



ALAN WILSON
SECURITIES COMMISSIONER

October 5, 2012

Submitted electronically to rule-comments@sec.gov

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

RE: Proposed Amendment of Rule 506
Release No. 33-9354 (File No. S7-07-12)

Dear Ms. Murphy,

As the securities regulator for the State of South Carolina, I write to express my concern with the Commission's proposed amendment of Rule 506 to allow the general solicitation of accredited investors. While I recognize that the JOBS Act requires the Commission to remove the ban on general solicitation, I encourage the Commission to do so in a way that will minimize the harm to investors in my state.

Rule 506 offerings have been a frequent and steady source of investor complaints to my office. In the last few years, complaints concerning Rule 506 offerings have more than doubled, and complaints concerning such offerings now surpass complaints received by this office regarding any other type of regulated entity.

Of course, Rule 506 has also been used by legitimate small businesses as an important source of capital, and I want those businesses to be able to thrive and create jobs without unnecessary regulatory impediments. However, a healthy private placement marketplace requires investors who feel adequately protected. Therefore, even though the Commission has been charged with easing current restrictions in Rule 506, it is important for the Commission to adopt sensible and reasonable safeguards for investors.

The Commission should establish some manner of guidance for an issuer in verifying that an investor is accredited. The proposed amendment to the rule satisfies the minimum requirements mandated by the JOBS Act. However, guidance is necessary for issuers, investors and state regulators in order to better utilize this new amendment.

The Commission should also require the filing of a Form D in advance of any public advertising and place reasonable restrictions on the advertisements. In addition, the Commission should finalize the bad actor disqualifications in Rule 506, as mandated by the earlier Dodd-Frank Act.

Thank you for the opportunity to provide comment on this important issue. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Alan Wilson". The signature is written in a cursive, flowing style.

Alan Wilson
Securities Commissioner
State of South Carolina