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Ms. Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission
100 F. Street, NE
Washington, D.C. 20549-0609
Submitted via Email

SEC File Number S7-09-13

January 31st, 2014

This communication responds to the request for comment on the proposed Regulation of Crowd sourced funding, issued by the Securities and Exchange Commission (SEC) in October 2013.

Background

We have been working for over a year developing our business model and web platform for Crowd Sourced Funding, PeoplePowerFund.com, with an initial rollout of operations for donation & rewards based projects within the arts and innovation genre targeted for release on February 14th 2014.

We have always, however, had our eye on the opportunity for crowd sourced funding as a means by which the everyday citizen could invest in startups and new enterprises; the driving force behind our endeavor is that crowd sourced funding is the fuel needed to re-ignite the American dream. We see the ability for everyday citizens to invest in new ideas, business and startups as a means by which this country can innovate, invent and generally stimulate Main Street.

The issuance of the proposed guidelines with requests for comment have ignited some lively debate among our team and we greatly appreciate the opportunity to respond to some of the commissions requests for comments and have submitted the following where we feel qualified to do so and where the commission have specifically requested it.



Question # 1

The commission sought responses to the issue of the \$1 million limit for equity investments and if this should be net of fees and overhead or inclusive.

We believe the costs of such a capital raise would reasonably be equivalent to approximately 7.5%. The \$1 million dollar limit should include these fees and while we recognize investments will be diluted by this overhead, it will, in fact, provide greater competition to keep these fees to a minimum and consequently benefit both the investor and issuer.

Question #3

The commission sought a response to the issue of a convertible offering.

An offer for equity should be for a fixed period of time and not convertible; we believe the offer must be honored and as such the ability to modify and convert should be prohibited during the fixed period of the offering.

Question #6

The commission asked for comments on limits of investment by an individual and if the permissible amount of an investment should be calculated by income or net worth.

Within our site and as a part of its development we have added a simple calculator that requires all investors to use to assess their investment limit according to the SEC final guidelines, we do not think that there is any significance in using either net worth or income multiples. (An example of the calculator we have created can be viewed at PeoplePowerFund.com/net-worth-calculator/)

Question # 9

The commission asked if accredited investors should be limited in their use of crowd sourced funding portals as those who do not meet the benchmark to be termed Accredited.

We contend the spirit of the Jobs Act and the legalization of crowd sourced funding portals is that Main Street be afforded the opportunity to invest in startups and new business and the broader ability of investors to invest should not be impeded by what we term as 'super investors.' For this reason it is our intent to limit the ability of any member of our site in the size of their individual investment in any one entity to a ceiling of \$25,000.00 subject, of course, to the Rules issued by the SEC.

Question # 21

The commission asked if there should be exclusions for certain types of business from crowd sourced funding portals.



We feel strongly that any entity involved in the business of investing, e.g. hedge funds and finance companies, should be precluded from crowd sourced funding portals; the spirit of the legislation is intended to stimulate growth, opportunity and revitalize main street; the inclusion of companies that raise capital for investment are perhaps detrimental to the process of domestic job growth and main street stimulation.

Question # 22

The commission asked if filings should be permitted in language other than English.

We appreciate the desire to stimulate certain sections of the community and the argument raised by some, that allowing foreign language offerings will, in fact, empower those segments, since, however, the laws governing this endeavor are written in English allowing foreign language issuers and investors to rely on foreign language text is cumbersome and possibly open to fraud, confusion or both.

Question #35

The commission sought comments on its proposed rule for an investor to be able to cancel their investment for a period of up to 48 hours prior to the date of the expiration of the issuers offer.

Our concern here, that an issuer may have achieved their investment goal and the issue has to all intents and purposes closed, as such, under an all or nothing offer, with the withdrawal of just one investor the issuer will have failed to meet the offering bar. Therefore, we would propose that investors could withdraw their offer for up to 5 days from the date of their offer to invest unless there has been a failure of material disclosure or fraud on the part of the issuer.

Question #48 Through 53

The commission sought comments whether an issuer who falls into a category for startup or Concept Company should be exempted from certain filings and audited account disclosures.

The Jobs Act was designed to stimulate the investment in such companies and as such we believe that provided clear and reasonable disclosure is made then there should be special provisions for them to enter the capital for equity market and therefore should be exempt from certain filings and documentation where none can exist.

Question #75

The commission asked if there should be a waiver to provide progress updates with the commission if a progress update accompanied an issuer's offer on the website.

Our site development specifically provides for updates in the form of dollars raised/pledged in a time sensitive manner and as such it is sufficient for those interested and following the issue to be well informed as to the progress of the offering.



Question # 96

The Commission asked if issuers should be allowed to refer investors to a website portal and if the investor would have access to investors email addresses.

Crowd sourced funding fundamentally relies on investors, via social media and web links from other sites directing inquiries to the web platform, we see the ability of potential investors to raise questions through posts in a transparent manner on a web portal as integral to assisting the crowd in making informed decisions. We do not believe direct private communication between the investor and issuer is prudent during the offering period. Most web sites, as with our site, have the ability to inform all interested parties by automated updates of any updated comments or posts made to or from an issuer that any investor or generally interested party has elected to receive.

Question # 109

The question raised, should oversubscribed issues be allocated on a first come first served basis or decided upon by the issuer.

Given the cancellation rule currently proposed it will be essential for an issuer to have an oversubscribed issue; however, we believe it must be on a first come first served basis for the integrity of the portal.

Question # 115

Should there be a specific valuation mythology used by issuers.

We do not think a specific valuation method is required and believe it will be up to the crowd to determine the worth of an issuer's valuation.

Question # 167 & 168 & 170

The commission sought comments on the issue of permissible parties to post in the discussion forums of an issuers offer and if in fact web portals should be required to host such forums on their sites.

We see the discussion forum associated with an issuer's offer as an essential tool in open and free communication. Further, however we do believe that web site membership is important before we allow posters the ability to comment. Excluding those that have not registered will prevent false and fraudulent comments and remarks being entered by random individuals. We also believe that the posting forum must be live and accessible to all website members during the period of the offering and for a period of not less than 30 days after the issue has been completed.



Question # 174

The commission raised the question of all or nothing funding or minimum maximum funding.

We would like to see a three-tier system of funding whereupon expiration of the offering period escrow may be broken based on the maximum funds raised or the other benchmarks previously set in the event that there is a shortfall to the maximum amount. However, if there is no provision for a tiered system we would rather see a system of all-or-nothing funding and as previously stated in an oversubscribed situation--a first come first serve scenario to the "issues." Our reasoning, that the issuer must have a clear and decisive plan for capital raised and demonstrate through the declaration of proceed of funds usage, their plan towards the use of the funds. If this becomes a tier system we see no reason why an Issuer cannot scale his use of funds based on the amount raised and further demonstrate to potential investors their ability to chart an appropriate course for the company they direct.

Question # 189

The commission has solicited comments on the registration process for Crowd funding portals.

Our analyses of the proposed rules prohibit crowd sourced funding platforms from doing little more than providing a venue for investors and issuers to meet.

It is of concern to us that the commission is requiring too stringent a registration process and financial overhead for Crowd sourced Funding portals. By the commission's definition, a crowd sourced funding portal must provide disclaimers, disclosures and information, including risk advisories to potential investors and issuers. Aside from this, given the use of third party payment platforms which are already charged with money laundering responsibilities what is it the commission is actually regulating? The obvious answer is compliance and adherence to the following proposed rules:

Disclaimers, advisories of risk and waivers by both Investors and issuers.

1. A format that clearly explains the offer and use of funds, a means by which accounts and other financial data may be disbursed.
2. A format that provides details of the issuer and associates if any.
3. A format where the issuer and potential subscriber or subscribers can discuss transparently any issues, raise questions and or share information.
4. Keep accurate records.
5. Perform background checks on issuers*



6. Provide updates by means of funds pledged and targets reached or information on material changes in an offer and or various other information as it may arise.

7. Not provide advice, not invest in issues, not feature or promote individual offers of securities.

Given the fairly simple nature of the portal, the fact that by means of electronic communication and the footprint that key strokes leave in the information age, we believe we will by virtue of the medium, keep better records than have actually existed in the past.

What then are the Commission & FINRA regulating and charging high fees for? The simple registration detailing the owners and operators of a web portal, the legal domicile and registration contact information etc. and the portals commitment to adherence of the rules of the commission would seem to require a very simple registration process.

Frankly, the failure to adhere to the rules would and should be grounds for revocation of the registration; we therefore fail to see why the matter needs to be complex, burdensome and expensive.

Question #200

The commission asks if it is appropriate for the Funding portal to be required to have a fidelity bond.

We are greatly confused by the text referenced as the possible requirement for such a bond, specifically because the commission states:

“Although not mandated by the statute, we believe that a fidelity bond requirement would help insure against the loss of investor funds that might occur if, for example, a funding portal were to violate the prohibition set forth in Section 304(b) of the JOBS Act on holding, managing, possessing or otherwise handling investor funds or securities.”

In today’s world it would be very easy to provide code to a web portal along with its registration that could be embedded into the site that would prevent it from providing a receipt for monies and provide real time updates to the SEC or FINRA of its activities.

Questions 212 through 215

The commission, in this series of questions, asks if the funding portal should be registered as a broker dealer and be required to report as one.



The fundamental difference of a web portal and a broker dealer is clear; web portals engage in crowd sourced funding by providing a medium to bring issuers and investors together in an open transparent format. Our portal provides no advice, makes no warranties as to the suitability of an investment and does not handle share transfers or money. We cannot, therefore, see a reason to overregulate so as to provide no benefit to the public and require them to register as broker dealers thus crushing the very idea of crowd sourced funding as a people driven force for the good of the "everyman."

Question #234 & 235

The commission asked, if, express compliance with the BSA by funding portals, as proposed, necessary?

In so far as a web portal does not handle cash it would seem unnecessary provided investors are required to have an American Bank account or social security number or that membership to the site required certain conditions. Currently, payment platforms which will transact business for crowd sourced funding portals all have anti-money laundering procedures in place. The issue of money laundering is, therefore, already well safeguarded.

Question # 251 through 255

A financial cap, as suggested by one person commenting on the issuer's asset value, would be a simple and transparent method of regulating the "issue," creating a direct method of exempting the issuer from the record holder count. This is an essential feature of future crowd sourced funding.

We have already summarized the nature of crowd sourced funding portals, including the value of the exemption to the record holder count.

If the exemption without limitation does not survive all future transfers, the investor's liquidity would almost certainly be diminished as doubtless issuers would need to restrict transfers in order to maintain compliance requirements.

Question # 288

The question raised by the commission was if crowd sourced funding could rely upon the wisdom of the crowd?

Not always, but It is the general public, members of the crowd, who have often provided oversight and raised alarms far earlier than many regulatory bodies have done so in matters of stock fraud and deception. There may be a need for some oversight, however.



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In summary, it would have been our wish to see an exception in the true spirit of crowd sourced funding where an issuer seeking a maximum of \$100 per individual from a minimum of 100 individual investors and a maximum of 10000 individuals was truly exempt from the need to make regulatory filings. This type of true crowd sourced funding would appeal to subscribers and issuers alike with minimal individual risk and a larger presence of the 'wisdom of the crowd' principle.

We are concerned by the reference to background checks* and the need for them when it is our understanding that under current Regulation D filings made to accredited investors issuers or those creating a PPM do not require these. The overhead generated seems onerous, and we think that the declarations required by the issuer should be sufficient.

We are also concerned and confused by the numerous references to solicitation and by the idea of what is considered solicitation by a web portal. The very nature of crowd sourced funding has been such that the crowd and the issuer has promoted the offering by driving traffic via web links to the funding portal.

Given that the whole idea behind crowd sourced funding is the promotion of the offering by emailing friends, family and associates and posting on social network platforms we cannot understand what detrimental effect such promotion would cause. Since an offer for securities listed on a crowd funding portal would detail the offer, the use of funds the resume and background of the issuer what possible negative effect could driving more eyes to the offer and portal in general possibly have?

We had also planned, as an initial launch of equity investing through web portals to list a portion of the equity in our own entity on our web site as a belief and commitment to the concept of, 'for the people, by the people,' under the proposed rules we would be precluded from such an offer which we find greatly disappointing and wonder on what basis the commission feels such an offer would be a negative.

The team at PeoplePowerFund.com greatly appreciates the opportunity to share our thoughts and insights and thank the Commission in advance for its wisdom and expedient resolution to the finalizing of the rules to cover crowd sourced funding for equity investing.

Sincerely,

SMayer

Steve Mayer for

The team at PeoplePowerFund.com