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October 29, 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: DealFlow Analytics Comments Regarding Release No. 33-9354, File No. S7-07-12.

Ladies and Gentlemen:

We appreciate the opportunity to comment on the Proposed Amendments to Rule 506 of Regulation D and Rule 144A under the Securities Exchange Act of 1933, which will implement Section 201(a) of the Jumpstart Our Business Startups Act ("JOBS Act").

Section 201(a)(1) of the JOBS Act requires issuers to take "reasonable steps" to verify the accredited status of a purchaser. The Proposed Amendments, however, do not specify what those steps should be, or what will be deemed adequate in order to comply with this requirement. On the contrary, the Proposed Amendments intentionally leave the definition of "reasonable steps" vague, citing the widely different "facts and circumstances" often seen in Regulation D and Rule 144A offerings.

Given the importance of Rule 506 offerings as a means of raising capital, the process of determining and verifying accredited investor status are key elements in the implementation of Section 201(a) of the JOBS Act. In order to fully rely on the exemption offered by the Proposed Amendments, however, we believe this process of accredited investor verification should be both mandatory and undertaken by independent third parties with no economic interest in a given securities offering.

We agree that the pathways to determine accredited investor status should remain flexible, and the steps necessary to determine and verify status in one deal may or may not be necessary and sufficient to determine and verify status in another. It is for this reason that independent, third party service providers, with no deal-related incentives offer issuers the best option in complying with the proposed verification requirements. Such third-party providers will be free of conflicts of interest and more likely to identify fraud or instances of abuse than those engaged in promoting, placing and structuring securities offerings.

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Faced with the ambiguity of the Proposed Amendments and the inability to know in advance what the SEC will ultimately determine are "reasonable steps," issuers may choose to avoid Regulation D and Rule 144A offerings altogether so as to avoid unintentionally failing to meet an undefined standard. This goes against the spirit of the JOBS Act, which aims to *stimulate* capital formation, not subdue it.

By mandating that accredited investor verification be performed by unaffiliated, independent, third-party providers, the SEC maintains the flexibility necessary to address all manner of offerings relying on Rule 506 and yet still provides the marketplace safety and security offered by the accredited investor requirement. The third-party verification practices currently used successfully in the telecommunications industry serve as a good example of how independence from the underlying business in question allows verification to work as intended.

We would be pleased to discuss the above comments or any questions the Commission may have with respect to this letter. Please feel free to contact us at your convenience.

Sincerely,

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