July 4, 2013

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

Dear Ms. Murphy:

Re: Innovation Implementing July 10th Regulation

I have previously written, and met with, the Commission to present the means of determining accredited status at efficient cost, privacy and protection for the individual investor. Like the SEC, our undertaking is to safeguard for the investor.

The Commission’s proposed “reasonable steps to verify the purchasers of securities” wisely relies upon the measure of an individual’s investable funds for participation in other financial investments. This standard works well as compared to other un-measurable standards, e.g. business or cultural background characterized as “sophisticated”.

Indeed, an individual’s investable funds – the $1,000,000 of assets over their liabilities excluding home, or from the $200,000/300,000 qualifying income – can be measured swiftly and economically with modern innovation, while maintaining complete investor privacy.

Our Company, Accredited Assurance LLC, is established to do just that. The Company will independently provide certification of accredited investor status. The following explains the broad contours of our endeavor and demonstrates that our Company is tailored to the task. It should assist in removing impediment to proceeding with the rule as proposed.

Accredited Assurance

The Company is intended as a free standing agency (operated by lawyers) to verify individuals for direct investment, as well as support for the brokerage community to assure compliance with accredited status. Accredited Assurance can stand between prospective purchase and offers of securities, avoiding any conflict of interest (i.e. approving an investor status just to close sale of an offering).

While the protocol of the Company intentionally awaits the final regulations, it has made substantial investment of profession time, resources and money for an analytics processing system to match the SEC’s position on appropriate practice for accredited verification.
Operations

The Company software is targeted primarily as an online business. The customer’s pertinent financial documents are scanned and submitted through our website, automatically arriving in bank grade encryption, examined on screen or by printed format, and securely stored.

The evaluation of documents to overtake the net worth threshold is not the same as preparing a corporate balance sheet. It is expected that investors will meet the threshold with assets of easily ascertainable value (stock, bonds, etc.) as well as further including unlisted securities, real estate, privately held business, and collectible personal property. The later diverse assets in turn call upon an informed estimate of value analysis. Therefore, our Company has developed a protocol for such various components of investment wealth. The protocol uses well-respected database services and algorithm software for realistic value modeling of privately owned real property, privately held enterprise, as well as cross checking for filed encumbrances and credit worthiness. Should portfolio assets not substantially pass the million dollar threshold, the review can continue to other investments such as insured artwork, jewelry, royalty sources etc.

On the other hand, the passing $200,000/$300,000 annual income alternative is not a matter of just looking at a tax return, but rather the adjustment of taxable income to take account of long term capital gain, depreciation, tax exempt yields, and partnership loss pass through.

Privacy

It is recognized that most wealthy investors are less than sanguine when it comes to handing out their private financial data to any number of companies selling equity positions in the public arena, let alone their concern as to identity theft. A IT design team, specialists in high security have been engaged by Accredited Assurance to engineer transmission and secure storage of investor data and documents in bank grade encryption. Our technology solution provides the client with an online control of their certification so they can allow companies one-time access and copy of the certificate alone, or a list from the Company of all prospective investors verified as accredited in order for a business to close a Rule 506(c) offering.

As a trial lawyer of 45 years, I well understand that the reasonable steps to verify requires evidentiary record for review and maintained for backup consistent with the '33 Act and the 5 year limitation period.

Client Cost

By current projection, assuming wide use of the service, the usual certification cost will be a few hundred dollars. This added expense to comply with the proposed rule of reasonable steps is a marginal sum in view of the net worth level of accredited investors.
Accredited Assurance, LLC

We trust you will find the Accredited Assurance program fits the legislative plan for efficient allocation of capital by qualifying privately held investable funds.

I stand ready to answer any inquiry the Commissioners, their assistants, or staff may have, and can be reached at the above phone number or through my law office (paul@sigelmanlaw.com).

Very truly yours,

[Signature]

Paul Sigelman

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The Honorable Mary Jo White, Chairman
The Honorable Elisse B. Walter, Commissioner
The Honorable Luis A. Aguilar, Commissioner
The Honorable Daniel M. Gallagher, Commissioner
The Honorable Troy A. Paredes, Commissioner

Charles Kwon, Special Counsel, Office of Chief Counsel,
Division of Corporation Finance