

February 3, 2014

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

Re: Crowdfunding, File Number S7-09-13

Ms. Murphy:

I commend the Commission for diligently preparing the proposed rules for Regulation Crowdfunding and feel that they represent an excellent compromise of effective regulation while not being unnecessarily burdensome. This industry will not exist without effective and thorough regulation and oversight. The types of investment that will utilize Regulation Crowdfunding are inherently high risk; investors will have no tolerance for additional risks of unscrupulous issuers working with little oversight or transparency. Though these regulations cause some up-front costs, these costs will more than repay themselves through providing a viable market with willing investors and higher valuations from reduction of risks.

With the breadth and depth of information available from the history of capital markets, it is easy to see the power of and necessity of strong regulation in capital markets. The least regulated markets, such as OTC penny stock markets, have developed poor reputations rendering them to minimal use and causing companies utilizing these markets to acquire deep discounts in their valuations from the increased risks of such markets. Prior to regulation, mutual funds were highly speculative, rarely used investment vehicles. After the stiff regulatory environment instilled through the 1940 Act, mutual funds are now by far the most common investment vehicle. Despite the heavy regulation on this industry, it has evolved and increased its efficiency to the point that now many ETF funds have expense ratios south of ten basis points, demonstrating that regulation does not have to be expensive to be effective. The goal of most private companies is to go public due to the public stock markets being so efficient. There is a significant premium on publically available stocks due to the liquidity premium and the public's trust in these markets. This efficiency is maximized by regulation, rather than constrained by it. Investors have demonstrated they want information, confidence, liquidity, and transparency. All of these are achievable in Regulation Crowdfunding offerings with the right regulation; to provide such the Regulation Crowdfunding rules need to look more like publically traded stocks and less like private offerings. I believe the proposed rules achieve this.

Regulation Crowdfunding opens a new world of investment to issuers that have previously been constrained to bank loans, friends and family offerings, and the hopes of venture capital investment. All of these sources have additional information that is unavailable to Regulation Crowdfunding investors without appropriate regulation: personal experience with issuer, mutual rapport with the issuer, and/or extensive due diligence by professionals at VC firms and banks. Without such protections other regulations are necessary to promote a viable market investors will want to invest in. The audit and review requirements are therefore pivotal to the success of this market, as they represent the key outside verification of the issuers' information that will be available to investors. Many of these small issuers will

not have the level of experience and knowledge of financial reporting requirements to properly report and disclose their finances, so without this outside verification issuers' financial statements will be of little value to investors. Without third party verification the likelihood of investment under this regulation is low.

Additionally, the Regulation Crowdfunding market's reputation is going to be pivotal to its success. Imagine how the reputation of the industry would suffer if soon after its commencement, fraudulent issuers produced false financial statements and issued \$1M offerings, only to take that money for personal use. The reputation of the industry would be crushed before it got off the ground. Such a scenario is not likely with the audit and requirements, providing assurance on the biggest, most newsworthy offerings – thereby demonstrating why this is such a crucial aspect of the regulations.

I am excited for Regulation Crowdfunding to become reality and transform the capital markets for small businesses across the country. To ensure this happens, I offer the following input to the proposed regulations:

#24: Should we require any additional disclosures (e.g. disclosure about significant employees)? Is there other general information about the issuer or its officers and directors that we should require to be disclosed? If so, what information and why?:

I agree with the period and the extent of these disclosures. Particularly for pure start-ups the experience and competency of its team would be a pivotal consideration of an investor. Additionally, I think requiring disclosure of educational background of officers could enhance the informational value to investors. By requiring these disclosures investors will be entitled to uniform information across issuers and be less susceptible to misleading through omission. Further, putting this information in the offering documents would deter fraud through misleading investors on the experience and competency of its officers via outside communications.

#46: Should we require any additional disclosures (e.g. should we require disclosure about executive compensation and, if so, what level of detail should be required in such disclosure)? If so, what disclosures and why?

A key risk area in investing in a start-up entity is the non-cash liabilities and equity obligations the issuer has exposed themselves to, such as deferred compensation, stock options or warrants, contingent payments for services, shareholder loans and other related party loans, contingent liabilities, etc. Since this information would not necessarily be disclosed elsewhere, especially in the case offerings not subject to audited or reviewed financial statement requirements, this should be made a required disclosure to the extent this information is not fully disclosed within the attached financial statements.

#51: Should we exempt issuers with no operating history or issuers that have been in existence for fewer than 12 months from the requirement to provide financial statements, as one commenter suggested? Why or why not? Specifically, what difficulties would issuers with no operating history or issuers that have been in existence for fewer than 12 months have in providing financial statements? Please explain.

No. As the authors have noted such financial statements are useful to investors. Even at the earliest stages of operation a company can engage in seemingly minor obligations that have potential for tremendous impact in the near future. For instance, if a programmer for an issuer was granted low dollar stock options as compensation for development services, this information, including all the required disclosures around such, would be of great use to an investor and the omission of such information could create a material detriment to an investor. Audited financial statements are important for more than just hard numbers, even for a zero revenue startup. There is much disclosure that is also audited that could be invaluable to investors, such as: verifying that the business was properly formed, policies, risks, concentrations, explanations of the material account balances explaining any particulars to the issuer, use of estimates, commitments and contingencies, composition of material items in the financial statements, compliance with debt covenants, and related party transactions.

Further, by setting the reporting precedent for newly formed companies they will be better prepared to handle high volume, high complexity financial reporting issues they encounter after funding. Getting a public accountant involved early will serve issuers greatly in developing strong internal controls and financial reporting procedures.

Finally, as the authors noted, GAAP financials are scaled such that the production of financial statements and auditing of the same would be of minimal time burden and cost. For a pure start-up with no complex transactions or revenue the audit fee would be minimal relative to the value it brings to the investor and transaction.

If such an exception were to be included in the final rules, it should include prohibitions against the transfer of existing businesses and include requirements for on-going reporting as normal for its issuance tier.

#52: If we were to exempt issuers with little or no operating history from the requirement to provide financial statements, should we require additional discussion of the fact that the issuer does not have an operating history? If so, what additional discussion should we require?

See response to #51. If such exemption were to be made, disclosures should be required around any contracts, obligations, and verbal agreements that the issuer has entered into, and a thorough discussion of all operating activities and financial transactions.

#53: Section 4A(b)(1)(D) establishes tiered financial statement requirements based on aggregate target offering amounts within the preceding 12-month period. Under the proposed rules, issuers would not be prohibited from voluntarily providing financial statements that meet the requirements for a higher aggregate target offering amount (e.g., an issuer seeking to raise \$80,000 provides financial statements reviewed by a public accountant who is independent of the issuer, rather than the required income tax returns and a certification by the principal executive officer). Is this approach appropriate? Why or why not?

Yes, this should be a cost/benefit option available to an issuer to benefit investors.

#55: Should we require issuers to provide two years of financial statements, as proposed? Should this time period be one year, as one commenter suggested, 203 or three years? Please explain.

While providing multiple years financial statements would provide trend information that could be of value to some investors for some investments, the primary value of the audit and review requirements is achieved through a single year audit and would not be greatly enhanced with a two year requirement. I do not believe the additional cost of a second year audit would justify marginal value it would provide investors.

#56. Should we require some or all issuers also to provide financial statements for interim periods, such as quarterly or semi-annually? Why or why not? If so, which issuers and why? Should we require these financial statements to be subject to public accountant or auditor involvement? If so, what level of involvement is appropriate?

Quarterly basic financial reporting should be required to allow investors and the secondary market (once available) timely information and oversight. This reporting could serve to alleviate risks by allowing investors to identify troubling patterns or concerning activity in a timely manner. This should not include full GAAP financial statements, but rather select financial information such as a balance sheet, income statement, and statement of cash flows, along with any other information the issuer may find useful for their investors. To reduce administrative burdens and costs public accountants should only be required to opine on an annual basis.

#57. As proposed, subject to certain conditions, issuers would be able to conduct an offering during the first 120 days of the issuer's fiscal year if the financial statements for the most recently completed fiscal year are not yet available. For example, an issuer could raise capital in April 2014 by providing financial statements from December 2012, instead of a more recent period. Is this an appropriate approach? If the issuer is a high growth company subject to significant change, would this approach result in financial statements that are too stale? Should the period be shorter or longer (e.g., 90 days, 150 days, etc.)? What quantitative and qualitative factors should we consider in setting the period? Should issuers be required to describe any material changes in their financial condition for any period subsequent to the period for which financial statements are provided, as proposed? Please explain if you do not believe this description should be required.

My primary concern with this approach is that it would allow a company with poor operating results in the most recent year to conceal such from investors but having audits conducted on the prior year's financial statements. This could be circumvented by providing a rule that prior year's financial statements with an

opinion dated within 120 days of the offering date would not be allowed to be used.

#58. The proposed rules would require issuers offering \$100,000 or less to provide financial statements that are certified by the principal executive officer to be true and complete in all material respects. Should we require issuers offering more than \$100,000, but not more than \$500,000, and/or issuers offering more than \$500,000 to provide financial statements that are certified by the principal executive officer to be true and complete in all material respects? Why or why not?

Yes, the principal executive officers should be held liable for financial reporting and by requiring their certification risks would be reduced. Further, this requirement would serve to reduce the public accountant's risk thereby reducing the cost of performing an audit.

#61. As proposed, the accountant reviewing or auditing the financial statements would have to be independent, as set forth in Rule 2-01 of Regulation S-X. Should we require compliance with the independence standards of the AICPA instead? Why or why not? If so, similar to the requirement in Rule 2-01 of Regulation S-X, should we also require an accountant to be: (1) duly registered and in good standing as a certified public accountant under the laws of the place of his or her residence or principal office; or (2) in good standing and entitled to practice as a public accountant under the laws of his or her place of residence or principal office? Is there another independence standard that would be appropriate? If so, please identify the standard and explain why. Alternatively, should we create a new independence standard for purposes of Section 4(a)(6)? If so, what would be an appropriate standard? Please explain.

AICPA independence standards would be more appropriate as Regulation S-X Rule 2-01 contains various provisions specific to public issuers. Therefore, the Commission would have to modify the Regulation S-X rules for Section 4(a)(6) offerings in order to relieve accountants operating under this regulation from PCAOB oversight and reviews. I further refer to and concur with the Grassi & Co. January 20, 2014 Comment Letter on this question.

#62. As proposed, the accountant reviewing or auditing the financial statements must be independent based on the independence standard in Rule 2-01 of Regulation S-X. Are there any requirements under Rule 2-01 that should not apply to the accountant reviewing or auditing the financial statements that are filed pursuant to the proposed rules? Why or why not? Are there any that would not apply, but should? For example, should the accountant reviewing or auditing the financial statements of issuers in transactions made in reliance on Section 4(a)(6) be subject to the partner rotation requirements of Rule 2-01(c)(6)? Why or why not?

See #61 response.

#63. As proposed, an issuer with a target offering amount greater than \$100,000, but not more than \$500,000, would be required to file with the Commission, provide to investors and the relevant intermediary and make available to potential investors financial statements reviewed by an independent public accountant in accordance with the review standards issued by the AICPA. Is this standard appropriate, or should we use a different standard? Why or why not? If so, what standard and why? Alternatively, should we create a new review standard for purposes of Section 4(a)(6)? If so, what would be an appropriate standard and why would it be more appropriate than the one proposed? What costs would be involved for companies and accountants in complying with a new review standard? How should the Commission administer and enforce a different standard?

A new standard should not be established as the current standards are adequate for the purposes of Regulation Crowdfunding issuances. Establishing and

maintaining a new set of standards would require extensive time and effort from the Commission.

#64. Section 4A(b)(1)(D)(iii) requires audited financial statements for offerings of more than \$500,000 “or such other amount as the Commission may establish, by rule.” Should we increase the offering amount for which audited financial statements would be required? If so, to what amount (e.g., \$600,000, \$750,000, etc.)? Please provide a basis for any amount suggested. Should we identify additional criteria other than the offering amount, as one commenter suggested,²⁰⁴ that could be used to determine when to require an issuer to provide audited financial statements? If so, what should those criteria be?

This threshold should not be increased. Start-up entities in particular would benefit greatly from process and this step serves to circumvent both fraud and incompetent issuers. Most importantly, audits are the key element of the regulations to induce investor confidence in this market.

The Wall Street Journal published the results of a University of Chicago Booth School of Business study of 10,000 closely held businesses to the find value of an audit relative to interest rates. The study indicated an average of a 69 basis point interest rate reduction for audited issuers compared to non-audited issuers. Similar findings from multiple other studies have been published (“The Value of Auditor Assurance: Evidence from Loan Pricing” David Blackwell, Thomas Noland, Drew Winters; “The Value of Financial Statement Verification in Debt Financing: Evidence from Private U.S. Firms” Michael Craig Minnis; “The Demand for Financial Statements in an Unregulated Environment: An Examination of the Production and Use of Financial Statements by Privately Held Small Businesses” Kristian Allee, Teri Lombardi Yohn) clearly showing reduced interest rates resulting from audited financial statement’s availability. This demonstrates reduced risk profiles of companies that have been audited from the perspective of the investor.

It should be further noted that while these reductions represent significant reductions in issuers risk profiles, these statistics are relative to bank loans. In the process of approving a bank loan the loan officer performs extensive due diligence to a degree that is far beyond that available to a Regulation Crowdfund investor. For instance, it would be customary for a loan officer to get all historical financial on the business, any affiliated businesses, and each owner, including personal financial statements and tax returns. In the case that significant real estate or equipment was involved, the bank would appraise such or seek broker price opinions on equipment to substantiate the valuation. Further, it is customary for a bank to collateralize bank loans not only to all business assets and real estate, but also to such of the owners, and then require the owners to sign personal guarantees to the full loan amount from personal assets. After all of this due diligence and with all these additional guarantees, the bank still places significant risk reduction value on audited financial statements.

The Blackwell, Noland, Winters study found that about half of the cost of an audit is made up for in interest rate savings. It is reasonable to infer that audit costs would be much lower for start-ups with little financial activity relative to the small businesses in the study which had sufficient financial activity and assets to receive a bank loan. Further, such start-ups in Regulation Crowdfunding would

be much riskier than the study's bank loan recipient companies, thereby increasing the value of an audit. With these reduced audit costs and increased risk reductions, it is reasonable to conceive audits for these issuances to be an overall valuation benefit to issuers, rather than a cost.

The studies also conclude that unaudited companies have significantly higher rejection rates. This is notable relative to Regulation Crowdfund investing; if banks whom can perform extensive due diligence with significant protections are unwilling to lend money to companies based on unaudited information, why would the crowd make such investments when they have little other means of due diligence? The fact is they will not invest without a trusted 3rd party source staking their name and livelihood on the accuracy of the financial statements.

A commenter (Artic Island 12/6/2013) offered a situation where family business existing over several generations with poor recordkeeping sought a Regulation Crowdfunding raise, pointing out its disadvantage in the Regulation Crowdfunding marketplace under the proposed regulations. Disputing this, I would assert Regulation Crowdfunding is not a good model for this issuer as an investor could not reasonably expect to get accurate distributions of income from a company unwilling or unable to maintain its financial records. This is an example of how an audit prior to issuance sets a strong starting point to clean up records for future maintenance and get the financial house in order by implementing proper accounting, financial reporting systems, and internal controls. Further into this hypothetical scenario the commenter states an audit would be "literally impossible." This is simply not true, an audit is a point in time test, so the auditor can disregard the complete history of the company as long as they are able to get comfortable with the one additional data point, beginning balance sheet. Most companies would have little long-term balance sheet activity and that which they do have would be plant, property, and equipment and other real estate holdings for which they would have detailed historical records for income tax purposes. If they did not, then they would not be compliant with tax provisions and would not be a prudent investment anyways.

Several commenters and recent articles point to the \$5M audit threshold for Regulation A offerings as a reason to increase the audit threshold. This is obviously an unfair argument as the rules for such offerings are very different and contain many compensating protections that are not available under Regulation Crowdfunding offerings, such as SEC review of offering statements and lack of State preemption. Therefore, this should not provide a basis for altering the audit threshold for Regulation Crowdfunding offerings.

The Startup Valley comment letter calls the audit requirement "costly, time-consuming, and not necessary for a company with no financials to audit." While we cannot dispute there is both cost and time associated with an audit requirement, the more relevant question is whether such costs and time are justifiable relative to the value provided to investors in being able to rely upon the financial statements. Reverting to prior discussions, the value of audits is clearly supported by academic studies providing definitive value provided by audits. So, putting time and money aside one cannot dispute there is value to an audit.

Therefore, the argument becomes whether the assurance provider's service is worth more or less than what they are charging. As previously discussed, it is likely that the value received by issuers through having audited financial statements will exceed the cost of the audit through reduced rejection rates, increased market participation, and higher valuations from the risk mitigation provided by the audit opinion.

While some larger firms would tend to agree with the fee estimates for audits and reviews presented in the proposed rules, these fee estimates are overstated relative to new start-ups with low levels of financial activity, and also overstated for the fee levels of the hundreds of smaller boutique public accounting firms across the country preparing to service these offerings. Entities looking to raise under \$1M are in the market commonly serviced by local and smaller regional firms, rather than the large national and regional firms. The reduced overhead and efficiency of these firms allows them to operate at much lower billing rates and complete high-quality audits in a fraction of the time of the larger firms. The larger firms simply do not bid on projects of this size for that reason, so their much higher fee estimates are not overly relevant to this discussion.

With fraud being a primary concern with Regulation Crowdfund investing, the audit requirement provides investors with a degree of protection from common fraud schemes that could utilize Regulation Crowdfunding. Without the audit requirements, perpetrators of a Ponzi Scheme could use repeated offerings to pay back prior issuance's investors with new offerings proceeds. The on-going audit requirement would likely identify the transfer of funds into the prior offering books and payments of dividends from such. Another common scheme Regulation Crowdfunding could be susceptible to without an audit requirement is a pump-and-dump-like scheme, without the dumping. Under this scheme companies with no real business plans could get funded using Regulation Crowdfunding, then simply take the proceeds for personal use. The initial audit requirement provides a significant hurdle where such issuers would need to provide substantial evidence of the proper formation of the business and its plans, fund the cost of the audit in front of the offering, and would be unable to falsify historical financial statements to entice investment due to the audit. If the perpetrator made it past this and funded the company using its actual financial information, the on-going audit would likely uncover the personal use of the proceeds and lack of true business activity in the subsequent audits.

Provided these considerations, I conclude the current threshold established by the Act is appropriate and alleviates many of the greatest risks associated with Regulation Crowdfunding issuances.

#65. Should financial statements be required to be dated within 120 days of the start of the offering? If so, what standard should apply? Should those financial statements be reviewed or audited? Why or why not?

This rule could become contradictory to the other proposed rule of a 120 day from year end requirement. My response to #57 addresses this issue.

#66. Under Rule 502(b)(2)(B)(1)-(2) of Regulation D, if an issuer, other than a limited partnership, cannot obtain audited financial statements without unreasonable effort or expense, then only the issuer's balance sheet must be audited. Should we include a similar provision in the proposed rules? Why or why not? Should we provide any guidance as to what would constitute unreasonable effort or expense in this context? If so, please describe what should be considered to be an unreasonable effort or expense. If we were to require an issuer's balance sheet to be dated within 120 days of the start of the offering, should we allow the balance sheet to be unaudited? Why or why not?

Only requiring an audited balance sheet provides minimal assurance and information to an investor. GAAP is not as effective for single statement presentation and crucial disclosures would not be required by allowing this exemption. Further, investors are generally much more interested in income and cash flow activity of a company than only the balance sheet.

#67. As proposed, an issuer with a target offering amount greater than \$500,000 could select between the auditing standards issued by the AICPA or the PCAOB. Should we instead mandate one of the two standards? If so, which standard and why? Alternatively, should we create a new audit standard for purposes of Section 4(a)(6)? If so, what would be an appropriate standard? What costs would be involved for companies and auditors in complying with a new audit standard?

From an investor's perspective there is little difference between an audit performed under either of these two methods. However, from a public accountant's perspective there are vast differences. PCAOB standards are adopted for its subject users: large, publically-traded companies. These standards contain many requirements that would simply be burdensome and unnecessary for the smaller issuers utilizing this exemption. Specifically, PCAOB requires much work around internal controls and entity level controls that make sense for large companies with ERS systems and SOX compliance requirements, but would be tremendously burdensome to a small issuer while bringing little value. There is also a significant billing rate premium that would be applied to PCAOB audits due to the higher compliance costs and risks.

#68. Should we require that all audits be conducted by PCAOB-registered firms? Why or why not?

No, see response to #67. The cost of audits under PCAOB standards would create unnecessary expenses.

#70. As proposed, an issuer receiving an adverse audit opinion or disclaimer of opinion would not satisfy its requirement to file with the Commission, provide to investors and the relevant intermediary and make available to potential investors audited financial statements. Should an issuer receiving a qualified audit opinion be deemed to have satisfied this requirement? Should certain qualifications (e.g., non-compliance with U.S. GAAP) result in the financial statements not satisfying the requirement to provide audited financial statements while other types of qualifications would be acceptable? If so, which qualifications would be acceptable and why?

Several commenters have stated that most start-up companies would raise significant doubt to their ability to continue as a going concern, and such commenters have incorrectly stated that this results in a qualified audit opinion. This is not true. A going concern opinion is an unqualified opinion with an explanatory paragraph. This would only rise to a qualified opinion if the auditor

determined the disclosure of the going concern by the entity to be insufficient under GAAP and the issuer's management refused to modify the disclosure appropriately.

Nevertheless, allowing qualified opinions would benefit the market as it still provides significant assurance and directs users of the financial statements to the specific area(s) of concern, thereby allowing the investor to determine the risk of misstatement and make their own determinations. Qualified opinions are often used when there is a higher risk estimate that the auditor is unable to gain sufficient information to determine if the estimate is reasonable. The opinion would be worded that the rest of the financial statements are fairly stated, then point to the particular item to which they were unable to gain sufficient assurance to. Therefore, I believe this type of opinion provides the users of the financial statements sufficient information and assurance on the remainder of the issuer's financial position to make a well informed investment decision.

#80. Should we require ongoing annual reports, as proposed? Why or why not? Should we require ongoing reporting more frequently than annually? Why or why not? If so, how often (e.g., semi-annually or quarterly)?

Quarterly basic financial reporting should be required to allow investors and the secondary market (once available) timely information and oversight. This reporting could serve to alleviate fraud risks by allowing investors to identify troubling patterns or concerning activity in a timely basis. This should not include full GAAP financial statements, but rather select key financial information such as a balance sheet, income statement, and statement of cash flows, along with any other information the issuer may find useful for their investors. To reduce administrative burdens and costs public accountants should only be required to opine on an annual basis.

On-going reporting requirements will have the ancillary benefit of keeping the entrepreneurs on-track and accountable for their projections. Milestones, deadlines, and check points often have a strong motivating effect.

#86. Should we require that reviewed or audited financial statements be provided only if the total assets of the issuer at the last day of its fiscal year exceeded a specified amount, as one commenter suggested?²³² Why or why not? If so, what level of total assets would be appropriate (e.g., \$1 million, \$10 million, or some other amount)? Are there other criteria (other than total assets) that we should consider? Please explain.

No. Investors have limited protection after issuance, with the key protection being the ongoing audit or review requirements. Removing this requirement would allow for fraudulent reporting to extend over a long period of time and avoid investors' ability to uncover fraudulent activity or reporting.

Removing this requirement would also have the consequence of squashing the hope of a lively secondary market as secondary investors would be largely unwilling to participate in such a marketplace due to the increased risks. This transparency would benefit initial investors as well by providing them with the secondary market to cash out of securities at higher valuations due to the reduced risks provided by the audit or review.

Additionally, using assets as a standard measuring stick would allow a great deal of industries to avoid the requirements as many industries are not capital intensive and would have minimal assets despite high levels of revenue and expense activity.

#90. Should issuers be required to file reports to disclose the occurrence of material events on an ongoing basis? What events would be material and therefore require disclosure? Should we identify a list of material events that would trigger a report, similar to the list in Form 8-K235 (such as changes in control, bankruptcy or receivership, material acquisitions or dispositions of assets, issuances of securities and changes to the rights of security holders)? Or should we require that all material events be reported without specifying any particular events? How many days after the occurrence of the material event should the issuer be required to file the report? Please explain.

This requirement would support the viability of secondary markets by reducing potential non-public information that could hinder secondary investors. With this requirement, there should be a comprehensive, objective list of material events to trigger such disclosure similar to that for Form 8-K.

#91. We have the authority to include exceptions to the ongoing reporting requirements in Section 4A(b)(4). Should we consider excepting certain issuers from ongoing reporting obligations (e.g., those raising a certain amount, such as \$100,000 or less)? Should any exception always apply or only after a certain number of reports have been filed? Please explain.

On-going reporting is necessary to support the viability of secondary markets so all issuers should be required to file such disclosures subject to the proposed rules for termination.

I appreciate your time and consideration.

Sincerely,

Craig Denlinger