Verrill Dana LLP
Attorneys at Law

GREGORY S. FRYER
[redacted]

ONE PORTLAND SQUARE
PORTLAND, MAINE 04112-0586
207-774-4000 • FAX 207-774-7499

November 6, 2012

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

Re: Comments on Release No. 33-9354

Dear Ms. Murphy:

I write in support of the Commission's August 29, 2012 rule proposal to implement Section 201(a) of the Jumpstart Our Business Startups Act. I found the Proposal Release to be well-reasoned and also to be consistent with the statutory language and evident purpose of Section 201.

I was interested to see that seven U.S. Senators submitted a comment letter on October 12, 2012 in which they state flatly that "Congress did not contemplate removing the general solicitation ban -- without retaining any limitations on forms of solicitation -- for private investment vehicles." These seven Senators fault the Commission for not recognizing the need under Section 201 to distinguish between "issuers that engage in operational businesses" and "those that are merely investment vehicles."

Measured by the actual wording of Section 201, the absence of legislative changes to that wording during the Senate's deliberations, and the number and distribution of votes cast to approve the Act, the Senators' reading of Congressional intent is patently unconvincing. Nonetheless, I read recently that a staffer for Senator Levin is claiming that the Commission will rewrite its August 29 rule proposal to adopt different rules for private funds. Such an about-face would be difficult to justify except by according little weight to the statute that calls for this rulemaking.

Section 201(b) of the JOBS Act specifically states that offers and sale exempt under Rule 506 (as revised pursuant to section 201 of the JOBS Act) "shall not be deemed public offerings under the Federal securities laws as a result of general advertising or general solicitation." There is no suggestion in Section 201 that the Commission must distinguish between "issuers that engage in operational businesses" and "those that are merely investment vehicles."

In several potentially important ways, the Act as a whole attempts to loosen prior regulatory constraints on raising capital. Nowhere does the Act suggest that capital raised through venture capital firms or private equity firms is somehow less worthy or useful. Nothing in the Act suggests that the people who run such "investment vehicles" are inherently less trustworthy than people who run "operational businesses." Moreover, Section 201 is devoid of any suggestion that accredited investors are, as a class, adequately equipped to evaluate advertisements by "operational businesses" but somehow less capable of evaluating advertisements from "investment vehicles."

In enacting the JOBS Act, Congress and the President seemed to be of the view that the Rule 506 amendments mandated by Section 201(a) were not especially difficult; they allotted the Commission just 90 days to propose and implement these particular Rule changes (far less time than for other rulemaking initiatives required under the Act). I, for one, think the Commission was warranted in pursuing simple and straightforward amendments that -- from a nonregistration standpoint, *and without weakening antifraud rules* -- allow advertising and general solicitation if the issuer takes reasonable steps to verify that those who actually purchase the securities have attributes that would qualify them for treatment as accredited investors.

I therefore respectfully oppose the Senators' recommendation that the Commission adopt a new regulatory framework for implementation of Section 201 of the JOBS Act.

Very truly yours,

Gregory S. Fryer

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