

Jeff LaBerge's Advice to SEC re: "Harmonization of Securities Offering Exemptions" - San Diego CA

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The Exempt Offerings Framework has been a hugely successful vehicle for providing access to capital for small and medium-sized business as well as providing investors access to alternative investments with lower influence by the volatile public markets. As such, I applaud the SEC's efforts to simplify, harmonize and expand this framework. These efforts should further encourage capital formation and increase investment options, all the while keeping prudent investor protection provisions in place. I have some comments about one specific issue in the SEC's concept release; the definition of an Accredited Investor.

Accredited Investor:

The accredited investor definition, which currently means a natural person earning \$200,000 over the past two years, or one who has a net worth over \$1,000,000, is the benchmark criteria for most of the registration exemptions. Investors who meet these criteria have significantly more access, to a wider range of investment opportunities. Conversely, non-accredited investors, are unable to participate in most exempt offerings, even if in practice they can afford the risk, and service the investment. Ergo, a person who exceeds one of these criteria is presumed to have the ability to invest in any number of exempt investments. Whereas, the individual who falls just \$1 below the thresholds, is barred from the investment.

Notwithstanding the above, the proposed rule is contemplating other factors to determine broader accreditation for individual investors. These include holding a minimum number of investments, professional credentials, investing experience in exempt offerings, or passing an accredited investor examination.

I believe that the current eligibility criteria alone are not the best measure of an investor's sophistication. I respectfully suggest that SEC expands the definition of an accredited investor to accommodate individuals who have a demonstrated knowledge and understanding of these types of investments and/or specific industry or issuer knowledge.

Individuals advised by financial professionals may also qualify as accredited investors. In certain circumstances, this is reasonable. The caveat is that many of these professionals may be proficient in public market analysis, but not qualified to advise on many exempt offerings. As such, I believe the threshold for accredited investor status should still focus on the individual investor.

Respectfully submitted by,

Jeff LaBerge, San Diego CA

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