September 25, 2012

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

Eliminating the Prohibition Against General Solicitation in Rule 506 and Rule 144A Offerings; Release No. 33-9354; File No. S7-07-12

Dear Ms. Murphy:

An unnamed (because I don’t want to get on his bad side) state securities regulator who is used to getting his way apparently thinks many otherwise decent folks in Massachusetts will lie to satiate their greed. And those liars need to be protected from themselves. In a recent comment letter, he approvingly quotes a member of Congress who fears that “any investor seduced by public advertising will [not] hesitate to be dishonest with completing the investor suitability questionnaire.”

Maybe the Commission should require all investors from Massachusetts who claim to be accredited to submit to a polygraph test. Better yet, they could provide a certificate from a licensed psychologist stating that they are of sound mind.

Like many other commenters, the unnamed self-proclaimed champion of investors invited the Commission to contact him. Is he truly a dedicated and compassionate administrator who wants to protect gullible Massachusetts investors who have no compunctions about misrepresenting their eligibility to invest in a private offering? Or is he just a sore loser throwing a verbal tantrum because Congress and the Commission have rejected his arguments? I urge the Commission to accept his offer and ask him to provide some examples of Massachusetts investors who falsely stated they were accredited in order to be permitted to invest in private companies. If he cannot provide any actual examples, that would indicate that his “concerns” may be baseless.

Very truly yours,

Phillip Goldstein  
Principal