempts to score sound bites on favoring small business job creation, those parties have created a bizarre playing field that favors and does not punish fully-disclosed crooks, who will be less regulated than telemarketing firms, yet shackles the heavily regulated and generally investor-centric capital-raising firms by trying to make these firms essentially guarantee the positive outcome of private placements that have been adversely affected by macroeconomic forces. In other words, if Congress is satisfied that an accredited investor can fend for himself or herself against the cold-calling and banner-flying fully disclosed bad guys, then my clients that are still in business should be subject only to accredited investor confirmation and scienter of Rule 10(b)(5) violations.

One highly regarded, investor-centric oil and gas drilling firm that we diligence for our client base has communicated to its selling group that it will eschew the tempting opportunity to engage in general solicitation of its Regulation D offerings. For the sake of the Commission, my firm and the investing public, I hope that stance becomes a trend. If not, you might want to consider Captain James T. Kirk's advice (Star Trek, 2009): "So get some more guys and then it'll be an even fight."

Sincerely,

Bryan S. Mick

BSM/jmb
Enclosure