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

Re: (*File No.:* S7-09-13); Parallel Offerings Under 4(a)(6) and Other Exemptions; Release 33-9470

Dear Ms. Murphy:

I am writing you on behalf of the Crowdfund Intermediary Regulatory Advocates ("CFIRA"), a crowdfunding trade organization that lobbies and advocates for regulations that will support the crowdfunding industry in connection with Title II and Title III of the Jumpstart Our Business Startups Act of 2012. CFIRA's role is to protect the interests of investors and issuers, and advance the common business interest of intermediaries and third party service providers in the securities industry. Our members are comprised of intermediaries (broker-dealers and funding portals), issuers, investors, and third party service providers who are engaged in or who intend to engage in business under Titles II and III.

The question you presented was whether the SEC should prohibit an issuer from concurrently offering securities in reliance on Section 4(a)(6) and another exemption. As the rules stand, they do not prohibit such a concurrent offering. We commend you for the decision to draft the rules to permit such offerings, which we believe is the best choice for all crowdfunding participants.

The proposed rules, however, would prohibit an issuer from conducting concurrent offerings in reliance on Section 4(a)(6) using more than one intermediary. We believe that this will make concurrent offerings too restricted and since only intermediaries registered as a Funding Portals and Broker Dealer will be able to perform both Section 4(a)(6) offerings and other exempt offerings. This will make it impossible for a client of a funding portal intermediary to engage in a concurrent offering, as only broker-dealer intermediaries can be authorized to facilitate other exempt offerings.

For the following reasons, explained in further detail below, we believe that the SEC should not prohibit an issuer from concurrently offering securities in reliance on 4(a)(6) and another exemption, and should permit intermediaries to collaborate in conducting concurrent offerings so long as the offering is led by a lead Intermediary as prescribed in syndication models.

Permitting an issuer to concurrently offer securities in reliance on 4(a)(6) and another exemption, utilizing one or more intermediaries:

1. is more in line with historical interpretations of the integration doctrine;
2. promotes a healthy crowdfunding marketplace by, among other things, creating advantages for the crowd in participating in investment opportunities with other, accredited investors;
3. creates greater capital availability for entrepreneurs; and
4. creates a more level playing field for funding portal intermediaries.

Permitting parallel crowdfund offerings with offerings made under other exemptions is more in line with the stated purpose of the integration doctrine.

In Release No. 33-8828 (August 3, 2007), the SEC explained the purpose of the integration doctrine was to "prevent an issuer from properly avoiding registration by artificially dividing a single offering into multiple offerings such that Securities Act exemptions would apply to multiple offerings that would not be available for the combined offering."

We believe that offering crowdfunded securities concurrent with another exempt offering is not an "artificial dividing [of] a single offering into multiple offerings."

By offering crowdfunded securities concurrent with another exempt offering, we respectively request the SEC to consider drafting a 'safe harbor from integration' (as in Reg. D Sec. 502(a)) for crowdfunded offerings into the regulations.

A healthy crowdfunding marketplace will be created by not integrating crowdfunding offerings with other exempt offerings.

Integration will force small businesses that are trying to raise capital to choose between, for example, a potentially larger Reg. D offering and a crowd funded offering. This could have the unintended consequence of excluding unaccredited investors from participation in issues of startups and growth-oriented companies that are viewed as more promising and more likely to succeed. Thus positioned, such issuers will likely select raising capital via a Reg. D offering to avoid the $1 million cap imposed upon crowdfunded companies under Title III.

The artificial exclusion of unaccredited investors from the most promising investments could negatively impact not only the individual investors, but the nascent crowdfunding industry. Permitting unaccredited investors to participate in a concurrent round with accredited investors, as the Commission has drafted in the proposed rule, will allow them to invest alongside more sophisticated investors who are investing using another exemption.

Permitting parallel offerings will lead to greater capital formation.

The $1 million cap on crowdfund offerings will be less restrictive, and promote greater capital formation, because accredited investors will be able to invest more significant amounts in the same companies in a parallel exempt offering. This will mean greater access to capital for entrepreneurs, and more positive economic effects, including economic growth and job creation.

The members of CFIRA remain available for further discussions relating to parallel exempt offerings and crowdfund offerings. We look forward to continuing our work with the Staff and to making crowdfund investing a success for both investors and entrepreneurs.

Respectfully submitted,

Chris Tyrell
Chairman, CFIRA
CEO, OfferBoard

Kim Wales
Wales Capital, CEO
CFIRA Executive Board Member

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